

Appalling conditions continue in China's toy factories

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In recent years, several reports have exposed the harsh working conditions in Chinese toy factories, which produce almost 75 percent of the world's output. The perspective behind many of these reports was to shame multinationals such as Wal-Mart, Mattel, McDonalds and KFC into ensuring decent conditions and pay in the plants that churn out their toys.

However, investigations last year by China Labor Watch show that the appalling exploitation of Chinese workers continues unabated. Three reports issued in September and December 2005 detailed working and living conditions in 13 factories in Dongguan City, Guangdong province.

Across the Chinese mainland about 8,000 toy making companies employ some 3.5 million workers. More than half the toy exports come from Guangdong province—some put the figure as high as 65 percent—and an estimated 301 new factories were set up in the province during the first seven months of 2005, mostly Hong Kong-owned.

The number of workers employed in the 13 surveyed factories varied from 300 to 4,000. Excessive working hours, debilitating temperatures of up to 100 degrees Fahrenheit (37.7 degrees Celsius), dangerous equipment, toxic glues, paints and solvents, cramped dormitories, abusive managers, crooked hiring practices and wages below even China's legal minimum were the order of the day.

The working week was grueling—a 13-hour to 15-hour day was common, with one day off a week or in some cases just one night off. During the peak season, typically from September to the end of May, workers were allowed only one day off a month. In some factories, mandatory all-night shifts of 16 to 19 hours were common during busy periods. Lunch and supper breaks accounted for 2.5 hours each shift.

Chinese labour law stipulates an eight-hour day with a maximum three hours of overtime. All but one of the factories under investigation routinely flouted this law.

Toy workers were also systematically cheated out of their wages. Just one factory paid workers in accordance with labour law. In most factories, extra pay for overtime or for Saturday or Sunday work was unheard of. Many employers withheld the first month's wages and workers were often paid for the first time at the end of the second month.

By law, production quotas and piece rates must be set at levels that provide the new minimum wage of 41 cents an hour, decreed by the government in March 2005. Not so at the Huangwu No 2

factory, which makes toys for Wal-Mart and Dollar General. In the spray paint department, workers earned 28 yuan per day or \$3.45. That was 43 cents an hour but only if they reached their production quotas within the regular eight hours.

To achieve that, an experienced worker had to paint 8,920 small toy pieces a day or one every 3.23 seconds—an astounding \$0.0003862 cents per operation. Workers who failed to meet their quota had their wages reduced to 12 yuan or \$1.48 a day, or 18 cents per hour.

Recent assembly line speed-ups meant that workers producing small plastic heart-shaped children's rings had to complete 10,000 operations a day at the relentless pace of one every three seconds. Workers passed out from exhaustion. The constant repetition left workers with bleeding and blistered hands and fingers.

The Lungcheong factory, making toys for Wal-Mart, Mattel and MFA, nominally complied with the new minimum wage. But in order to gouge back the increase they sped up production lines, raised production quotas and hiked up dormitory fees and canteen food prices. More fines were handed out and existing bonuses taken away. Workers often had to keep working long overtime hours without pay just to complete their quotas and receive the base wage.

An average assembly line of 55 workers at this factory had a quota of assembling 1,000 "Big Foot Ragin' Monster Trucks" in eight hours. Each worker had to complete a truck every 26.4 minutes. The direct labour cost was 18 cents per truck—less than 0.3 percent of Wal-Mart's retail price of \$64.97.

In all factories, a series of fines existed to fleece workers. At Lungcheong, for being one minute late, the fine was 1.5 yuan or 18 cents. For being 10 minutes late, it was 30 yuan or \$3.70, which is more than a full day's wage. Anyone arriving more than 30 minutes late was docked an entire day's wage, including overtime.

It was compulsory for employers to insure workers against work-related injuries and illnesses, provide maternity leave and co-fund retirement benefits. These requirements were routinely ignored. At the Lungcheong factory, workers had to sign an agreement acknowledging that the company bore absolutely no responsibility if they were injured on the job.

To cover their tracks, some employers bought insurance for a few workers when the Ministry of Labour and Social Security scheduled a site inspection, but it was obvious that the employers had no fear the government would police these laws stringently. At the Huangwu factory, only a handful of older workers were

insured, despite constant health risks. Nose bleeds were frequent in the spray paint department, where people suffered constant exposure to oil-based paints but were supplied only with very thin facemasks.

Almost all workers came from rural provinces such as Guizhou, Hunan and Hubei and Henan. The majority were usually female and young. There was a policy of hiring 18- to 30-year-old workers. Employers were prohibited from hiring labourers younger than 16 years of age but it was a common practice.

All the major toy plants had on-site dormitories. Living in them was voluntary but workers usually did so out of necessity, because it was cheaper than renting a flat. Accommodation inside the factory compounds was sometimes free, but most monthly fees ranged from 25 to 50 yuan. Some workers paid rent outside—up to 150 yuan or \$18 a month—for the sake of privacy and freedom as many factory dormitories imposed a midnight curfew.

Dormitory conditions ranged from adequate to very poor. There were separate male and female quarters. Buildings usually had 6 to 10 floors, with up to 20 rooms per floor. Each room had 4 to 14 sets of two-tiered bunk beds but there was usually just one bathroom and toilet per floor. As many as 400 workers shared one bathroom. Most rooms had fans and most dorms had hot water and electricity but often only for a certain number of hours.

Because working hours were so long and dormitories were not equipped with kitchens, workers rarely prepared their own food and were forced to eat in factory cafeterias or nearby cafes. In many cases, factories deducted monthly cafeteria fees regardless of whether employees ate in them or not. Workers complained that the cafeterias were unsanitary, and the food was insufficient and of poor quality.

Most workers were not union members and had little idea of what unions were. It would appear that employers established unions as fronts. At the Lungcheong factory a union was established in 2004, but workers knew little about it except that three people occupied the union office. Its main function seemed to be organising weekend dance parties, which were mostly attended by office staff rather than workers, who were either working or too exhausted. All workers paid union dues of one yuan or 12 cents a month—just one more way of robbing them.

An official union existed at the Huangwu factory, but had only two members—the plant director and the manager. Workers were not permitted to join.

In response to earlier exposures of such conditions, the multinationals have attempted to portray themselves as seriously committed to corporate codes of conduct, backed by factory monitoring programs. This begs the question. Why have the combined efforts of Wal-Mart, the largest toy seller in the world, Mattel and others failed to put a stop to this human misery?

For a start, the corporate giants always notify factories in advance of monitoring visits. This serves to warn employers to clean up the plant and prepare workers for the visit. Signs are posted on workshop doors instructing workers how to respond to questions that monitors may ask them. Commonly, new workers and those who cannot be trusted to adhere to the script are forced to take the day off without pay. Most workers censor themselves, knowing that if they spill the beans they will be immediately fired

once the monitors leave. They are given bonuses for responding correctly to monitors' questions.

China Labor Watch executive director Li Qiang noted that as factories frequently had four or more clients, multinationals often claimed that if laws were broken, they could not be held responsible for the work orders of other companies. As he observed, however, the corporations paid close attention to even the slightest changes in costs—changes that could and have led them to move production to other plants and other countries as soon as profit rates fell fractionally. This belied their professed inability to stay informed of working hours or pay levels.

In other words, the conditions imposed on workers flow inevitably from the relentless slashing of production costs in pursuit of profit.

As for the Chinese authorities, they have accommodated the profit drive by dismantling state-run industries and driving millions of workers and peasants out of the countryside and into the cities. Government bureaucracies, both national and provincial, accept and police unbearable conditions knowing that increased labour costs will only cause the employers and their clients to flee to even greener pastures in other regions and countries.

An article in the official Chinese *People's Daily* last December registered concern that things were not going as well as the factory owners would like and agonised about uncertain profits because of falling orders leading up to the Christmas period. From January to November, Guangdong's toy shipments overseas totalled \$US4.25 billion but showed only an annualised growth of 2.5 percent.

The shocking conditions of Chinese toy workers bring to mind the life of the working class of the nineteenth century, at the beginning of the industrial revolution. The astounding advances in technology, science, education and communication that have made globalised production possible could vastly improve the lives of working people in China and internationally but instead are doing the opposite.



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