

NIKE

a global company

Nike is a US based sports and fitness company that is the largest supplier of athletic footwear in the world.

Nike became an international company when it opened an office in Taiwan in 1975, it now has branch offices all over the world.

Almost all of Nike shoes are made outside the US in Asia and Latin America. Nike does not make the shoes themselves, they contract production out to other companies.

Manufacturing footwear is very labour intensive, and involves cutting, stitching, shaping and packing of up to 200 components per pair. The main raw materials used in making the shoes are natural and synthetic rubber, vinyl and plastic compounds, foam cushioning materials, nylon, leather and canvas. Most of these raw materials are available in the countries where the manufacturing takes place, however most of the development of the technology takes place in the United States.

Nike is a successful and popular brand. It spends US\$1 billion on marketing the brand each year, this is equal to ten per cent of the brand's total revenue

Below is an example of a slogan of one of the critics of Nike. Oxfam Australia has been campaigning for thirteen years to get Nike to make sure workers are paid enough to feed themselves and their families, to protect workers in the factory from injury or being exposed to poisons, to allow workers to form unions, and to respect their Human Rights.

They argue that if a company can afford to sponsor an individual athlete like Tiger Woods for US\$100 million, they can afford to make sure people making their shoes are paid enough to meet their basic needs.

This campaign has had some success and is continuing to meet with Nike to push for more change. They monitor conditions in factories and talk to workers regularly. They do not want to stop this global company, just stop them benefitting from exploitation. Visit Oxfam Australia and Nike's websites for more details: www.oxfam.org.au/labour and <http://www.nikebiz.com/responsibility/>

JUST STOP IT.
www.oxfam.org.au

**WHOSE SWEAT
IS IN YOUR SHOES?**

1. When did Nike become a Trans-national company (TNC)?
2. Explain why Nike would produce shoes in Asia and Latin America?
3. Suggest why Nike spends so much on Marketing and Sponsorship?
4. Do you think Nike should spend less or more on Marketing and Sponsorship? Justify your answer
5. Summarise the concerns of Oxfam Australia
6. How do you think Nike views their Human Rights practices? How would you find out?
7. If you worked for Nike how would you respond to the claims made by Oxfam Australia?
8. Nike does not want to lose money but it can't afford to have a bad human rights record either, what recommendations would you make to Nike?
9. Do you think Nike are the only company who had this problem? Who else might be involved?
10. Some say "boycotting Nike is not the solution because workers might lose their jobs" discuss this statement