

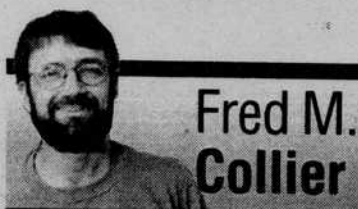
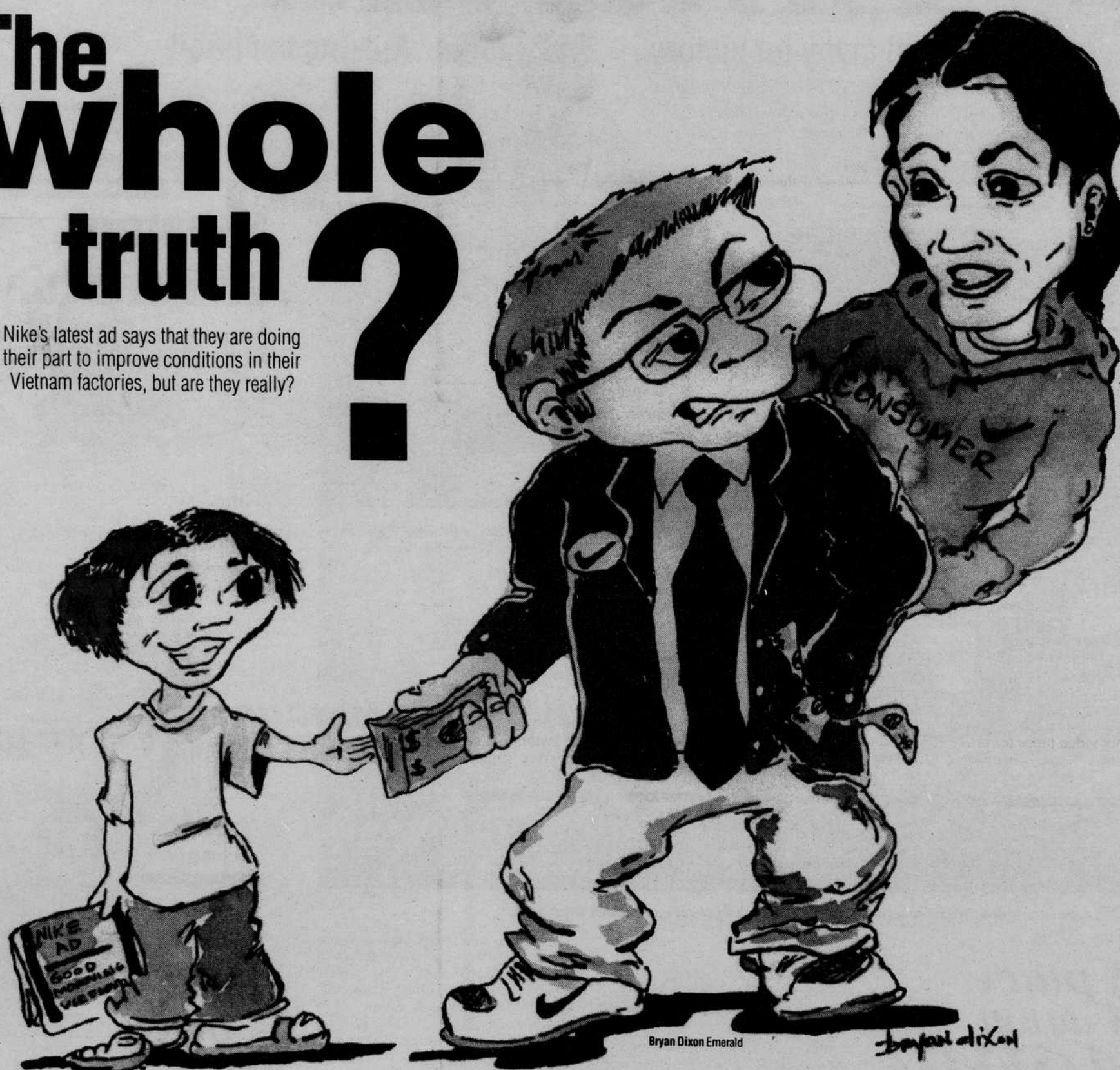
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The Whole truth?

Nike's latest ad says that they are doing their part to improve conditions in their Vietnam factories, but are they really?



Fred M. Collier

Two weeks ago, Nike ran a full page ad on the back page of the Oregon Daily Emerald entitled "Good Morning Vietnam!" At first sight the ad makes Nike look generous and responsible, but deeper searching shows that it is loaded with wording intended to deceive more than to enlighten. With the recent push to establish a Corporate Code of Conduct for the University, one wonders if this ad isn't simply part of a campaign to polish Nike's image to avoid the scrutiny that would make them forsake abusive labor practices in developing countries.

Before continuing, I should mention that I do believe Nike is making significant steps to improve the working conditions of its overseas employees. I also don't believe Nike has the worst labor practices

of any company currently producing shoes in the global market. According to Mike Clark, administrative assistant at the School of Architecture and Allied Arts, other companies are worse than Nike. Clark's wife Hoa-Lan Tran comes from Vietnam and specifically said that in Vietnam, American companies are considered to be better employers than their Asian counterparts.

That said, I still question some of the statements made in Nike's "Good Morning Vietnam!" ad.

First, the main thrust of the ad seems to be to promote Nike's "micro-loan program," in which Nike provides a \$75 loan to match a \$75 contribution from a private citizen, which is then given to a Vietnamese national to start a business. I think it's great that Nike is supporting other people's charity. But Nike is not "Just Doing It." I can't find where a single penny is coming out of Nike's pocket. Sure, they're helping someone start a business, but they're also charging 12 percent annual interest on their loan (Nike calls it 1 percent per month), which is hardly a low-in-

terest favor. While their ad implies that they are being completely altruistic, a closer look suggests they are picking up good press for free and, though these businesses may not exist without the \$150, it seems likely that by charging high interest Nike is sucking profits from businesses whose net worth amounts to little more than a couple pairs of Nike's shoes. If Nike were completely charitable, it would make no-interest loans and eat the minor administrative costs itself.

Another deception in this ad is Nike's boasting of paying its workers more than double the average annual wage. According to an article in the Nov. 7, 1999 Register-Guard, "Nationwide, the average Vietnamese earns about \$1 a day — and perhaps four or five times that amount in urban centers such as Hanoi and Ho Chi Minh City..." In other words, because many Vietnamese live in rural areas on subsistence farming, the national average income Nike compares its wages to has little to do with the local economy where their factories are located. It's difficult to find information on the specific

locations of factories, but I think it's reasonable to assume they are in urban areas where the work force would be relatively educated and available. Nike actually pays about \$2 a day in an economy where the average is between \$4 and \$5 a day. Instead of twice the average, they pay half.

Then, in the last lines of its ad, Nike exhibits its cynicism. Nike ends by saying it "is doing its part to raise the standard of living for people in Vietnam and other developing countries. The question is, are you?"

A good question, indeed.

From the evidence I have seen, gathered mostly from Nike's own materials, I would say that we can do our part best by insisting that the University adopt the Corporate Code of Conduct advocated by the Human Rights Alliance as soon as possible, by supporting independent monitoring and full disclosure of Nike's labor activities and by insisting that Nike pay all of its workers a living wage. Nike does appear to be concerned with its corporate image and certainly appears to be acting to im-

prove the situation. But it is acting reactively, not proactively. Nike can afford to pay its sports hero endorsers millions and it's CEO can afford to donate millions to the University. Surely it can afford to pay its workers at least the average wage for the local economy in which their factories stand. It can and should continue to improve in the areas of women's rights, accountability and health and education for its workers.

But it will only do so to the extent that its customer base insists that it does, backs that insistence in the marketplace and maintains independent monitoring of their activities.

Nike's Good Morning Vietnam ad presents the company as a benevolent parent, but in truth Nike is like a small child or a dog. They will act responsibly, but only if we are standing over their shoulders, watching every move to make sure that they do.

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