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Chinese Workers Making Barbie Dolls, 'Frozen' Costumes, McDonald's Happy Meal Toys Alleged Mistreatment, Abuse: Report

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Source: International Business Times

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Nestled in an industrial warren near an international airport in Shenzhen, China, hundreds of workers churn out products for Mattel, the world's biggest toy company. Every day in China's fifth-largest city, the employees of Winson Precision Manufacturing Co. fill packing crates with Hot Wheels cars and Rock'em Sock'em Robots games destined for the shelves of big U.S. retail stores like Walmart.

Working up to 66 hours per six-day work week for as little as \$1.88 an hour, living in cramped living quarters and facing a litany of labor abuses, Winson's factory workers have little reason to be as cheerful as the children who receive the toys they assemble. That's especially true for laborers like Mrs. Li, a Winson factory employee who spoke to an undercover labor activist posing as a worker to gain access to some of China's largest toy manufacturing facilities. [Li's full name was withheld to protect her from retaliation by her employer.]

Five years away from China's retirement age for women, Mrs. Li, a 45-year-old mother, has seen management fire older workers in order to avoid future pension payments. Like other factory workers, Li was compelled to sign away a portion of her retirement benefits, was forced to agree to consider all mandatory overtime as voluntary, and is afraid to complain about poor safety, housing and working conditions. She shares three toilets with nearly 200 other workers.



Workers a

Zhenyang Toy Company in Dongguan city sit at an assembly line in a factory that makes children costumes based on the popular Disney film "Frozen" and Lalaloopsy plastic rag dolls for MGA Entertainment. Labor rights investigators said they witnessed numerous labor abuses, including forcing workers to sign partially blank labor contracts, mandatory 66-hour work weeks, a lack of safety gear and locked fire exits. Photo: China Labor Watch

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These were some of the findings of an extensive months-long investigation by labor rights advocates who went undercover at five Chinese toy factories. A report released Friday by China Labor Watch in New York includes the description of Li's working conditions and chronicles the lives of thousands of employees making American Girl and Barbie dolls, toy spinoffs from the Disney films "Star Wars" and "Frozen," Fisher-Price Little People doll houses and McDonald's Happy Meal trinkets. In 2013, China Labor Watch exposed labor abuses at several factories where the Apple iPhone is made.

"Toy brands play toy manufacturers off one another to reduce production prices and maximize profit margins," the report says. "This dynamic ultimately reveals the emptiness behind toy brands' much-promoted commitments to ethical procurement and labor conditions."

The report, one of the most extensive undercover looks at conditions in Chinese toy factories in years, concluded that despite improvements in some areas, which are largely linked to regional government mandated wage hikes, many conditions have largely remained unchanged. Issues such as wage theft, occupational safety infractions and the used of financial penalties as punishment for minor infractions have worsened in recent years, the report contends.

The 127-page study based on photographic evidence and workers' testimonies collected by undercover labor rights activists found a litany of violations of China's own labor laws, including inadequate occupational safety requirements, theft of overtime wages and retirement benefits, and cramped housing conditions.

At Foshan Nanhai Mattel Diecast (FNMD) Company, identified by Bloomberg as directly owned by Mattel's European subsidiary , workers were seen using paint thinner, gloss and soldering materials without any protective gear. The workers say they're routinely denied paid personal days and that the company wasn't paying the legally mandated subsidy for their cramped housing conditions. FMND makes Tyco R/C toys, American Girl dolls and Matchbox toy cars.

Mattel and McDonald's did not reply to requests for comment. Both Disney and Wal-Mart Stores, which stocks many of the toys produced at these factories, referred International Business Times' request for comment to the International Council for Toy Industries (ICTI), a trade group that represents toy manufacturers.

"China Labor Watch's latest report contains allegations that are new to us," Mark Robertson, a spokesman for the ICTI's CARE program, which monitors global toy manufacturing, said in an email to IBT. "We take these seriously and are investigating them immediately at the five factories covered in the report."

Kevin Slaten, who co-authored the report, said his organization focused on major brands like Disney and Mattel because of their size and immense profit.

"What we're asking these companies to do is make the necessary change in the cost structure and price structure of their operations," he said. "We know what the problems are, that question is what companies are going to do to improve workers' right in China."

All of the companies mentioned in the report are major, and immensely profitable, publicly listed U.S. corporations. Labor rights advocates have long argued that these companies have the resources and clout to do more to put an end to abuses like the ones described in this latest report.

Walt Disney Co. (NYSE:DIS) earned \$8.81 billion in net profit in its last fiscal year on \$52.47 billion in revenue. In 2014, Mattel Inc. (NASDAQ:MAT) reported net income of \$504.4 million on \$6 billion in revenue. Hasbro Inc. (NASDAQ:HAS) earned \$408.7 million on \$4.3 billion in revenue. Wal-Mart Stores Inc. (NYSE:WMT) made \$16.4 billion in profit in its last fiscal year on \$485.65 billion in revenue. And McDonald's Corporation (NYSE:MCD), whose Happy Meal toys are made in Chinese factories, earned \$4.76 billion in profit on \$27.44 billion in revenue in its last fiscal year.

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