



Yonglida Toys brings you...
X'Mas Gifts:

A Survey of Conditions at a Disney Supplier in China



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From the monthly series of the
“Looking for Mickey Mouse’s Conscience” Campaign

November 2007
Hong Kong & China

(I) Disney fails to stop and catch labor violations – Tianyu and Yonglida Toys are Disney suppliers and owned by the same factory boss in Dongguan, China

Disney said it had hired auditors to investigate allegations of labor abuse in its global supply chain. It also stated that an end-of-project report for Project Kaleidoscope – an in-factory capacity building program jointly initiated by Disney and McDonald’s at their 10 suppliers in southern China – will soon be issued for comments. SACOM will continue to monitor these corporate activities and search for signs of Mickey Mouse’s conscience.



About a dozen activists demonstrated outside Hong Kong Disneyland on Halloween Day to protest labor abuse at the Tianyu Toys, which makes stuffed Winnie the Pooh for Disney (SACOM, 30 October 2007).

By November 2007, SACOM has added the tenth Disney sweatshop, Yonglida Industrial Co., Ltd.,¹ to our survey list compiled since the opening of the Hong Kong Disneyland in 2005. Dongguan-based Yonglida Toys are in fact owned by the same factory boss of Tianyu Toys² (see the Tianyu Report published by SACOM last month at www.sacom.hk) and both companies are founded operating against the Chinese labor law, the Disney Code, and the International Council of Toy Industries (ICTI) Code of Business Practices.

¹ Yonglida Industrial Co., Ltd. in Chinese: 東莞市永利達實業有限公司。

² For selected news about SACOM’s Looking for Mickey Mouse’s Conscience Campaign and Tianyu sweatshop, see “Disney Suppliers Accused of Labor Abuse” (*AP*, 1 November 2007) and “Disney Probes Claims of Labor Abuse” (*The Washington Post*, 8 November 2007).

(II) The Monthly Series: November 2007 Issue

Yonglida Toys, Dongguan

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Website: <http://www.yonglida.cn>

Workforce: 800 to 1,000 workers (aged between 17 and 35 years old)

Products: Plush toys based on Disney cartoons



Yonglida Toys, founded in 1997, is a Disney supplier that manufactures plush toys, stuffed toys, plastic toys, and similar items in Dongguan city in southern China. Most of the toys are exported to the United States, Europe and Korea.

(1) Basic Wages are Held Back for 45 Days; Overtime Wages Unpaid

The local labor law and protective codes of Disney are not enforced. Yonglida production workers had not been paid for up to 45 days until they got only RMB 700 to 900 on average in mid-November. Workers at the stuffing and packaging departments testified that the factory management applies the standard piece rates for overtime work even if workers work on the weekend or holidays, when workers should receive at least RMB 8.24 (RMB 4.12 x 2) or RMB 12.36 per hour. Worse still, “we have to meet targets or lose pay,” said three female piece-rate workers in a group interview. Despite factory inspections, these illegal practices have been put in place for years.

(2) Working Hours – 13 hours a “standard” work day, 30 days a “regular” work month

“Can you imagine working every Sunday as we do?” In mainland China, by law, working hours should normally not exceed 8 hours a day and 40 hours a week, and overtime work not more than 3 hours a day. In total, overtime should not exceed 36 hours a month. However, during peak seasons, Yonglida imposes 13-hour “standard” work days, and a 30-day “regular” work month. Starting from 7:30 A.M. to the time the workers punch out of work at 11:00 P.M. or midnight, they all suffer serious lack of sleep. There is not even one single day off in a week.



Workers punch in their time cards at 7:30 A.M. (a four-hour morning session), 1:00 P.M. (a four-hour afternoon session), and 6:00 P.M. (overtime work of 5 hours or more).



Hundreds of workers are doing overtime work on well-lit shopfloors on Sunday nights.

(3) Worker Dormitories – “How do I get rid of these rats and mice?”

Rats carry very nasty diseases and yet Yonglida workers are housed in dormitories where there are many rats. The living conditions are so poor and some workers are sick. In male dormitories, 15 to 16 adults are often placed in one small room. The smell in communal toilets is disgusting. “But I still have to pay RMB 110 for the basic lodging and food every month,” said a worker.



Filthy water in toilets at Yonglida.

(4) Social Security – None

Female workers at Yonglida are denied maternity rights. And most production workers are not insured at all, even though the law requires employers to provide insurance to all employees including pensions, insurance against work injuries, and insurance for expenses tied to medicine and healthcare.

In a summary, Disney’s corporate code of conduct and its International Labor Standards (ILS) program consistently fail to protect workers manufacturing Disney-branded toys. None of our worker interviewees know what the Disney Code of Conduct is, despite the fact that the code was translated into more than 50 languages.

(III) Disney Fans and the Concerned Public – Shopping with Conscience

Would we ever associate lovable Disney toys with sweatshop Chinese workers?

Although Chinese manufacturers are responsible for its own resistance to Chinese labor law and to international ethical standards, we must highlight the social responsibility of Disney – a multinational of tremendous size that profits from exploiting workers at its Chinese suppliers. Disney has leveraging power to improve working conditions by engaging their suppliers in partnership on the ground.

Specifically, the remaining 500 toy workers at Haowei (see our report published in September 2007) ask for fair recompense and information about factory relocation; and hundreds of workers at Tianyu (see our report published in October 2007) and Yonglida demand decent working and living conditions including wages, working hours, and social security.

On the whole, Disney should disclose its full list of outsourced Chinese manufacturers for public scrutiny and ensure its suppliers comply with local labor laws. It should also give every Chinese worker at every Disney supplier a copy of Disney's Code of Conduct translated into Chinese. Furthermore, it should promote workplace democracy by respecting workers' right to create mechanisms of worker representation at all Disney suppliers.

Amidst the holiday shopping season, SACOM and concerned consumers worldwide are signing a petition to Disney to end sweatshops in China today (<http://www.PetitionOnline.com/wlchan/petition.html>). It takes less than a minute to do so and please take solidarity action with Chinese workers now.

- END -

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Students and Scholars against Corporate Misbehavior (SACOM) is a new Hong Kong-based nonprofit organization founded in June 2005. SACOM originated from a student movement devoted to improving the labor conditions of cleaning workers and security guards under various universities' outsourcing policies. The movement created an opportunity for students to engage in activism surrounding local and international labor issues. SACOM aims at bringing concerned students, scholars, labor activists, and consumers together to monitor corporate behavior and to advocate for workers' rights.

Selected SACOM research reports and journal articles are downloadable:

1. *Looking for Mickey Mouse's Conscience: A Survey of the Working Conditions of Disney's Supplier Factories in China* (August 2005);
2. *'A World without Strangers' – A Report of the Working Conditions of Giordano Subsidiaries and Suppliers in China* (December 2005) [Hong Kong firm Giordano, a Disney's licensee in apparel for children, men, and women];
3. *Chinese Migrant Workers in Action: Bringing Wal-Mart to Global Corporate Responsibility* (Fall 2005) [this article is also available from *Social Policy: Organizing for Social and Economic Justice* at www.socialpolicy.org];
4. *Resistance, Collective Actions, and Labor Organizing* (Fall 2006) [this article is also available in German, "Kein Bleiberecht: Arbeitsmigrantinnen in Südchina," *Frauensolidarität (Solidarity among Women)* at www.frauensolidaritaet.org];
5. *Making Mobile Phones in South China: An Investigative Report on Labor Conditions of the Electronics Industry* (August 2006) [see also *The High Cost of Calling* (November 2006) at SOMO www.somo.nl];
6. *Clean up your Computer Campaign: A Report of Yonghong Electronics* (November 2006) [see also Business & Human Rights Resource Centre for a summary www.business-humanrights.org];
7. *A Second Attempt at Looking for Mickey Mouse's Conscience: A Survey of the Working Conditions of Disney's Supplier Factories in China* (December 2006);
8. *Wal-Mart's Sweatshop Monitoring Fails to Catch Violations: The Story of Toys Made in China for Wal-Mart* (June 2007) [see also Wal-Mart Watch Statement on Release of Wal-Mart 2006 Ethical Sourcing Report at <http://walmartwatch.com/press>];
9. *Haowei Toys Brings You...Mickey Mouse: A Survey of Conditions at a Disney Supplier in China* (September 2007);
10. *Tianyu Toys Brings You...Winnie the Pooh: A Survey of Conditions at a Disney Supplier in China* (October 2007);
11. *Yonglida Toys Brings You...X'Mas Gifts: A Survey of Conditions at a Disney Supplier in China* (November 2007);
12. *Dell: Sweatshop Chinese Labor in our PC Age* (forthcoming).