



National Toys Are Not Child's Play

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'Globalization insights' is a series of feature stories told by journalists from Africa, Asia and Latin America – stories that give an insight into the perceptions and experiences of people as globalization unfolds in their environs. This project is jointly organized by the Friedrich-Ebert-Stiftung and IPS EUROPA.

"Mummy, why has everything got a label saying 'Made in China'? Why doesn't anything say 'Made in Mexico'? ...If my Barbie was made in China, why doesn't she look Chinese?"

Lucia, who is 7 and lives in Mexico City, is puzzled by these questions and puts them to her parents in the run-up to a visit by Santa Claus. After all, she needs to compile a Christmas list.

To encourage their daughter's national pride, Lucia's mummy and daddy take her round the shops so she can choose some Mexican toys for Christmas. But quite apart from the fact that there aren't many around, they don't appeal to the child as much as the ones she has seen on telly. She has never come across these Mexican toys before, because they don't feature on Cartoon Network or Disney Channel.

Not that there is anything outstanding about Mexican toys.

The domestic toymaking sector was never a force to be reckoned with. But it is striking how these oriental products are sweeping the market.

Besides, national pride peters out in Mexico once it stumbles over the wallet. Hunting down the cheapest Christmas gifts and decorations is the most popular consumer sport.

But the season does prompt a few grown-ups, fewer by the year, to hanker for those traditional Mexican toys of wood and clay that kids don't like and shops won't sell. Numbers speak volumes. Of the 300 toymaking companies registered in 1986, only 80 still remain.

Those who yearn for the past and are critical of multinationals ignore the lack of foresight displayed by Mexican firms during bygone protectionist days. Ten years ago the Foreign Exchange Bank increased the tariff on imported toys by 3000 per cent, but the Mexican industry founded nevertheless.

According to data held by the Mexican Association of Toymakers, the 80 domestic companies in the sector account for 40 percent of the national market, which is worth 1.2 billion dollars a year. The rest consists of imported goods and the output of foreign companies with a manufacturing base in the country.

But that is only the formal economy. And if the Mexican Confederation of Industrial Chambers maintains that 40 percent of toys sold in the country are contraband, where are these illicit wares coming from? Correct, China.

Television

Lucia was still looking for toys to ask Santa Claus for, and at last she hit upon the perfect present: Cartoon Network had run a commercial for Lip Magic and Tattoo Magic.

The matter was resolved. She wrote her letter and posted it to the North Pole. Lucia's Mummy and Daddy went back to the shops to look for the present, but nobody had heard of it.

"Why not, if it's on telly," her mother asked the salesman. "Look and see what country it's from, because we don't stock it in Mexico," replied the young salesman.

True enough, when the ad appeared it gave an e-mail address and the name of the factory: Juguetes Kreisel. One look at the site revealed the company was based in Venezuela, and there they were – the create-your-own-lipstick and tattoo sets that Lucia wanted.

The girl's mother dashed off an e-mail asking for help so the gift would arrive before Christmas Eve. Two days later she received this answer:

"We cannot process your order. We have received many orders from abroad but we cannot deliver the parcels. When we placed our commercial with Cartoon Network, we had no idea children in other countries would be watching. We hope to improve our service in the near future. Marketing Department, Kreisel."

Although there are many Mexican toymakers who proved unable to modernise, and yet survived in the market for a few more years, there are also some well-known brands of Mexican toys such as 'Periquín' and 'Mendoza', who failed to invest in development and technology, and are doomed either to vanish altogether or be devoured by foreign names such as the powerful Mattel.

Others, like 'Mi Alegría' have salvaged their market niche with products that offer a scientific focus, such as chemistry sets, models of the human body or biology games. These articles have retained their shelf space in the big stores thanks to the general interest in such subjects, but if they do not modernise now and invest in merchandising, they too will bite the dust.

National toy manufacturers are recognising this sea-change, and some like 'Fotorama de México' with its puzzles and board games, have jumped on the bandwagon and started reaping the benefits of globalisation.

What are 'Fotorama' doing? They have invested in product research and development and studied the Mexican children's market. With an eye to exports, they have begun manufacturing in Asia to cut costs and maintain competitive prices in Mexico.

The success this company has enjoyed is an exception, because for all the efforts undertaken by the makers of dolls, train sets, assembly kits, miniature kitchens, first toolkits and whatever, Mexican children are turning increasingly to electronic toys.

Import substitution

Today the Mexican market is open and Mexico has trade agreements with, in particular, the United States, Japan, the European Union, Chile and Central America.

In the 1980s, however, the country pursued an economic model known as "import substitution", and only those who could travel had access to merchandise not sold locally.

Mexicans were the captive consumers of a few domestic enterprises protected by the federal government. This gave rise to monopolies, but also to consumer contempt. When the frontiers opened, an avalanche of foreign goods invaded the country. The wares came hand in hand with problems for a national industry accustomed to protection.

Competition arrived along with rock bottom manufacturing, export, warehousing and transport costs. For that reason the Mexican government still applies a tariff policy that penalises certain products and countries, particularly Asian states.

Ordinary Mexicans have seen their wallets profit from globalisation because falling costs and greater market competition have translated into consumer benefits.

It would be most desirable if Lucia's parents could buy her beautifully crafted Mexican toys at a fair price for Christmas, but they can see in the shops that domestic goods cannot compete with the competition from abroad on either quality or price.

Mexican society has attached great importance to tradition and the family, but once people gained access to these global markets, they soon encountered new con-

sumer options and new ways of saving money to cater for their needs.

So finally this was the list for Santa Claus to bring Lucia for Christmas:

A rag doll made by Mazahua women that her parents insisted on including because "one must uphold the traditions", although Lucia doesn't like it much.

A Barbie made in China, 50 percent cheaper than the one in the department store. Santa found it on the street where they sell smuggled goods.

A lipstick set made in the United States bearing a strong resemblance to Venezuela's Lip Magic.

Lucia was happy this Christmas, and so were her parents. Their conscience was clear, because they bought a national product to promote Mexico and its traditions; the pirate Barbie had saved them money, and they had found a U.S. substitute for the Venezuelan toy their daughter wanted.

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