

Fact Sheet 4

China: Wal-Mart Turns Blind Eye To Factory Conditions

**by Grant McCool, Reuters
February 9th, 2004**

Labor rights groups on Monday accused the world's biggest retailer, Wal-Mart Stores Inc., of turning a blind eye to abusive conditions at a factory in China that makes plastic toys for the company.

The National Labor Committee and China Labor Watch said in a report that workers at the factory in Chang Ping Township in Guangdong province were paid less than the legal minimum and worked longer hours than legally allowed.

A Wal-Mart spokesman said he was not aware of the specific allegations but that the company worked to ensure factories all over the world were run legally and inspected for abuses.

The report said the Chinese factory management trained workers to answer prepared questions and paid them a bonus for remembering them correctly during visits by Wal-Mart inspectors.

It said emergency fire exits and medical boxes were normally locked, but the Chinese managers unlocked them ahead of inspections. They also doctored time cards, the report said.

The rights groups said Wal-Mart appeared to condone the Chinese management's methods. "No company could be that shallow or gullible, unless it were consciously acting out a role with the full intent of achieving the desired result -- a whitewash," the report said.

Bill Wertz, a spokesman for Bentonville, Arkansas-based company, said Wal-Mart had experienced inspectors who adhered to its corporate standards.

"It would be a complete violation of our policy for anyone to participate in any charade that would merely make a pretense of observing a thorough inspection," Wertz said.

The rights groups said workers received an average 16.5 cents an hour when the legal minimum in China was 31 cents an hour. The workweek was seven days when five days was legal and people toiled for up to 20-1/2 hours per shift.

The groups said the same He Yi Electronics and Plastics Products Factory produced "bobblehead" sports star dolls for America's major professional sports organizations through U.S. company Fotoball.

Charles Kernaghan, head of the National Labor Committee, said the sports organizations -- including the National Basketball Association, Major League Baseball and the National Collegiate Athletic Association -- had not responded to his letters.

"We're hitting a stone wall with these people, which is sort of amazing, given their profits and the salaries ... the players won't be happy that their images are being made by workers in China with zero rights," said Kernaghan, who revealed in October that a sweatshop in Honduras made the clothing line of hip-hop music and fashion entrepreneur Sean Combs.

Kernaghan said on Monday that Combs' staff had worked with his group to greatly improve conditions in that factory.

Source: www.corpwatch.org