BEHIND THE SWOOSH
NIKE SWEATSHOPS AND SOCIAL JUSTICE

an EDUCATING FOR JUSTICE LECTURE PROGRAM

BY JIM KEADY
NIKE’S REVENUES/PROFITS FOR FISCAL YEAR 2011

Revenues: $20,900,000,000.00
Profits: $2,100,000,000.00
NIKE’S GLOBAL MANUFACTURING OPERATIONS

1,000,000 Workers
1,000 Factories
52 Countries
NIKE’S PUBLIC RELATIONS LIES

Right issue...

wrong company.”

- Official Nike Statement
  September 2000
• In 10% to 25% of Nike’s partner factories, freedom of association is prohibited by law (e.g. China, Vietnam).

• In 25% to 50% of Nike’s partner factories, workers report verbal, physical, sexual and/or psychological abuse.

• In 50% to 100% of Nike’s partner factories, work hours exceed Nike’s Code of Conduct.

• In 10% to 25% of Nike’s partner factories, the wage calculation rate is inaccurate.
2011 REPORTS OF ABUSE OF NIKE WORKERS

- Sun Drenching
- Verbal Abuse (being called pig, dog or monkey)
- Physical Abuse (kicked, slapped, scratched, pelted)
- Forced Overtime
- Wage Cheating

Sources: Associated Press, Educating for Justice, Nike Inc.
WHY FOCUS ON NIKE?
WHY FOCUS ON NIKE?

- Top 50 brands in the world
- Produce 50,000 products per year
- Sell products in more than 160 countries
WHY FOCUS ON INDONESIA?

Nike’s Global Production

- Vietnam 41%
- China 33%
- INDONESIA 25%
- India 1%
WHY FOCUS ON INDONESIA?

- More than 43 contract factories
- More than 160,000 workers
- Almost 20 years of research
- Greater freedom of association
- Solid history of worker organizing
ORGANIZING STRATEGY

- INDUSTRY LEADER – NIKE
- ONE STRATEGIC COUNTRY - RI
- WIN: CBAs AND LIVING WAGES

Create a model for change that can be adjusted, scaled, and replicated.
PROGRESS?
PHYSICAL ABUSE
SCRAP SHOE RUBBER
NIKE’S PR SPIN ON SCRAP SHOE RUBBER

2000 Nike signs on to:

- CERES Principles
- World Wildlife Fund
- UN Climate Savers Program
Nike Bounces Back
by Carolyn Wu, Issues Manager, Nike, Inc.
May 10, 2002

“We feel the need to address Nike’s Environmental sustainability efforts. Through our unique “Reuse-A Shoe” collection program, Nike recycles over two million pairs of athletic shoes (any brand) annually and converts them into sports courts for kids to play soccer, basketball, tennis, or whatever sport can be supported at that facility.

Therefore, the disposal of footwear soles by burning that Mr. Keady discusses in his presentation are either counterfeit or unauthorized.”
Nike Footwear Waste Management System

1. 48 waste items are targeted
1. Segregation on the factory floor
1. Quantitative measurements
1. Waste collected at each factory
1. Waste sent out to various sites
1. E2 Team validates the data
1. Quarterly reporting and E2 audits
Materials: $10.75

Labor: $2.43

Overhead: $2.10

Factory Profit: $0.97

Total Costs: $16.25
BASIC MONTHLY WAGE = Rp 1,285,000

RENT = Rp 200,000
WATER = Rp 25,000
TRANSPORTATION = Rp 350,000

MONEY LEFT FOR FOOD + ALL OTHER EXPENSES = Rp 710,000 or Rp 23,667 per day
SEPTEMBER 2011

RICE AND VEGETABLES

COST IN RUPIAH: 9,000

COST IN DOLLARS: $1.05
SEPTEMBER 2011

ICED TEA

COST IN RUPIAH: 2.000

COST IN DOLLARS: $0.24
SEPTEMBER 2011

BANANAS

COST IN RUPIAH: 2,000

COST IN DOLLARS: $0.24
Rp1.699.000 or $198.88
MAKE NIKE FAIRTRADE
WHAT IS FAIRTRADE?

PEOPLE are as important as PROFITS

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers.

– World Fair Trade Organization (www.wfto.com)
MAKE NIKE FAIRTRADE

Treat workers like human beings.

Pay a living wage.

Negotiate tri-party union contracts.
WHAT DOES FAIRTRADE LOOK LIKE?

ALTA GRACIA BRAND

Treat workers like human beings.

Pay a living wage = 3x minimum wage.

Brand owns the factory = direct negotiations.

Sell products on 400 campuses.

Products are priced competitively.
CAMPAIGN GOAL

WAGES ARE KEY
WHAT DOES NIKE SAY ABOUT WORKERS’ WAGES?

PBS REPORTER: Mr. Knight… do you feel comfortable that your workers are making a living wage?

PHIL KNIGHT: Absolutely. No question about it.
WHAT DOES NIKE SAY ABOUT WORKERS’ WAGES?

“Some worker advocates suggest that a living wage should be paid...

We do not support this approach.”

- Nike CSR Report
WHAT DOES NIKE SAY ABOUT WORKERS’ WAGES?

“They have the right issue but the wrong company...we raised wages 70 percent in Indonesia. We have a code that applies globally and that provides wages that far surpass regional or national minimum wages.”

- Vada Manager, Former Director of Global Issues Management for Nike
April 17, 2009

Mr. Jim Keady
106 Meadow Point Lane,
Point Pleasant, NJ 08742

Nike does require that factories manufacturing our products comply with local legal minimum wages, and this is something we aim to verify in our auditing process. However, because factories are not Nike-owned, it is not possible for us to mandate what wages should be paid by the factories to workers. Moreover, this data is not something that we collect; it is owned and managed by factories, which is why Nike cannot disclose workers’ wage rates.

Hannah Jones
VP, Corporate Responsibility
CAN NIKE WORKERS DEMAND A LIVING WAGE?

NIKE USA
| SUBCONTRACTORS
| WORKERS

GOVERNMENT?
NIKE USA

ACCOUNTING – MARKETING – DESIGN – CSR – MANUFACTURING
WHO IS RESPONSIBLE?

PBS REPORTER:

“These employees that are effected are technically not Nike employees, (they) are employees of sub-contractors. But... you said basically that you accept responsibility for the conditions under which they work.”

PHIL KNIGHT:

“No question. And we really look at it as more than a sub-contracting relationship... it’s really a partnership, not in the legal sense, but in the moral sense.”
WHO IS RESPONSIBLE?

“It’s) real simple. Phil Knight kind of defined it about two years ago. Those workers – we should consider them Nike employees. So that’s our responsibility.”

- Dusty Kidd, Former Nike VP
WHO IS RESPONSIBLE?

ONE GAME

9.5 YEARS OF WORK

VS.
HOW CAN WE FIGHT?
TEAM SWEAT
TEAM SWEAT IS AN INTERNATIONAL COALITION OF STUDENTS, INVESTORS AND WORKERS COMMITTED TO RAISING AWARENESS ABOUT AND ENDING THE INJUSTICES IN NIKE’S SWEATSHOPS AROUND THE WORLD.

By marshalling the energy of a decade and a half of organizing on the Nike sweatshop issue, TEAM SWEAT is striving towards the goal of ensuring that all workers that produce Nike products are paid a living wage.

LATEST POSTS
Liberation Theology: Speaking Truth from the Margins
Getting the Message Out
Social IN-Justice

UPCOMING EVENTS
August 16 - Behind the Swoosh: Sweatshops and Social Justice
August 22 - Popular Education and Grassroots Organizing: Getting the Message into the Mainstream
September 13 - Catholic Social Teaching 101: Exploring a Best Kept Secret

TEAM SWEAT RSS
Entries RSS Comments RSS
LEARN MORE

1. VISIT WWW.TEAMSWEAT.ORG and www.facebook.com/teamsweat

1. READ THE FOLLOWING BOOKS:
   * When Corporations Rule the World by David Korten
   * Fair Trade for All by Joseph Stiglitz
   * Confessions of an Economic Hitman by John Perkins
   * No Logo by Naomi Klein
   * Made in Indonesia by Dan LaBotz

3. Sign up for classes with professors that are critical of the current global economic system

Click JOIN @ www.teamsweat.org      Text SWEAT to 313131
EMAIL NIKE CEO, MARK PARKER
MARK.PARKER@NIKE.COM
INFO@TEAMSWEAT.ORG

Subject: “MAKE NIKE FAIRTRADE!”

POST YOUR THOUGHTS
WWW.TEAMSWEAT.ORG
WWW.FACEBOOK.COM/TEAMSWEAT
@TEAMSWEAT

SOUND OFF ON CAMERA

EMAIL THREE FRIENDS
CONTRIBUTE

GET A FAIR TRADE T-SHIRT

SUPPORT WORKERS HERE WITH LIVING WAGES AND UNION CONTRACTS

SUPPORT WORKERS IN INDONESIA WHO ARE FIGHTING FOR LIVING WAGES AND UNION CONTRACTS

LOOK COOL 😊
BE READY TO FIGHT
BE READY TO FIGHT
BE READY TO FIGHT
Facing pressure from universities and student groups, the apparel maker Nike announced on Monday that it would pay $1.54 million to help 1,800 workers in Honduras who lost their jobs when two subcontractors closed their factories. Nike agreed to the payment after several universities and a nationwide group, United Students Against Sweatshops, pressed it to pay some $2 million in severance that the two subcontractors had failed to pay.
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BY JIM KEADY
WHO IS RESPONSIBLE?
WHY ARE WAGES SO LOW?

AIR FORCE ONE
- Design
- Price
- Delivery Date
- Quantity
- Quality

FACTORY COSTS
- Materials
- Overhead
- Labor
- Profit

NIKE USA
SUBCONTRACTORS
WORKERS
Diffley

Jim Keady
Graduate Assistant Coach

Jim is also a new addition to the Red Storm coaching staff this season. His brings an abundance of goalkeeping experience and professionalism to the St. John's soccer family. Keady will assist in all aspects of the program with a concentration on the team's academic enhancement and goalkeeping training.

Doug Beaumont
Assistant to the Director
UNION BUSTING
FORCED OVERTIME/WAGE CHEATING
• This hour of forced, unpaid overtime happens primarily in the sewing divisions and impacts thousands of Nike factory workers.

• The hourly wage for a fourth hour of overtime would be Rp12,600 ($1.40).

• Nike factory workers are being forced to work this unpaid hour 6 days a week.

• If these allegations are accurate, Nike factory workers at this factory have been cheated out of approximately $5,460,000.00 this past year - $1.40 (rate) x 6 (days) x 50 (weeks) x 13,000 (workers) = $5,460,000.00.
WHO IS RESPONSIBLE?

SIDELINE EXCLUSIVES
MEN'S & WOMEN'S FALL 2012