

# Tripping Up Nike

by Max White

**T**he swoosh shoes, shirts, and soccer balls of Nike are assembled by poor and vulnerable women, girls, and children in the most repressive countries in the world. The minimum wage standards of Indonesia and Vietnam, even as low as they are, are violated by Nike contractors. In Vietnam, Coca Cola workers earn twice to three times as much as Nike workers.<sup>1</sup>

In China, workers are paid less than the minimum wage, forced to work long hours of overtime, fined a day's wages for speaking, harassed by supervisors and beaten by guards, exposed to carcinogenic solvents until some develop rashes and inflamed eyes, and frequently lose fingers in machines. One factory uses children as young as 12.<sup>2</sup> In reply, Nike CEO Phil Knight implied that one of the human rights groups reporting these conditions was communist.

**According to Phil Knight, corporations are the seat of power. Governments must recognize that fact.**

Nike is not the worst company on the planet. Reebok and others use the same workers and contractors in the same countries. Nike, however, the largest such company, sets the precedent for apparel giants' "race to the bottom". When Nike reforms, they will trumpet that fact and others will be forced to follow.

Nike sprang from Oregon and from Oregonians. The company was brilliantly envisioned by founder Phil Knight. From the moment the company was out of the blocks, it sprinted farther and faster than

the competition. Nike soon became the largest shoe company in the world and one of Oregon's most prominent corporate citizens. Their payroll endows many residents and their donations support athletics programs (though some critics say that may not be entirely healthy).

In 1994, the Portland Chapter of Amnesty International (AI Group 48) wrote to about 20 US corporations doing business in Indonesia, including Nike. In Indonesia, the military commits illegal imprisonment, torture, rape, and murder. Rather than criticize these corporations, Group 48 asked them to advocate for better human rights when dealing with Indonesian officials. We asked Nike to meet with us. Nike did not reply.

As individuals we urged Nike to meet with us. Nike mailed out form letters, again refusing to meet. AI members circulated a petition requesting a meeting. Nike ignored the petitions, scores of letters (from high school students, too), and phone calls.

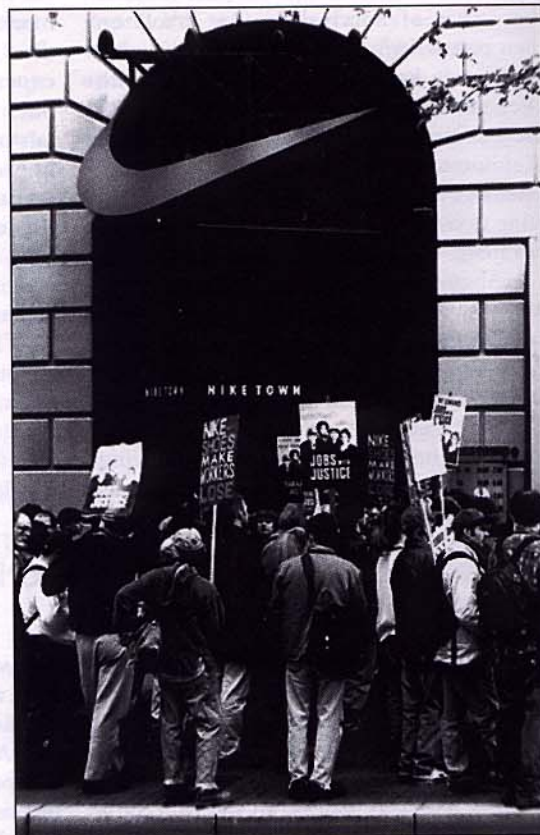
Had Nike spoken to us, we would have accepted it as a gesture of good faith. To persuade the company to do the right thing, I would have recommended dialogue, not confrontation. Instead, we formed a new group, *Justice. Do It NIKE!*

Every Saturday for four months last year in front of Portland's Nike Town, *Justice. Do It NIKE!* handed out flyers asking Nike to improve the lives of their overseas workers. The first few weeks, few people we met knew that Nike manufactured all of their shoes and most other products overseas. Our last Saturday, we handed out 1,000 flyers and met only one person (probably from the floodplain of Mars) who had not hear about the issue.

When Group 48 first asked to meet with Nike, only one US organization was concentrating on the company. There had never been a demonstration at a Nike

Town. Now every Nike Town in the US has been picketed and every new one can expect a major demonstration.

For years Nike claimed innocence because they use contractors who are responsible for wages. Recently, however, Nike signed a "Code" by the U.S. Apparel Industry Partnership at the "Sweatshop



*Demonstration before Nike Town in downtown Portland.*

Summit". It declares that corporations are responsible for their workers, even at subcontractors, even in other countries.

Nike hired Andrew Young at an amount neither Nike nor Young will divulge. Young's organization, Good Works International, a for-profit Georgia corporation, issued a report on Nike, publicized in full-page ads in US and Canadian papers (costing at least \$1 million). The report omitted one critical fact. Linda Himmelstein,



*Business Week:*

Skirting the wage issue undermines a report that could have put to rest charges of worker abuses and systemic problems.<sup>3</sup>

*Bob Herbert, NY Times:*

[not addressing wages] is disingenuous in the extreme. No one has argued that third-world workers should be paid the same as comparable American workers, or that a company should be forced to pay any particular wage. Nike's critics, including this one, argue that the company's full-time overseas workers should be paid at least a subsistence wage for the areas in which they live. A dollar fifty a day is not a subsistence wage in Ho Chi Minh City.<sup>4</sup>

The *Business Journal* (Portland) reported that of people Good Works said they had spoken to, several stated they were never contacted.<sup>5</sup> Good Works admitted they had "been mistaken" to claim they had spoken to Anita Chan, an investigative reporter specializing on China.

At last year's shareholder meeting, Nike lost its last chance to salvage its image. The United Methodist Church Health and Pension Fund had submitted a shareholder resolution asking Nike to allow independent monitoring of overseas factories. Given the number of shares owned by Knight and other officers, defeat was predictable. Yet even before many shareholders were in the auditorium and without debate, the resolution was quickly voted on and overwhelmingly defeated.

After a fashion show, introductions of celebrity athletes, and Nike TV commercials on a giant screen, Knight addressed the meeting. He read a note from Director of Corporate Communications Donna

Gibbs explaining that Nike's treatment of overseas workers was a PR problem. As shareholders were leaving, a lawyer for the United Methodist Pension Fund asked when and with whom could they meet.

## When Nike reforms, they will trumpet that fact and others will be forced to follow.

Knight told her to call Gibbs. When they called, a recording explained that Ms. Gibbs was "no longer with the company."

At that shareholder meeting, Nike split its stock. Afterward, an analyst predicted that Nike would grow unabated "into the foreseeable future." Yet due to a small, informal boycott and escalating prices, not only have Nike sales dropped off slightly, but stock value fell nearly 30 percent. Some quarter-to-quarter comparisons in 1998 could be flat or down.<sup>6</sup>

Bad management by Oregon's largest private employer may ultimately cost some local jobs. But there is a more fundamental issue. By promising jobs, big corporations exact tax breaks and other favors. Favored newcomers Fujitsu and Intel both failed to deliver on promised jobs, yet no government has rescinded their tax breaks.

To expand its headquarters, Nike asked the City of Beaverton to rezone. Nike hired former Nike employee, former Governor of Oregon, former Secretary of Transportation Neil Goldschmidt to lobby.<sup>7</sup> Nike threatened to leave Oregon; the town of Beaverton capitulated.

*Continued on page 31*

## Some of the groups pressing Nike to accept independent monitoring of its overseas factories.

**Press for Change**, publisher of the newsletter and book *Nike in Indonesia* (Jeff Ballinger, the director, is an international labor investigator who spent years in Indonesia documenting shoe workers' conditions there).

**Clean Clothes**, a non-governmental organization in Brussels and the Netherlands.

**Global Exchange**, a San Francisco human rights organization.

The **United Methodist Health and Pension Fund**, which submitted a Nike shareholder resolution asking for independent monitoring.

The **Campaign for Labor Rights** in Washington D.C.

**Vietnam Labor Watch**, whose investigators found serious violations of Vietnamese labor laws in Nike plants.

**Asia Monitor Resource Centre and Hong Kong Christian Industrial Committee**: non-governmental organizations which conducted the research on Chinese factories mentioned at beginning of article.

**Development & Peace of Canada**, who have led many thousand Canadians to send petitions and cards to Nike asking that the company allow independent monitoring.

The **Indonesian Shoe Workers Council**, which has offered to monitor Indonesian factories (its offer is being actively supported by the **Robert F. Kennedy Center for Human Rights**).  
**Community Aid Abroad** in Australia.

**IRENE** in Europe.

Best known, **Doonesbury** has taken on Nike in four series of strips.

—MW

An international movement focused on Nike's production workers formed in 1995 and is gaining strength and numbers. *Justice.*

*Do It NIKE!*, a coalition of Oregon groups, intends to persuade the world's largest shoe-maker to treat its production workers fairly and has consistently asked Nike to accept independent monitoring of its overseas factories. In solidarity with other groups,

*Justice. Do It NIKE!* is asking Nike Inc. to:

1. Allow independent monitoring of factories.
2. Pay workers in Nike-contracted factories a fair wage.
3. Support workers' right to organize for better wages and working conditions and stop allowing military suppression of strikes.
4. Cease using child labor.
5. Settle claims by Indonesian workers who have been unfairly dismissed.

—MW



# How's Our Health?

Each year in our nation's capital, Worldwatch Institute publishes its State of the World Report. Here in Oregon, the state's Progress Board periodically issues its Benchmarks. This report card tells us—in part—how close we are to healing our environment. Left unanswered are more fundamental questions such as: How many acres of parks per resident? Are the government's standards strict enough? How much does the cost of land take from the average resident's income? And, most basic, is leisure time growing or not? Despite its shortcomings, this list contains good news and a few surprises.

## AIR

	1990	1995	2000
Residents living where the air meets government ambient air quality standards . . . .	54	100	100
Carbon dioxide emissions as a percentage of 1990 emissions . . . . .	100	122*	100

## WATER

Wetlands in 1990 still preserved as wetlands . . . . .	100	100	100
Assessed groundwater that meets drinking water standards . . . . .	95.1	94.3*	94
Key rivers meeting instream water rights			
9 or more months of the year . . . . .	39	61*	60
12 months a year . . . . .	44	28*	35

## LAND

Agricultural land in 1970 still preserved for agricultural use . . . . .	98	97	97
Forest land in 1970 still preserved for forest use . . . . .	92	91	92
Pounds of municipal solid waste landfilled or incinerated per capita . . . . .	n.a.	1,511	1,506
Identified hazardous waste sites that are cleaned up or being cleaned up . . . . .	67.1	65.7	66.9
tank sites . . . . .	66.3	65.4	66.9
other hazardous substances . . . . .	96.8	70	69.6

## PLANTS AND WILDLIFE

Wild salmon and steelhead populations in key sub-basins that are at target levels . . . . .	48	2	13
Native fish and wildlife species that are healthy . . . . .	76**	75	77
Native plant species that are healthy . . . . .	83**	88	90

## OUTDOOR RECREATION

Acres of state-owned parks per 1,000 residents . . . . .	31	29	35
--	----	----	----

From Oregon Shines II: Updating Oregon's Strategic Plan: A Report to The People of Oregon From The Oregon Progress Board & The Governor's Oregon Shines Task Force (Salem, May 1997), page 78.

\*1994

\*\*1991

## Nike

Continued from page 7

Besides urban planning, another casualty was a Nike employee. Armed with detailed charts and maps, Trip Allen urged Beaverton to stick to the plan. He was warned not to continue his public statements, and shortly afterward quit the company. Nike fired Chuck Carpenter after he took time to serve as a legislator, even though Oregon law prohibits such dismissals. Mr. Carpenter accepted a settlement from the company.



While waiting at Nike to discuss his case, Carpenter came across a book. The introduction was by Phil Knight. He noted that corporations are the true seat of power and governments must recognize that fact. Judging by recent history, Oregon has. On paper, states govern those who incorporate within their boundaries. Yet in reality, corporations use states as foils. As John Dewey said many years ago, "Politics is the shadow cast over society by Big Business." The tail is wagging the dog. If activists are to nurture a conscience in corporations, they will have to do it without the weight of the state behind them.

Max White, a volunteer for Amnesty International and the East Timor Action Network, is the founding coordinator of Justice. Do It, Nike. They can be reached at PO Box 219231, Portland OR 97225; 503/292-8168

1 CBS news 48 Hours, October 17, 1996, about Nike in Vietnam. A summary is available on-line, at <http://www.saigon.com/nike/summary.htm>

2 Sydney H. Schanberg, "Six Cents An Hour," *Life*, June 1996.

3 Linda Himmelstein, "Nike hasn't scrubbed its image yet", *Business Week*, 7 July, 1997.

4 Bob Herbert, "Mr. Young Gets it Wrong", *The New York Times*, 27 June, 1997.

5 Jonathan Make, "Critics: Young report just doesn't do it", *The Business Journal* (Portland), 30 June, 1997.

6 Quote by Shelly Young of Hambrecht & Quist in San Francisco, cited in Jeff Manning, "Troubles add up at Nike", *The Oregonian*, 4 May, 1997, page G4.

7 Steve Duin, "Sniveling Nike style," *The Oregonian*, 11 March, 1997.