

# Toys of Misery

Santa's helpers suffer constant abuse while making Barbie, Thomas & Friends, and other toys for Wal-Mart at the Xin Yi Factory in China



  
DANGER  
POISON



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November 2007

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# Toys of Misery

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Xin Yi Plastics Factory  
Yu Lu Industrial Zone II  
Gong Ming Town  
Shenzhen, China

The Xin Yi Plastics Company is made up of two factories – Xin Yi and Jia Li Bao – sprawling over a large 725,500 square foot compound in the Yu Lu Industrial Zone II. There are over **5,000 workers**. Conditions in both factories are the same.

Xin Yi produces high-end electronic toys such as **Barbie** electric guitars and keyboards, Barbie cassette players, Barbie “Hug N’ Heal” Pet Doctor Sets; **Thomas and Friends** Engine Works Playset and Deluxe Cranky the Crane; and other plastic toys such as Wild Planet Toys’ “Sugar Snaps” and “Girls Living in Style Real Working Fan and Radio” as well as games like Hasbro’s Connect 4.

According to the workers, Xin Yi’s major clients are **Mattel, Wal-Mart, and McDonald’s**. All Xin Yi’s production is for export.

There is a Mattel Product Display room at Xin Yi, which would make it appear that Xin Yi is a direct contractor for Mattel. But only Mattel can clarify this. Mattel hides its 40 or 50 contract plants in China, refusing to release the names or addresses of these factories.

There are four departments in each factory: injection molding, electronics, oil spray painting and assembly.

Xin Yi is owned by Xin Fa, or the **Silver Manufacturing Holding Co LTD.** of Hong Kong.

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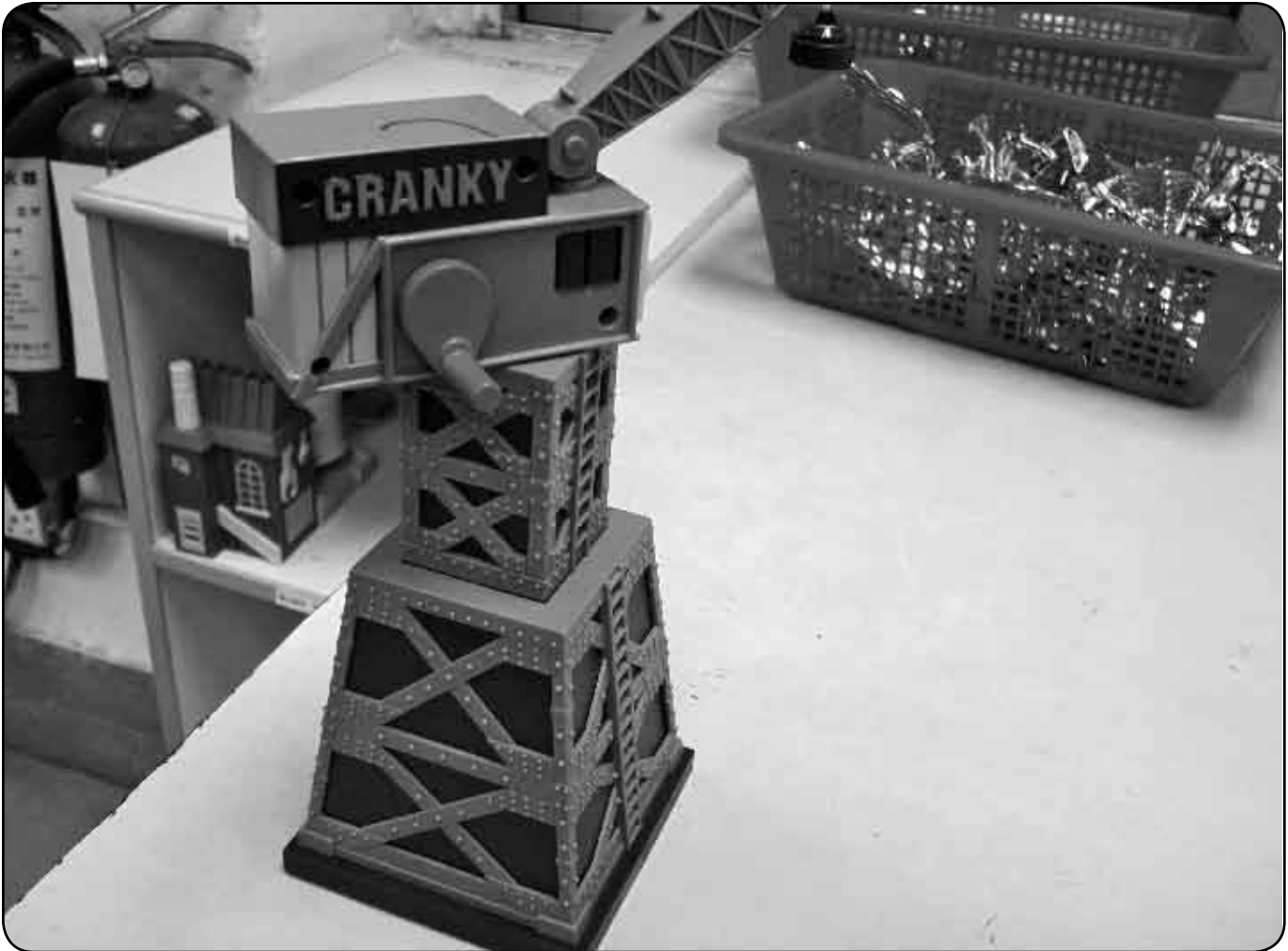
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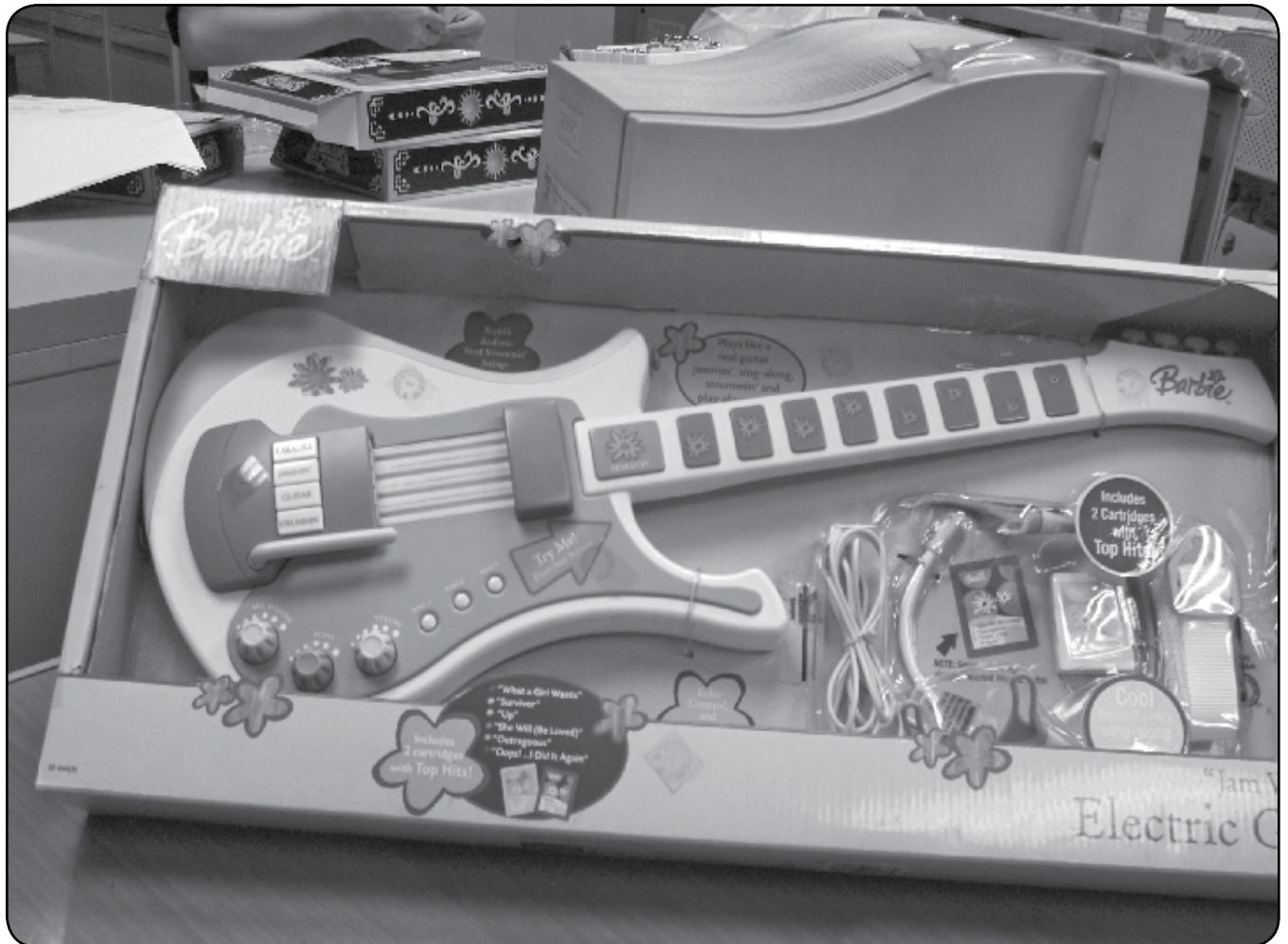
#### How the Research Was Done

The research for the Xin Yi Factory report was carried out over the course of a little more than a year, including several months of investigation during the 2006 peak season, and again in 2007. Pictures and company documents were smuggled out of the factory. Shipping records based on U.S. Customs documents were used to determine the total cost of production of certain Mattel and Thomas and Friends toys.



# Toys of Misery





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## Santa's Helpers Suffer Constant Abuse

### Summary

By Charles Kernaghan

- At the Xin Yi Plastics Factory in Shenzhen, China, there are more than 5,000 workers toiling 14 ½ hours a day making Barbie and other Mattel toys, along with toys for Wal-Mart, and Thomas and Friends for the RC2 Corporation.
  - Ninety-five percent of the workers are illegally held as permanent temps, required to sign “new” employment contracts every two to three months, which is a scam to strip workers of their legal rights.
  - On the very first day, after workers are forced to sign a largely blank contract, they attend a training session in which they are instructed on how to lie to corporate auditors from the U.S. Those who are questioned and answer “correctly” – that is, lie – will receive a bonus equivalent to one and a half week’s wages. Those who tell the truth are immediately fired.
  - Workers are paid just *53 cents an hour* and \$21.34 a week. Forced to work excessive overtime, the toy workers are routinely at the factory 82 to 87 hours a week, while toiling 66 to 70 hours. The standard shift is 14 ½ hours a day, from 7:30 a.m. to 10:00 p.m., six days a week. Mandatory overtime at the Xin Yi Factory exceeds China’s legal limit by 260 percent! Workers are routinely cheated on nearly 20 percent of the wages legally due them – resulting in the loss of two days wages each week. After deductions for primitive dorms (12 workers share each room sleeping on double-level bunk beds) and company food that the workers call “awful,” the workers’ take-home wage is just 46 cents an hour.
- In 2006, it was even worse as the workers were at the factory 105 hours a week, forced to work 15-hour shifts, seven days a week, going for months on end without a single day off. No overtime premium was paid and the workers were routinely cheated of 40 percent of the wages legally due them.
- *Mattel marks up the retail price of its toys by 233 percent!* A “Barbie Hug N’ Heal Pet Doctor” costs just \$9.00 to make in China, but Mattel sells the toy for \$29.99, which is an astonishing \$20.99 mark-up, or 233 percent.
  - Workers in China are paid *just 19 cents* for every “Barbie – Jam with Me Electric Guitar” they assemble, which retails in the U.S. for \$39.99. The workers’ wages amount to *just one half of one percent of the toy’s retail price.* On the other hand, *Mattel spends \$4.60 to advertise the toy, which is 24 times more than they pay the workers to make it.*
  - Managers routinely yell and curse at the workers, and it is common – nearly every day – to see young women workers crying. Workers who are insulted have but two options – to bow their heads and remain silent or to quit and leave without the back wages due to them.

- Workers can be fired for having an “inattentive attitude” or for “speaking during working hours.”
- Workers falling behind in their mandatory product goal will be punished with the loss of five hours wages.
- Workers are prohibited from standing up and must remain seated on their benches at all times during working hours.
- Workers report that the factory is overcrowded and extremely hot, and that everyone is dripping in their own sweat.
- Workers in the spray paint department who cannot tolerate the strong acrid stench of the oil paint are immediately fired.
- Failure to properly clean the shared bathroom in the dorm will result in the loss of one and a half day’s wages.
- Mattel has demanded and won all sorts of enforceable laws, backed up by stiff sanctions, to protect Barbie and its other trademark toys, but refuses to allow similar laws to protect the fundamental rights of the young workers who make Mattel’s toys in China, Indonesia, Thailand, Malaysia, and Mexico. Mattel claims that extending such laws to legally protect the rights of these young people would be an *impediment to free trade*.
- So Barbie is protected – Mattel sues an average of once a month to protect Barbie and its other trademarks – but not the human being who made Barbie.
- Nor are there laws to protect children from being exposed to toxic and dangerous toys.
- Mattel apologized to China for the company’s massive toy recalls after a government official pointed out to Mattel’s Vice President that Mattel makes a very large percent of its profits from its Chinese manufacturers and that Mattel must appreciate China’s cooperation.
- As late as 2005, *Mattel sought and won special “waivers” from the government of China to pay below the legal minimum wage in its factories. Mattel also received waivers to unilaterally extend allowable working hours to seventy-two hours per week, which exceeds China’s legal limit on overtime by 295 percent!*
- Mattel is now admitting that it has lost control, and in many cases did not even know which factories were producing its toys, especially its toy parts, as Mattel contractors sourced work out to subcontractors, who in turn may have sourced out more Mattel work.
- Mattel continues to hide its contractors’ plants in China, refusing to provide the American people with even the names and addresses of the factories. What is Mattel trying to hide?
- Mattel’s CEO paid himself \$7,278,178 last year in wages and other compensation—which is 6,533 times what he pays his toy workers in China.

## Hired Only as Temps and Forced to Sign Largely Blank Contracts, Santa's Helpers at Xin Yi's Toy Factory Have Zero Rights.

*Ninety-five percent of Xin Yi's workers are held as temporary employees with contracts lasting as little as 10 days, 24 days, one month, and up to a maximum of just three months.* Male workers in the electronic department initially sign a one-month contract. Across all departments however, women are usually favored and allowed to sign a two-month contract. In the spray painting department, workers sign a first contract lasting just 10 days, which—if the factory chooses to—can be renewed as a new contract each month. This can go on for a full year. Ninety-five percent of the Xin Yi's employees are forced to sign another 'new' contract every two or three months. This means, that even if the 5,000 or so employees work at Xin Yi full time for up to a year, they always remain 'new' workers rehired with brief temporary contracts, *leaving them with no legal rights.*

It is not illegal in China to hire temporary workers, but it is illegal to repeatedly require workers to sign 'new' temporary contracts as a scam to deny them their legal rights as full-time employees under China's laws. As mere temporary employees Xin Yi's toy workers have no right to health insurance, worker's compensation for job injuries, paid vacation or maternity leave with pay; and workers can be easily fired—on a whim—with no right to severance pay or dismissal compensation.

Workers have no security whatsoever, as it is solely up to management's discretion to offer new temporary contracts every two or three months. Management can casually fire workers for any reason, such as being "inattentive at work,"

talking during working hours, or failing to meet their production goals. The real benefit to Xin Yi, Mattel, Wal-Mart and the other companies is that this allows the factory to quickly and easily shed hundreds, or even thousands, of workers as they head into the slow season. (During the summer, the company also hires about 1,000 junior high and vocational middle school students, who leave between the end of August and mid-September.)

**Santa's helpers have turned into a contingency workforce, hired as temps, with absolutely no rights.**

Since no factory could possibly operate without at least a handful of senior workers, management is able to keep sufficient skilled employees by assigning them more overtime than anyone else. If they earn enough, these workers will stay. Even during the slow season, management makes sure that this group of workers continues to receive overtime. Some will even be elevated a notch or two to the level of team leader, meaning they will be in charge of a section of a production line, and after a year, these workers may even be offered a six-month contract.

As of late September 2007, an average of ten workers a day are being fired as the slow season approaches.

## Xin Yi Contract for Just 24 Days

根据《中华人民共和国劳动法》及相关法律法规的规定，甲乙双方本着平等自愿、协商一致的原则，达成如下协议：

### 一、合同期限和工作岗位

1. 本合同期限自 2006 年 7 月 5 日起至 2006 年 7 月 27 日止（试用期为 0 天）

2. 乙方工作的工种为 工人

### 二、工作时间和休息时间

1. 甲方实施每周 40 小时工作制，每周至少休息一天，乙方具体上班时间依照所在部门的《标准工作时间表》。

2. 甲方按国家法定假日，法定休息日合理安排乙方休假或休息。

### 三、工资待遇

1. 乙方正常工作时间的工资，按宝安区当年的最低标准时薪计算，此标准时薪将根据政府的每年公布的最低工资标准调整而调整。

2. 甲方每月 15 日为发薪日，甲方按月以现金形式发放或以货币形式通过银行转帐向乙方支付，不得克扣或者无故拖欠工资。

3. 乙方加班加点工资、假期工资及特殊情况下的工资支付按相关法律法规规定执行。

### 四、劳动安全和社会保险

1. 甲方为乙方提供符合国家安全卫生标准的工作场所、劳动工具和劳保用品。

2. 甲方按社会保险的有关规定，为乙方办理社会保险。

### 五、劳动纪律和计划生育

1. 甲方根据国家、省、市的有关法律、法规通过民主程序制定的各项规章制度，以公告形式向乙方公示；乙方自愿接受甲方对自己遵守/执行公司规章制度的情况进行检查、考核和奖惩。

2. 乙方应自觉遵守国家、省、市的有关法律法规和甲方依法制定的各项规章制度，遵守安全操作规程，按时完成工作任务。乙方同意如自己违反劳动纪律，自愿接受甲方的批评教育或行政处分；当乙方有严重违反情形的，乙方自愿无条件接受甲方解雇处分。

3. 乙方必须遵守国家计划生育有关法律法规政策，配合甲方组织的地方政府计划生育管理工作，乙方如若违反，视为严重违反公司管理规定，自愿接受甲方的行政处分；违反情节严重的，自愿接受甲方解雇处分。

### 六、合同解除

1. 合同期满解除劳动合同，必须符合《中华人民共和国劳动法》及其它法律法规的相关规定。

## Workers Sign a Largely Blank Contract, Everything Else is Downhill from There.

China's Labor laws require companies to provide their employees with a written work contract that clearly lists working hours, rest periods, wages and benefits, including the right to health care, safety rules and more.

Xin Yi Factory management ignores this, and instead forces their workers to sign an employment contract that is largely blank. For example, it does not specify working hours, but rather states that all workers must follow the production schedule and hours set by their department heads. Nor does the contract state the date each month on which the workers will be paid. This is convenient, as it allows factory management to fill in the blanks after the workers sign the contract, which is then ready to be shared with the corporate auditors.

On the very first day, workers are trained to lie to corporate auditors.

On the very first day, right after signing the largely blank employment contract, the workers receive a day-long training — of course, unpaid. Ostensibly the training deals with safety issues, such as fire drills, but a good part of the day is given over to staff from the human resources department who instruct the new workers on how to lie to the gullible auditors from Mattel, Wal-Mart, and the other companies. The workers are taught to respond, if ever questioned, that they almost never work more than 40 hours a week, that they always receive at least one day off, that overtime is rare and always paid properly, and that they are never

kept working extra hours without pay in order to meet their production goals. The workers are prohibited from criticizing the management, and must always respond that they are treated fairly and well, that company dorm conditions are good, and that the food is fine. They have no complaints.



## Santa's Helpers Suffer Constant Abuse While making Toys for U.S. Children

As we have seen, Santa's helpers at the Xin Yi factory are purposefully and illegally held as temporary workers with absolutely no legal rights. Workers are paid an average **take-home wage of just 46 cents an hour** — including overtime — **while being routinely kept at the factory a little over 80 hours a week.**

### Life Under Mattel's and Wal-Mart's Codes of Conduct

One would think that a combination of Wal-Mart, the largest retailer on earth, and Mattel, the world's foremost toy company, could significantly help influence the establishment of respect for, at least, China's minimal labor laws in their contractor's factory. Unfortunately, it does not work this way at the large and modern Xin Yi Toy factory.

**Young Women Can Be Seen Crying Every Day:** Managers routinely yell at, curse, and insult the workers. Workers can also be fined or fired at will under any pretext. Many workers say you can hear managers screaming at the workers and **almost every day you can see women workers weeping.**

The following incident expresses management's attitude. One manager exploded at a worker yelling: "Because you are only a worker, it doesn't matter if you're right and I am wrong. If I yell at you, I'm right. If we're wrong and we yell at you, you'd better listen."

**Workers who are insulted and humiliated in front of their co-workers have but two choices, to bow their head and remain quiet, or to quit and leave without the back wages due to them.** Not a single worker at Xin Yi would say that their rights are respected and that they have a voice. Anyone daring to talk back to a supervisor will be immediately fired.

- **Workers missing a day are docked three day's wages as punishment.** Workers arriving less than 20 minutes late will be fined 5 RMB, or 66 cents, which means the loss of more than an hour's wages.
- Workers are routinely fined or fired for failing to meet their mandatory production goal, which is arbitrarily and excessively set by management. **Workers are fined up to 20 RMB — \$2.65, five hours' wages — each time this happens.** For example, in July 2007, one worker in the injection molding department was fined three times for failing to meet his production goal, resulting in the loss of 15 hours' wages that month.
- **Workers on the assembly line are prohibited from standing up and must remain seated at their bench during working hours.** The workers say this very difficult since the benches are backless. Sitting for so many hours, their legs go numb, their backs and shoulders ache but they cannot get up to stretch. The only time they can stand is when they are lucky enough to receive permission from their group leader to use the bathroom.

- Workers also report that many production areas are overly crowded and extremely hot. *Everyone is drenched in their own sweat each day*, as there is no air conditioning and the ceiling fans provide no relief during the long summer heat and humidity.
- *Workers in the spray painting department who cannot adjust to the heavy stench of oil paint are fired.* Recently, workers in the painting department were provided little cotton caps and face masks, whereas in 2006, these were only provided before corporate auditors were about to visit the factory. Workers say they can smell the pungent acrid odor of the oil paint even 150 feet or more from the spray paint department.
- Not only are workers fined for arriving late, missing a day, or falling behind on their production goal, they are also *fined 50 RMB — \$6.63, or one and a half day's wages — for failing to clean the public dorm bathroom on time.* The phony employment contract that the workers sign when they enter the Xin Yi factory states that they will not be fined or have their wages arbitrarily docked. This is just another little piece of the scam.
- *The workers are in a trap.* This is set up as a conscious strategy by management. For example, at the very beginning, management makes up any excuse to try to confiscate the personal ID cards of new workers, and then keep them for the first 10 days of work. Without their ID card the worker cannot possibly leave the factory. Management does this knowing that the long hours, grueling production goals, harsh discipline, low wages and primitive living conditions would drive many new workers to quit within the first few days. Moreover, if workers still decide to quit after receiving their ID cards, they will lose their back wages for

those 10 days. Workers wishing to leave the factory must provide management with their notice 15 days before their departure date and even if management accepts their notice, the workers will still have to wait until the 12<sup>th</sup> of the following month, hoping to receive the back wages due to them. Workers who quit without prior notice will be fined 300 RMB, or \$37.79, which is equivalent to the loss of more than one and a half week's wages.

Nor is it that easy for a worker to just pick up and quit to go in search of a better job. On average, it takes about 10 days of searching to find another job. The worker would have to spend 10 to 15 RMB, \$1.33 to \$1.99, a day to rent a tiny room and at least 10 RMB, \$1.33, a day on food. Bus fare to get around to the different factories could cost anywhere from 100 to 200 RMB over the ten day period, or \$13.26 to \$26.53. To find a new job will cost the worker, on average, \$22.87, which is a little more than a full week's wages. Also, at many plants, workers face up-front cash expenses when they are hired. It is typical for workers to have to pay — as they do at Xin Yi — 35 RMB for a physical examination, or \$4.64, and another 35 RMB, to cover the cost of the food for the first five days. This \$9.28 amounts to the loss of another two days' wages.

## Mattel Marks Up The Price of Its Toys by 233%!

Many parents would be anxious, or at least curious, to know what it actually costs to make a Barbie toy in China. Not much, most would suspect, but this is exactly the sort of information corporations desperately hide.

In fact, a “Barbie Pet Doctor with Plush Dog and Carrying Case” costs just **\$9.00 to make in China**. But Mattel sells the toy for **\$29.99, which represents an astonishing mark-up of \$20.99 on a \$9.00 toy, or 233 percent**.

Fortunately we were able to uncover shipping records based on U.S. Customs documents that show “Barbie Pet Doctor with Plush Dog and Carrying Case” made in China entering Tacoma, Washington on December 27, 2006. It was toy model “BE-137” and was headed to Target. The landed U.S. Customs value — the total cost of production — was just **\$9.00**. This includes every conceivable cost to make the Barbie toy — materials, accessories, direct and indirect labor, packaging, profit to the factory in China, and even shipping costs. We purchased our Barbie Pet Doctor toy at Toys ‘R’ Us in New York City for \$29.99 on December 14, 2006. The \$20.99 mark-up on the retail price shocked even us. ( $\$29.99 - \$9.00 = \$20.99$ ;  $\$20.99 \div \$9 = 2.33$  —or, 233%.)

By March 2007, the landed Customs value of Barbie Pet Doctor sets had increased 35 cents to \$9.35. These toys made in China also entered Tacoma. **At the same time, the retail price of the “Barbie Pet Doctor with Plush Dog and Carrying Case” increased to \$33.89, which means the mark-up has now grown to \$24.54, or 242 percent**. Mattel and the other toy retailers are clearly moving in a certain direction, that is, constantly increasing their mark-ups. *In this*

*case, the total cost to produce the toy in China increased by 35 cents, less than 4 percent, while the retail price increased by \$3.90, or an additional 11.5 percent, to reach \$33.89*. We purchased our 2007 Barbie Pet Doctor Set at Toys ‘R’ Us in New York.

We are attaching a sample of the shipping documents so that parents can see for themselves why Mattel and the other toy companies have moved en masse to China.

These astonishingly large mark-ups — from \$20.99 to \$24.54 — on the price of the toy raise a very disturbing question. With all that money, why is it that Mattel did not adequately test its toys to prevent the use of toxic lead paint or other dangerous hazards? ***It would have only cost Mattel approximately 10 cents to test each toy!*** Why didn’t they do it? (*The New York Times*, September 29, 2007, cites Robert Kaplan, Chairman of Action Toy Products in Orlando, Florida, who estimates that a thorough screening of toys for toxic paints and other hazards would cost just ten cents per toy.)

There was plenty of money around. Mattel’s net profit **soared 30 percent in 2006 to reach \$592,927,000 while Mattel’s CEO, Robert A. Eckert, paid himself \$7,278,178 last year in total compensation (see AFL-CIO website/executive pay watch database)**. **That is 6,533 times more than he pays his workers in China to make Mattel toys**. In 2006, Mattel total revenues, or sales, were up just eight percent, so we see the same trend as mark-ups and profits keep growing in relation to production costs.

Besides amassing huge profits and lavishly paying its executives, what does Mattel do with all of its money? In 2006, Mattel's revenues reached \$5,650,156,000.

***A large part of Mattel's revenues goes toward advertising. In fact, Mattel spent nearly \$2 billion on advertising over the last three years.***

In 2006 alone, Mattel spent \$651 million on advertising, or 11.5 percent of its total revenue. This was up from \$643 million in 2004 and \$628.1 million in 2005. This raises another often hidden but shocking fact that companies do not want the American people to know. ***Mattel spent \$3.45 in 2006 to advertise each of its \$29.99 Barbie Pet Doctor toys, while it now spends \$3.90 to advertise the same toy in 2007.*** [ $\$29.99 \times .115 = \$3.45$ ;  $37.89 \times .115 = \$3.90$ .] Again, if Mattel can spend this much on advertising each toy, why could they not come up with the ten cents to test each toy for lead paint or other hazards?

It is the same with the long hours, grueling production pace, very low wages and primitive living conditions of Mattel's toy workers in China, who are routinely cheated of their wages and stripped of their legal rights — as the case the Xin Yi Toy Factory concretely demonstrates.

***As we will show in the next section, the labor cost in China to assemble a complex Barbie electric guitar is just 19 cents—less than one half of one percent of the toy's \$39.99 retail price. In fact, Mattel spends 24 times more to advertise the toy—\$4.60—than they pay the workers in China to make it.***

There is plenty of money around, enough to end, once and for all, the need for toxic toys to be made under harsh and abusive sweatshop conditions.

U.S. Customs Shipping Record  
 Barbie Pet Doctor with Plush Dog  
 December 2006 Shipment

<b>Shipper</b> KIDDESIGNS INC. RM.504,HARBOUR CENTRE, TOWER 2, 8 HOK CHEUNG ST. HUNGHOM,KOWLOON,HONGKONG		<b>Consignee</b> <u>TARGET STORES,</u> DIVISION OF TARGET CORPORATION, 1000 NICOLLET MALL, MINNEAPOLIS, MN 55403	
<b>Notify Party</b> TARGET CUSTOMS BROKERS INC 7000 TARGET PARKWAY NORTH BROOKLYN PARK, MN 55445		<b>Packaging Information</b> TARGET NORTHERN CAMPUS NCD 4452  Quantity: 206 CT TEU's: .46 Weight: 1586 KG	
<b>Shipment Detail</b>			
Carrier: HDMU - HYUNDAI Vessel: HYUNDAI REPUBLIC US Port: 3002 TACOMA		Country of Origin: HONG KONG Coastal Region: WEST	
Estimated Value: <u>\$11,126.00</u>		Arrival Date: <u>12/27/2006</u>	
<b>Container</b>	<b>Qty</b>	<b>Description</b>	
HDMU5484213	206	"SHIPPER'S LOAD & COUNT" (206 CARTONS) CY / CY  206 (CARTONS) TOYS-DEPARTMENT NO.: 086 P.O.NO.:1430742  BARBIE PET DOCTOR WITH PLUSH DOG & CARRYING CRATE  <u>MODEL NO.: BE-137</u>  <u>QUANTITY: 1236 PIECES</u>	

$\$11,126 / \$1,236 = \$9.00 \text{ per toy}$

U.S. Customs Shipping Record  
Barbie Pet Doctor with Plush Dog  
March 2007 Shipment

<b><u>Shipper</u></b> ORDER		<b><u>Consignee</u></b> ORDER
<b><u>Notify Party</u></b> ORDER		<b><u>Packaging Information</u></b>  Weight: 1016 KG Quantity: 127 CARTONS TEU's: .30
<b><u>Shipment Detail</u></b>  Carrier: HDMU - HYUNDAI Vessel: HYUNDAI REPUBLIC US Port: 3002 TACOMA		Country of Origin: HONG KONG Coastal Region: WEST
<b><u>Estimated Value:</u></b> \$7,126.00		<b><u>Arrival Date:</u></b> 03/05/2007
<b>Container</b>	<b>Qty</b>	<b>Description</b>
HDMU5951909	127	"SHIPPER'S LOAD & COUNT" (127CTNS) CY / CY  BARBIE PET DOCTOR WITH PLUSH DOG & CARRYING CRATE  <u>MODEL NO.: BE-137</u>  <u>QUANTITY: 762 PIECES</u>
$\$7,126 / 762 = \$9.35 \text{ per toy}$		



It is clear that the direct cost of labor in China has been reduced to an insignificant level in relation to the price of the toy. Such low wages are the result of repression and the gross violation of China's labor laws. On the flip side, this begs the question: Given that the cost of assembly is so low, why is it that U.S. multinationals like Mattel, Wal-Mart and Thomas and Friends have to keep cutting corners and cannot—at the very least—respect China's labor laws?

Imagine if Mattel doubled the wages so the toy workers could climb out of misery and at least into poverty, which would cost Mattel another 19 cents per toy, bringing the total labor cost to just 38 cents, which in turn is still less than one percent of the toy's retail price.

***What makes this even more shocking is that Mattel spends \$4.60 to advertise the Barbie guitar—24 times more than they pay the workers in China to assemble it.***

***It does not have to be this way, and sweatshop toys do not have to be the norm.*** But first we must hold the toy companies legally accountable to respect local labor laws and internationally recognized worker rights standards.

U.S. Customs Shipping Record  
 Barbie Karaoke Electric Guitar  
 November 10, 2006

<b>Shipper</b> KIDDESIGNS INC. T:21970242 F:27731772 CONNIE RM.504,HARBOUR CENTRE, TOWER 2, 8 HOK CHEUNG ST. 852-27730225		<b>Consignee</b> TARGET STORES, DIVISION OF TARGET CORPORATION, 1000 NICOLLET MALL, MINNEAPOLIS, MN 55403 612-304-6073	
<b>Notify Party</b> TARGET CUSTOMS BROKERS INC 7000 TARGET PARKWAY NORTH BROOKLYN PARK, MN 55445 612-304-4160		<b>Packaging Information</b> TARGET NORTHERN CAMPUS NCD 4452 <b>Measurements:</b> 42 CENTIMETERS <b>Quantity:</b> 640 CARTONS <b>TEU's:</b> 1.36 <b>Weight:</b> 4480 KG	
<b>Shipment Detail</b>			
<b>Carrier:</b> MAEU - MAERSK LINE <b>Vessel:</b> SEALAND RACER <b>US Port:</b> 1703 SAVANNAH		<b>Country of Origin:</b> PEOPLES REP OF CHINA <b>Coastal Region:</b> EAST <b>Pre Carrier:</b> HONG KONG	
<b>Estimated Value:</b> \$35,697.00		<b>Arrival Date:</b> 11/10/2006	
<b>Container</b> APMU4538862	<b>Quantity</b> 640 Cartons	<b>Description</b> BARBIE KARAOKE ELECTRONIC GUITAR MODEL NO.: BE-644 QUANTITY: 2560 PIECES SHIPPER: KIDDESIGNS INC 504-6, 5/F, HARBOUR CENTRE 8 HOK CHEUNG STREET, SERVICE CONTRACT NO.:92222	
$\$35,697 / 2560 = \$13.94 \text{ per guitar}$			

The landed U.S. Customs value of the Barbie Karaoke Electric Guitar shown in this 2006 customs document is \$13.94. The same toy is sold at Toys "R" Us for \$39.99—a markup of nearly 200%.



## Hours—Forced Overtime

- **During the peak season, workers are at the factory a minimum of 82 hours a week while working 66 hours.**
- **All overtime is mandatory and the workers are required to toil six days a week.**
- **Routine 14 ½ hour daily shift, from 7:30 a.m. to 10:00 p.m., with some 16 ½ hour shifts to midnight.**
- **Even the minimum mandatory overtime exceeds China's legal limit by 211 percent!**
- **In 2006, it was even worse, with routine 15-hour shifts, seven days a week, putting the workers at the factory 105 hours a week. Workers report going for months on end without a day off.**

The peak busy season at the Xin Yi Factory lasts at least six months, generally running from mid-April through mid-October.

A pay stub smuggled out of the factory on August 2007—not the phony one presented to the gullible corporate monitors, but one that is more or less correct—shows a worker in the electronics department toiling 285.84 hours that month. As regular monthly hours in China are 174, this worker (unnamed to protect his/her safety) was required to work *111.84 hours of mandatory overtime*, which *exceeds China's legal limit of no more than 36 hours per month by 211 percent!* And this particular pay stub represents the minimum number of hours worked during the long peak season.

The daily shift is 14 ½ hours, from 7:00 a.m. to 10:00 p.m., five days a week, with a 9 ¼ hour shift on Saturday, putting the workers at the factory 82 hours a week while actually toiling 66 hours.

### Routine Daily Shift (14 ½ hours, while working 11 2/3 hours)

7:30 a.m. - 11:30 a.m.	(Work, 4 hours)
11:30 a.m. - 1:00 p.m.	(Lunch, 1 ½ hours)
1:00 p.m. - 4:40 p.m.	(Work, 3 2/3 hours)
4:40 p.m.—6:00 p.m.	(Supper, 1 1/3 hours)
6:00 p.m.—10:00 p.m.	(Overtime, 4 hours)

On this reduced schedule, the worker was required to put in a 9 1/4 hour shift on Saturday, from 7:30 a.m. to 4:45 p.m., while working 7 3/4 hours. It could be worse, the majority of workers reported being required to work the 14 1/2 hour shift, from 7:30 a.m. to 10:00 p.m., six days a week, putting them at the factory 87 hours a week while working 70 hours, including 30 hours of overtime. **These mandatory hours exceed China's legal limit on overtime by 260 percent.**

In June 2007, workers in several departments reported being kept for some 16 1/2 hour shifts, from 7:30 a.m. to 12:00 midnight, which means they will actually toil almost 14 hours a day (13 2/3), including 5 3/4 hours of overtime.

As bad—and illegal—as these hours are, they represent one area of the factory where there has actually been some significant improvement over the 2006 peak season.

***In 2006, the workers reported being routinely required to put in 15-hour daily shifts, from 7:30 a.m. to 10:30 p.m., seven days a week. Workers could go on like this for several months without receiving a single day off. Under this schedule, the workers were at the factory 105 hours a week while actually toiling a little over 92 hours. In this case, the 52.19 mandatory hours of overtime a week, and 226 per month, exceeded China's legal limit on permissible overtime hours by 530 percent!***

Xin Yi Plastic (Shenzhen)	新益塑膠有限公司		
Dept: Electronics	部門: 電子部		
Aug 2007	2007年8月 總單		
	工號: 30501561		
	姓名: [REDACTED]		
Regular work hours: 180.07 hrs	常規工時	180.07	¥ 728.87
payment: 723.87 RMB (\$965)	平日加班工時	105.77	¥ 637.00
Weekday overtime: 105.77 hrs	週休日加班工時	0.00	¥ 0.00
payment: 637.80 RMB (\$8524)	法定假日工時	0.00	
Weekend overtime: 0	法定假日工資		¥ 0.00
Legal holiday overtime: 0	離退借支公司款項		¥ 0.00
Total: 1361.7 RMB (\$181.54)			

## Wages: Workers Routinely Shortchanged of Five to 16 Hours' Pay Each Week

- **Paid a base wage of 53 cents an hour and \$21.34 a week.**
- **Even under the best of circumstances, working 26 hours of overtime a week, the workers still earn just \$41.71, and are cheated out of five hours' pay due them.**
- **However, the majority of workers report being shortchanged of \$8.81 a week for wages legally due them, or nearly 20 percent of what they are owed. In 2007, many workers will be robbed of \$458.12 in wages due them.**
- **After deductions for the poor quality food and primitive dorm conditions, even working a 66 hour week, the workers' take home pay is just \$30.32 per week, and 40 to 46 cents an hour. After other basic expenses there is not much left over to take to the bank.**
- **Here too, similar to the hours, conditions were even worse during the 2006 peak season, when no overtime premium was paid at all, and the workers were routinely cheated of nearly 40 percent of their wages each week. In 2006, many workers were robbed of up to \$1,206.40 in wages due them.**

The legal minimum wage in the Bao'an District of Shenzhen, where the Xin Yi factory is located, is just 53 cents an hour and \$21.34 for the 40 hour regular workweek.

All weekday overtime in excess of the regular eight working hours, must be paid at a 50 percent

premium, or **80 cents an hour**. All weekend overtime must be paid at a 100 percent premium, which is **\$1.07 per hour**.

The workers are housed in primitive dorms, 12 people to a room, for which the company deducts 60 RMB (\$7.56) each month from the worker's wages. For supplying two meals, lunch and supper, which the workers describe as awful, another 210 RMB (\$27.85) is deducted. The workers have to purchase their own breakfast, which they limit to about 46 cents a day, but this still adds up to an expense of \$13.83 per month. When you subtract this \$49.24 a month and \$11.37 a week from the toy workers' wages, their **take-home income falls to just \$30.22 a week, or 46 cents an hour — for working a 66-hour workweek**. And this is the best scenario.

The majority of workers at Xin Yi report being routinely forced to work 70 hours a week, for even lower wages of just \$39.79 a week, \$172.41 per month, before the mandatory deductions for room and board. **Under this scenario the workers**

Legal Minimum Wage (700 RMB per month, or \$92.84)
53 cents an hour
\$4.27 a day (8 hours)
\$21.34 a week (40 hours)
\$92.84 a month
\$1,114.06 a year

*were being shortchanged of nearly 20 percent of the wages legally due them each week.* The workers should have earned \$48.60 for their 70-hour workweek (\$21.48 for the regular 40 hours, \$14.70 for the 10 1/3 hours of weekday overtime, and \$12.48 for the 11 2/3 hours of weekend overtime on Saturday). Instead, they were paid just 300 RMB (\$39.79) per week, which means they are being ***cheated of \$8.81 each week, or nearly 20 percent (18.2%) of the wages legally due to them.*** This amounts to the loss of two days' base wage every week. This would put their average hourly wage, including 30 hours of overtime, at 57 cents an hour, while their take-home wage ***would plummet to just 40 cents an hour, and \$26.30 per week after the mandatory deductions for room and board.***

Even being cheated of nearly 20 percent of their wages each week in 2007 is a major step forward over conditions during the peak season in 2006 ***when workers were routinely cheated of nearly 40 percent of their wages.*** In 2006, during the peak season, the workers were routinely required to work 80 1/2 hours each week. For months the workers would go without a single day off, working 11 1/2 hours a day, seven days a week. ***However, instead of earning the \$59.93 they should have, the workers were paid at most \$36.73, meaning they were being shortchanged of \$23.20 each week in wages legally due to them. They were being robbed of 39 percent of what they were owed.***

After room and board deductions, their weekly take home wage falls to just \$25.24, or 31 cents an hour—for working a 80 1/2 hour week. ***In 2006, Xin Yi did not pay any overtime premium.*** No matter how many hours of mandatory overtime they were forced to work, they always received the same minimum wage of 4.02 RMB (\$0.53) per hour. Nor do these figures include arbitrary everyday fines which were deducted from the workers' wages.

***The above indicate major fraud at the Xin Yi Factory, which has been going on for years in broad daylight.*** By shortchanging the workers during the current peak season of \$8.81 each week in wages legally due them, ***they are robbing the workers of up to \$458.12 each year. For all 5,000 workers, this will add up to \$2,290,600 on stolen wages in 2007.*** Yet even this is a step up from 2006, when the workers were cheated of \$23.20 of wages due to them each week. ***Here, the toy workers were each robbed of \$1,206.40 a year, which for 5,000 workers adds up to a shocking \$6,032,000.***

## Primitive Company Dorms and Food

Twelve workers share each dorm room, sleeping on double-level bunk beds. There are two shared bathrooms and a shower room with about 10 stalls on each floor. Workers describe conditions as very poor. In the morning when they get up, they usually have to line up and wait for several minutes for their turn to brush their teeth and wash. Thefts are also a constant problem since the workers have no secure place to store even their few precious belongings. For this, the workers pay 60 RMB (\$7.96) per month, which is deducted from their wages. Paying the dorm fee is compulsory, even if the workers choose to live outside the dorm, renting a tiny room. Most workers cannot afford this though, as even the smallest room would cost 150 to 200 RMB (\$19.89 to \$26.43) per month. There are no power outlets in the dorm rooms. Workers needing to charge their cell phones must go to the activity room—for which the factory charges additional money—to access an outlet.

The food, the workers say, is no better. In fact, they describe it as awful. The factory canteen supplies lunch and supper, for which 210 RMB (\$27.85) per month is deducted from the workers' wages. The workers have to purchase their own breakfast, which at a minimum costs them another 46 cents per day and \$13.83 per month. The cafeteria is filthy, often soaking with pools of dirty water spread all over the floor. Basically the workers receive soup, a vegetable dish and a meat dish. Besides tasting terrible, the so-called meat dish is composed of just two small pieces of very fatty meat with fried radishes, while the vegetables are boiled and tasteless.

Including breakfast, these minimum expenses for food and dorm eat up 375 RMB (\$49.24) each month, or *a full 54 percent of the workers' monthly base wage of 700 RMB (\$92.84)*. Of course, this doesn't even begin to include the purchase of other basic necessities, such as soap, detergent, toothpaste, medicine, clothing, and so on. This leaves the workers dependent upon overtime work in order to survive.



## Barbie is Legally Protected!




My rights are protected!

Mattel says laws are unnecessary, that we should trust them, and that next time their voluntary codes of conduct and private monitoring scheme will work better in preventing lead paint toys from reaching the U.S.

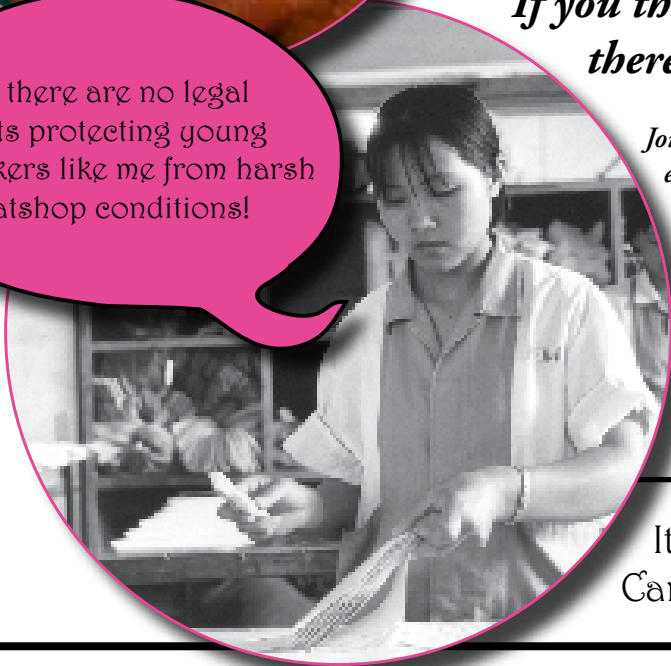
And there are certainly no legal protections for the young workers in China who make Barbie and other toys under harsh sweatshop conditions – stripped of their rights, forced to work grueling hours, often seven days a week, for just pennies an hour.

Mattel has flat out refused to extend legal protections to the young workers who make their toys, similar to those currently afforded to Barbie and other Mattel toys. Mattel says legally protecting the rights of workers would be an “impediment to free trade.”



But there are no similar laws to protect your child against toxic or hazardous toys!

Barbie is protected, but not your child, & certainly not the young workers in China who make Mattel toys.



And there are no legal rights protecting young workers like me from harsh sweatshop conditions!

***If you think this is immoral and wrong, there is something you can do about it.***

*Join Senators Byron Dorgan, Hillary Clinton, Bernie Sanders, Sherrod Brown and Lindsey Graham along with representatives Michael Michaud, Nancy Kaptur, Jan Schakowsky and more than 100 others who are struggling to pass “The Decent Working Conditions and Fair Competition Act,” which for the first time will hold corporations legally accountable to respect fundamental human and worker rights—or that product is not coming into the United States.*

It does not have to be this way. We Can End Sweatshops and Toxic Toys!

## Mattel Sues Once a Month to Protect Barbie and Friends

The American Association for Justice has identified Mattel as being among the most aggressive corporations in launching frivolous lawsuits to protect “Barbie” and their other trademark toys. According to the latest records available, in a ten year period, between 1990 and January 2001, Mattel initiated 145 lawsuits to protect its trademarks, or roughly more than one a month.

Among those lawsuits are:

- Mattel sued the founders of the “Barbie Makes a Wish” weekend that raises money for critically ill children;
- Mattel sued artist Paul Hansen seeking \$1.2 billion in damages for his making \$2,000 from the sale of his “Exorcist” Barbie, “Tonya Harding” Barbie, and “Drag Queen” Barbie;
- Mattel sued Mike Grove who distributed Sizzler toy cars to sick and dying children; and,
- Mattel also sued a Danish music group called Aqua for its lyrics . . . *“I’m a Blonde Bimbo in a Fantasy World/Dress me up, make it tight, I’m your dolly . . . Life in plastic, it’s fantastic/ You can brush my hair, undress me anywhere/ Imagination, life is your creation.”* The song made it onto the top 40 music charts. Mattel lost this case as the Ninth Circuit Court of Appeals ruled against Mattel in affirmation of social criticism and artistic freedom.

## Mattel Apologizes to China?

Many American parents may have been shocked to see Mattel apologizing to China over Mattel's huge recall of hazardous and toxic toys, many of them covered with lead paint. Senator Charles Schumer was among them: *"It's like a bank robber apologizing to his accomplice instead of to the person who was robbed. They're playing politics in China, rather than doing what matters."* (*New York Times*, September 22, 2007)

But anyone familiar with the close partnership Mattel has forged with the government of China should not have been surprised by Mattel's apology.

Mattel's executive vice president, Thomas Debrowski, apologized to a Chinese government official, Li Changjiang, after the official pointed out to Mattel that *a very large part of Mattel's profits comes from factories in China*. Mr. Li explained that, *"Our cooperation is in the interests of Mattel and both parties should value our cooperation. I really hope that Mattel can learn lessons and gain experience from these incidents."*

At that point, while leaning over and looking into Mr. Li Changjiang's face, Mattel's vice president apologized, claiming that Mattel's recalls were *"overly inclusive"* and had made the problem in China look bigger than was actually the case. Further, almost pleadingly, he said: *"I can't say that it's necessarily a China problem... a vendor can break the rules anywhere he wants to, in the United States and China."* (*New York Times*, September 22, 2007)

The "collaboration" the two men were referring to is the exploitation of the Chinese workers, who are stripped of their rights, forced to work long hours for very low wages—just pennies a toy—and housed in primitive company dorms.

Specifically, the following are the sort of "cooperation" Mattel is desperate to maintain with its partner, the Government of China.

- At least through 2005, *Mattel sought, and won, special "waivers" from the government to pay its toy workers below the legal minimum wage in China*—which was already set far below subsistence levels.
- Also, beginning in 2004, Mattel unilaterally decided to *modify its voluntary code of conduct to allow workers in its Chinese factories to toil up to 72 hours a week, including 32 hours of overtime*. It did not matter that 32 overtime hours a week and 138.7 a month exceeded China's legal limit (no more than 9 hours a week and 36 hours a month) by 285 percent! As a partner, the government was ready with another "waiver" for Mattel.
- Mattel sought another "waiver" and revised its code of conduct to allow its toy workers to toil seven days a week. According to Mattel: *"...furthermore, employees must receive one day off per week except during times of extraordinary circumstances when an employer is allowed to work on a seventh day."* Mattel says they did this *"...to balance the needs of business with the needs and protection of our employees."*

- Mattel is also quite happy that workers in China are prohibited from organizing independent unions. In one of their very tough factory audits, Mattel was happy to report that *“interviewed workers indicated no dissatisfaction regarding their freedom of association at the plant.”*

Mattel is purposefully and happily ignorant regarding what fate awaits workers daring to attempt to independently organize in China. *However, the American people do not have to give Mattel a waiver to make sweatshop and dangerous toys.*

## What Parents May Want to Know About Mattel

Mattel, the world's largest toy company, makes 65 percent of their toys in China, in five factories Mattel owns along with another 40 or so contract plants. Mattel hides its contract plants in China, referring to them only by number and *refusing even to provide the names and addresses of these plants*. What is Mattel afraid of? Mattel asks the American people to trust them, explaining that they have 200 full time staff in China to monitor factory conditions to guarantee safer toys made under humane conditions. (Mattel makes the rest of its toys in Indonesia, Thailand, Malaysia, and Mexico.)

- Do you know that Mattel now admits it did not even know where some of its toys, and many of its toy parts were made? It turns out that Mattel's contractors were in turn subcontracting out some of Mattel's production, especially parts, to other factories, which in turn may have also subcontracted some of their work to even more plants. The situation was out of control in 2007—as the massive toy recalls clearly show—as Mattel did not even know the names owners of some of the factories involved in making their toys!

Mattel now admits that the situation was out of control and that they were not watching their vendors carefully enough (New York Times, August 29, 2007).

- Mattel's chief auditor in charge of monitoring factory conditions, Dr. S. Prakash Sethi of Baruch College in New York, *now confirms that problems in China are widespread, going well beyond Mattel to effect other unnamed companies such as Wal-mart, and also encompassing the apparel and electronics industries.*

“If Mattel”, Dr. Sethi said, “with all of its emphasis on quality and testing, found such a widespread problem, what do you think is happening in the rest of the toy industry, in the apparel industry and even in the low end electronics industry? *Everyone is going to be found with lots of dirty laundry.*”

Again, according to Dr. Sethi, Mattel's independent factory auditor, the constant drive by the multinationals to slash production costs and prices is a major part of the problem. “There is something to be said about the pressure that American and European multinational companies put on Chinese companies to supply cheap products. The operating margins are razor thin, so *you really should not be surprised that there is pressure to cut corners.*”

In other words, we are in trouble. The current corporate voluntary codes of conduct and private monitoring schemes are failing miserably, leaving factory conditions spiraling out of control.



## Something to Hide

When China's legislature proposed to modernize and strengthen China's labor laws, the American Chamber of Commerce in Shanghai—to which Mattel belongs—launched a campaign to block the proposed improvements, stating: *“We believe [the draft labor law] might have negative effects in China's investment environment” and may, “reduce employment opportunities.”*

Mattel's own audits can make for some scary reading. As already mentioned, Mattel will not name their contractors plants in China for fear that independent human rights activists or the media visit the plants—unannounced—to find out what they are really like. So Mattel hides the plants identifying them just by number—Plant # 15, #16, #17, #18, and so on.

Consider Mattel's audit of Plant #18, where Mattel was a major producer for at least seven years—2000 through 2006—and perhaps much longer.

### Plant #18 conditions:

- During peak periods, some assembly lines worked seven days a week, up to 80 hours a week, with some shifts extending to 17 hours a day.
- Plant management coached and threatened the frightened workers to lie to Mattel's auditors.
- Mothers were denied maternity leave with pay.
- The drinking water was filthy.
- Factory air was polluted, and severe noise levels resulted in workers' hearing loss.
- There were numerous fire safety violations and the safety instructions on dangerous chemicals were written only in English.
- Factory toilets were filthy, often emitting a sickening stench.
- The factory canteen was filthy, greasy and had fungus growing on the walls and ceilings.

Mattel responded to its own audit stating that they had *“been diligently working with Plant #18 for the last several years to improve the compliance issues outlined in the ICCA report.”* Obviously Mattel failed miserably, and it is no wonder that they hide the names of their contractors' plants. (ICCA is the International Center for Corporate Accountability, whose president is Dr. S. Prakash Sethi. Mr. Sethi recently said that problems are widespread in China, not only throughout the toy industry but also in apparel and electronics.)

For those with strong stomachs, you can access and read some of Mattel's audits, which are posted on their website at: [www.mattel.com/about\\_us/Corp\\_Responsibility/cr\\_mimco.asp](http://www.mattel.com/about_us/Corp_Responsibility/cr_mimco.asp)

Audits for plants #15, 16, and 17 do not read much better than #18 did.

Some examples:

- Excessive mandatory overtime went on for years including 72-hour workweeks, violating both Mattel's code of conducts and China's labor laws.
- Workers needed permission, and beg for a “permit” from the supervisor to go to the bathroom and to drink water. Access to such “privileges” was limited and strictly controlled.
- Many workers were forced to work through half their meal breaks each day—unpaid—in order to meet their excessive production goals.

- In many of the multistoried primitive factory dorms, hot water was only available on the first floor.
- Verbal abuse and the arbitrary deduction of wages as punishment were common.
- Many of Mattel's giant contract plants had no onsite emergency medical care to attend to the thousands of young women making toys. So Mattel stepped in to institute a new policy: *"the clinic would also provide for at least one bed per 1,000 workers, subject to a maximum of five beds for the entire factory."* How's that for kindness?

Mattel is determined to go forward in improving conditions and says it is steadfast in its commitment to work with the government of China, other multinational corporations and Chinese contractors *"to provide a sustainable platform that can improve worker conditions and productivity while enhancing profitability and competitiveness."*

This is typical doublespeak. In order to go on exploiting the workers in China, Mattel and the other companies have to pretend that they care, while constantly tinkering with and revising their completely ineffective voluntary codes of conduct and private monitoring schemes. As the reality is not too pretty, they have to find a way to put lipstick on a pig.

## Demands

### What Mattel, Wal-Mart and Thomas and Friends Must Do

- ***Mattel, Wal-Mart and Thomas and Friends must not cut and run, pulling their work from the Xin Yi Factory.*** It is not the workers' fault that they are forced to toil under abusive conditions while being stripped of their rights. Pulling their work from the factory would be the worst thing Mattel and the others could do, since it also would only further punish the workers, who have already suffered enough. Mattel, Wal-Mart and Thomas and Friends should keep their work in the Xin Yi factory as they work with their contractor to clean up these factories and finally guarantee that the legal rights of the workers—both under China's laws and internationally recognized worker rights standards—are finally respected.
- ***Mattel and the others should stop hiding their contractor's plants in China.*** An important step in regaining the confidence of the American people would be for Mattel, Wal-Mart and Thomas and Friends to simply provide the American people with a list of the names and addresses of their factories in China that make the toys they want us to buy. If these companies are not trying to hide even more abusive sweatshop conditions, they could accomplish this with the simple click of the keyboard.
- ***Mattel, Wal-mart and Thomas and Friends should stop opposing and instead support extending laws similar to those currently afforded to corporate trademarks and products to protect the fundamental legal rights of the workers who make their toys.*** If the toy is legally protected, why is it that the human being who made the toy is not?



## China's Labor Laws

- The regular work day is eight hours, five days a week, for a 40-hour workweek.
- All overtime must be voluntary, and cannot exceed three hours a day, nine hours a week, or 36 hours a month.
- Workers must be paid at least the legal minimum wage, which in the Bao'an District in Shenzhen is 4.02 RMB (53 U.S. cents) per hour. (Note: In October 2007, the minimum wage was raised to 57 cents.)
- Weekday overtime must be paid at a 50 percent premium, or 80 cents an hour. Weekend overtime must be compensated at a 100 percent premium, or \$1.07, while work on statutory holidays must be paid at 200 percent premium, or \$1.60 per hour.
- Workers have the right to 10 paid statutory holidays including New Years Day, the Spring Festival, International Labor Day and National Day.
- Workers who have been on the job for one year or more have the right to an annual paid vacation.
- Working mothers are entitled to no less than 90 days paid maternity leave.
- Employers must provide health insurance to their workers, including covering work injuries, unemployment and pension.
- All workers have the right to participate in or organize labor unions, though this must be “in accordance with the law”—meaning it has to be sanctioned by the government-influenced All China Federation of Trade Unions.

## Company Contact Information

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E-mail [service@mattel.com](mailto:service@mattel.com)

**Robert A. Eckert, Chairman and CEO**

### **Wal-Mart Stores, Inc.**

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Bentonville, Arkansas 72716

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Phone: (479) 273-4000 Fax: (479) 277-1830  
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**S. Robson (Rob) Walton, Chairman**  
H. Lee Scott Jr., President, CEO, and Director

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**Robert E. (Bob) Dods, Chairman**  
**Curtis W. (Curt) Stoelting, CEO and Director**

## Additional Resources

For background and an overview of the toy industry, one of the best books written to date is *“The Real Toy Story: Inside the Ruthless Battle for America’s Youngest Consumers”* by Eric Clark (Free Press/Simon & Schuster, Inc. 2007)

### **NLC reports on the toy industry in China:**

Made in China: Behind the Label, March 1998

<http://www.nlcnet.org/reports.php?id=276>

Made in China: The Role of U.S. Companies in Denying Human & Worker Rights, May 2000 (Chapter II-3, Huffy bikes, page

<http://www.nlcnet.org/article.php?id=265>

Toys of Misery: “Made in China,” Mattel, MGA, Sega, Wal-Mart, 2002

<http://www.nlcnet.org/reports.php?id=293>

Toys of Misery 2004

Investigation of the He Yi/Foreway factory producing bobble-head dolls

<http://www.nlcnet.org/reports.php?id=207>

Blood and Exhaustion: Behind Bargain Toys Made in China for Wal-Mart and Dollar General, 2005

<http://www.nlcnet.org/reports.php?id=110>

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