Not made in USA

Recalls of Asian-produced toys point up loss of American ability to manufacture products

By Dean Poeth

(Published in the Daily Gazette, Schenectady, NY on Sunday, January 27, 2008)

The recent recalls of defective toys have caused many to view the once-trusted toy industry with suspicion. Media reports have pointed to toy factories in Asia as the source of the problem, yet it is almost impossible to find a toy made anywhere else on the shelves of the local Stuff-Mart.

The statistics surrounding this problem are staggering. Fisher-Price has recalled 967,000 toys due to excessive amounts of lead (a neurotoxin), RC2 Corporation recalled 1.5 million Thomas & Friends wooden toys, and Mattel has recalled 18.2 million toys containing small magnets.

The magnitude of this crisis has caused even our elected officials to enter the debate. Rep. Kirsten Gillibrand has called for the outlawing of all but trace amounts of lead in toys, and Sen. Christopher Dodd has called for a ban on toys imported from China; a number in the billions per year.

So why not just manufacture toys in the United States and avoid this trouble? Or even more importantly, why can't we buy toys made in New York?

NOT REAL PROBLEM

Some would answer that it is the low cost of foreign labor that is the real problem, but that's only part of the story. Typically, the cost of labor in most consumer products is a small percentage of the selling price (frequently under 5 percent). Offsetting these labor savings are the additional costs incurred by manufacturing a product overseas, which include substantially higher transportation costs, a higher cost of quality, and higher warranty costs.

So it isn't Asian wages that are the root of the problem.

The painful fact is that American manufacturing productivity, not foreign salaries is the reason most toys are made offshore. The reasons are many and complex, but rising above all others is one: the continuing decline of hands-on skills by management and employees in U.S. industry.

Both employees and managers need strong hands-on skills if we are to regain U.S. industrial competitiveness. Managers need to be able, with their own hands, to make their product. You can't manage what you don't understand.

Toyota (which recently passed Ford as the No. 2 auto-seller in the United States) knows and applies this principle to every new executive manager. Even experienced managers are expected to spend several months on the factory floor working hands-on with labor to find better ways to manufacture product. The tasks vary, but may include investigating machine failures by direct observation, improving machine-man interfaces, or building cardboard prototypes of a new tool.

Regardless of the task, the principles are the same: know hands-on how the product is made, know how to improve processes, and learn to act as an enabler to production personnel. This last element facilitates respect by the worker, since the new executive is helping improve the worker's environment.

This is just common sense. Who ever heard of a football coach who never played football? You can't lead if you can't even speak the language. Civil War Gen. William Tecumseh Sherman said, "The true way to be popular with troops is ... to make them believe you know more than they do." Without hands-on skills, you may be able to manage, but you cannot lead.

Employees face a similar challenge. Knowledge is like a bucket - you can't take out what you haven't first put in. For example, many young engineers entering the work force have outstanding computer skills - they know how to design a part in 3-D, upload a video to YouTube, and can build a Web page, yet can't change the battery in their wristwatch or a burned-out headlight on their car.

They're not stupid; far from it. In fact they're the brightest and best educated this country has ever produced. They just lack real-life, nuts-and-bolts knowledge. Yet it wasn't always this way.

American workers once grew-up building things with their hands. Look in the old technology magazines published from World War I through the 1960s and you will find cover-to-cover construction projects. Magazines such as Popular Mechanics, Popular Science, and Popular Electronics weren't filled with articles *about* technology, they were filled with plans to *build* technical projects with your own hands. And these weren't snap-together Lego-style kits; you built the projects from scratch.

And think about what these workers accomplished, in many cases using computational horsepower no greater than a slide-rule. For example they designed and built the SR-71 Blackbird (which even today, over 40 years later, is still the fastest manned jet aircraft in the world) and manufactured a 20-ton, four-engine heavy bomber (the B-24 Liberator) that contained over 1 million individual parts every 55 minutes; not coincidentally during a time when the United States led the world in manufacturing productivity.

NEW OPPORTUNITY

This problem represents both an opportunity and a danger for New York. An opportunity because many New York schools have already recognized this need and are filling it by offering courses that apply theory to real-world problems through hands-on projects. These programs will provide New York businesses with the employees they need to be competitive through improved productivity, and will position those employees to be future leaders. Their success means continued prosperity for our state and future local jobs. A danger because to fail means parents will, by necessity, continue to navigate a minefield of recalled toys manufactured in offshore factories.

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