

Sustainability of the working and living conditions of Nike sweatshops

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In this research paper I will discuss and analyse a current issue of sustainability from my perspective. The issue I will be discussing, and analysing is the working and living conditions of Nike's sweatshop workers. Sweatshops are Third-World manufacturing plants where employees—sometimes children—work in rough and often unsafe conditions for wages equivalent to a few dollars a day. Sweatshops are found mainly in Southeast Asia and South America, often in the textile industry (Defending Sweatshops 2015). Nike have been previously under scrutiny for the working conditions and wages of its sweatshops in the third world countries. With the first investigations back in 1998 producing controversy Nike have insisted their wellness policy has improved. However, in previous years the controversy of Nike's sweatshops has arisen again. There are always two sides to any story therefore in this research paper I will analyse the impact of the sweatshops discussing the bad but also the good and aim to conclude that what changes can be made to provide the best possible situation for Nike and its workers. Nike are a sports clothing brand that supply to the entire world. Sponsoring athletes like Tiger Woods, Roger Federer and LeBron James. Nike are currently worth \$15.9 billion. Even though being a company worth billions of dollars they have been known to cut corners in the manufacturing stage of the production line. Nike has seven hundred shops in forty-five different countries outside the United States including Indonesia, China, India and other Asian countries. Indonesia is one of the most popular countries for Nike's sweatshops with a population of two hundred and sixty-one million in 2016 consisting of forty-three factories with one hundred and sixty thousand

workers. Why is there so many sweatshops in Indonesia? Due to the very low minimum wage in Indonesia Nike have exploited this. Currently in Indonesia the average factory worker earns \$0.50 an hour. Those wages are roughly 76 times less than average hourly wage in the factories located in the U.S. According. In 2015 Indonesian factory workers are paid \$3.50 a day. Calculating to an average month of thirty days that is \$105 a month including weekends. The minimum wage in 2015 in Indonesia was 2,700,000 Indonesian rupees a month exchanging to roughly \$200 at the times exchange rate roughly. Therefore in 2015 Nike were paying their workers \$95 a month less than the minimum wage in Indonesia working every day in the month. So, what can \$120 a month buy you in Indonesia? A simple factory worker one-bedroom apartment which is a mat on the floor costs roughly \$15 a month, drinking water costs \$2 a month and transportation is \$26 dollars adding up to \$43 dollars for the three major expenses. Leaving \$67 for the month, \$2.06 a day for other basic needs other than those three expenses. Nike make a profit of \$3 for each \$100 pair of shoes selling 120,000,000 a year making a profit of \$360,000,000. These figures are staggering compared to what the workers in Indonesia earn daily.

Nike have not only been breaking the wellness policy of wages but also the working conditions for the workers of the sweatshops in Asia. In previous years Nike have been scrutinised for having some of the worst working conditions in their sweatshops across Asia. With reports of long hours, toxic chemicals and aggressive staff Nike have later released they had made significant improvements to the working conditions back in 2000. However, like the wages Nike have again had accusations and protests aimed their way over the way they treat their workers in Asia. In March 2016 there was an event hosted by the Penn State chapter of the United Students Against Sweatshops who are a national organization campaigning for workers' rights, as part of its nationwide "Just Do the Right Thing" campaign. In this event a worker by the name of Noi Supalai spoke describing the harsh conditions her and her co-workers had to work under in the Nike sweatshop named Eagle Speed located in Thailand. Supalai began by describing how she and her co-workers grew increasingly impatient over the abuses they faced at Eagle

Speed. These abuses included harsh time constraints — some days they were forced to “take turns to go home for a shower” — which were brought on by the rigid deadlines set on the products by Nike (Hyun Soo Lee, *The Daily Collegian*, 2016). Supalai also described that the factory would receive fines from Nike if the workers could not produce all the products by the set deadline. Speaking at the event Supalai said via a translator “It had been two months that we did not get paid, so we got together to protest.” The owners of the factory explained to the 2000 workers that they had no choice but to keep working. When going on strike from the factory the workers had arranged a meeting with Nike representatives who then “never showed up.” “We were really hopeful,” Supalai said of the anticipation leading up to the appointment. “But when the day of the appointment came, [the representatives] did not show up and they just disappeared, and we never heard of them again.” Supalai and her co-workers later learned that Nike had moved their orders outside the factory. When I learned that, I was really sad and disappointed,” she said. “I never expected such a big company like Nike to lack such business ethics. They did not have the humanity to care for the workers — actually, they could talk with the factory to treat us better...but they just did not care about the humanity.” (Hyun Soo Lee, *The Daily Collegian*, 2016). Another case of Nikes working conditions is on July 29, 2017 activists and students around the world had a day of protests Nike, organised by the USAS also known as the United Students Against Sweatshops. These protests were held in cities such as Washington D.C., San Pedro Sula in Honduras, Boston and Bangalore. There are a vary of allegations against Nike that have been surfacing. Among them are claims that workers at a Nike contract factory in Hansae, Vietnam, suffered wage theft and verbal abuse, and laboured for hours in temperatures well over the legal limit of 90 degrees, to the point that they would collapse at their sewing machines. Nike is also accused of cutting jobs at the Hansae factory and pulling production from a factory in Honduras with a strong union presence, resulting in hundreds of workers losing vital jobs (Marc Bain, 2017). In Cambodian factories while supplying some of the world’s best-known sportswear brands are suffering from mass fainting’s which are linked to the working conditions. Over the past year

staggering 500 workers in four separate workers supplying to Nike were hospitalised. The most serious episode, recorded over three days in November, saw 360 workers collapse. The brands confirmed the incidents, part of a pattern of faintings that has dogged the 600,000-strong mostly female garment workforce for years. The women who collapsed worked 10-hour days, six days a week and reported feeling exhausted and hungry. Excessive heat was also an issue in three factories, with temperatures of 37C. Unlike in neighbouring Vietnam, where factory temperatures must not exceed 32C, Cambodia sets no limit, though if temperatures reach a “very high level” causing difficulties for workers, employers must install fans or air conditioning. According to unions, short-term contracts — common for workers in three of the factories — were also a key source of stress and exhaustion (Karen Mcvaigh, 2017). As I stated in the introduction there are always two sides to a story and although there is a lot of controversy and wrong doings in the sweatshops they do have advantages that aren’t always explained. Yes, as we have found out the wages in the sweatshops are a big issue and need improving, but if the sweatshops weren’t there where would the workers find jobs? Imposing a minimum wage in sweatshops will create unemployment if the producer cannot adjust other margins—by reducing safety, for example. A mandated improvement in working conditions or other benefits amounts to the same outcome if the money wage is not reduced accordingly. What the clear majority of sweatshop workers want, as shown by interviews, is more money, not better working conditions. economic theory reaches the same conclusion: “the mix of compensation is really driven by employee preferences”; the employer only cares about the total cost. A higher compensation package means that some workers will be let go. In 2003 American activists helped in forcing BJ&B, a Dominican Republic sweatshop, to recognize a union, which rapidly obtained dramatically better conditions for its members. But the company’s workforce fell from 2,000 employees to just 234—and ultimately the firm closed in 2007 (Defending Sweatshops 2015). Many people who live in these third world countries have a different opinion on the sweat shops. For example, a young Indonesian woman who, with her three-year-old son, earns a dollar a day by selling scrap scavenged from a garbage dump in Jakarta. When Kristof asked her about the

sweatshops that surround the dump, she “spoke dreamily about how much she would like her son to get a job in one when he is older.” To people like Tratiwoon, Kristof explains, “a sweatshop represents a leap in living standards.” It is reported that if there were no sweatshops located in these 50,000 children, many of whom ended up in even worse jobs than in the factory previously. If they were not fortunate to find another job, then they would live on the street or a significant number of the 50,000 children were forced into prostitution to earn money.

In conclusion after researching different stories, accusations and facts about Nike’s sweatshops in Indonesia, in my opinion the way they are still operating cannot be sustainable. The working conditions are so poor that when you have happy and healthy workers can produce faster and a higher quality of products. There is no problem with having the sweatshops in the third world countries because as stated they do provide jobs and wages that are needed to survive. Although, Nike’s philosophy on the sweatshops are completely wrong. New Balance have their factories in the United States with better working conditions and seventy times the wages Nike pay their workers and still make a healthy profit. Nike have more than enough resources to pay the fair wages and provide the correct working conditions for their workers. Nike sponsor professional golfer Tiger Woods and pay him \$30 million a year, Roger Federer (Tennis) \$10 million a year and in 2016 agreeing a \$1 billion lifetime deal with Cristiano Ronaldo (Football). The sweatshops workers lives are not sustainable under these conditions. At the moment it is one of the best jobs they can have and still earn under the minimum wage struggling with health and nutrition at home and then working conditions at the factories. If Nike were to raise the wages of the workers and the working conditions to produce a fair and healthy living, then in my opinion I doubt anyone would complain about the use of the third world countries. To raise further awareness, they can lower the wages they pay some of the most famous athletes in the world to help improve this issue as if the athletes were to complain then they would be ridiculed for not supporting a fair and healthy working environment for the workers who do manufacture their clothing. In conclusion I have found that currently the working and living conditions of the Nike sweatshop workers are not sustainable but that is down to Nike its self and are capable on improving to become a fair and safe working environment.

countries that there would be a significant lower number of jobs available and would be earning even less working in farming or nothing at all if it was not for these sweatshops. Once more in Bangladesh when one firm laid off



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