

Nike – good or bad?

[Business](#), [Company](#)



Nike is good:

A factory called Samyang in Vietnam (a factory under Nike contract) seems to be keeping satisfactory working levels within the building. It employs 5,200 people, most of them being women. The factory is made up of six big buildings with well-kept surroundings. Inside, there are fans keeping the workers cool, fire extinguishers about in the case of an emergency, and workers can easily access goggles, masks and gloves if they need them.

Workers get double the local average of \$54 per month and an annual bonus of at least one month's salary. Other factories get a lot less - in rural areas, factories pay \$35 per month, in suburbs they pay \$40 per month, and in cities, \$45 per month. In state-owned factories (factories owned by the government), workers get a surprisingly low \$15 per month!

All this money they are getting has allowed most of them (three quarters) to buy a television, many to have a motorbike, some to have phones, etc. Not only does this improve their life, but it also allows other businesses such as petrol stations, electronic repair shops, etc. to function properly and make money too. This is called the multiplier effect.

Nike has made changes to improve health and safety. In 1998, it replaced the very hazardous petroleum-based solvents with less harmful water-based ones. In 1999, an expert in the field went to verify Nike had actually done this at the Tae Kwang Vina factory in Vietnam. The investigator found that Nike had indeed replaced the compound and had also installed local exhaust ventilation systems. They also discovered that Nike had trained certain staff personnel aspects of health and safety.

<https://assignbuster.com/nike-good-or-bad/>

Nike is bad:

Nike does not own the factories their clothes are manufactured in. This means they can leave at any time, leaving thousands of workers unemployed and fighting for their life while they find another job. For example, on February 22nd 2008, the BJ&J factory in the Dominican Republic announced that it was going to slowly fire workers and close. The factory, owned by Korean company called Yupoong, was making Nike caps at the time.

In the Tae Kwang Vina factory mentioned earlier, some health and safety issues remained. Some sections of the factory were still exposed to hazardous chemicals, and to high heat and noise levels. In 1997, it was found that workers in a different factory were being exposed to 100 times the legal limit of Toluene, a toxic gas.

Nike gets its clothes made in countries with free trade zones where it is illegal or extremely difficult for workers to organise into trade unions. It is practically impossible for workers to get better conditions (such as better pay, improved health and safety, etc.) when they cannot get together and form a united group to approach their boss.

However, this said, some factory workers have done it before and achieved what they were protesting for. The Ching Luh Nike factory has 21, 000 employees, and in June 2008, after going on strike for 2 days, they managed to get Nike to increase their wages by \$6 a month.

Some people think that the minimum wage in countries is enough to survive because the cost of living in that particular country is lower too. The chart below proves this to be wrong with three primary countries that Nike manufactures in.

Nike doesn't pay lots to its workers. In many countries, they live way under the predicted living wage. The table shows the average wage of all the factories in that country, and the living wage in each. The data presented is only an average. Some factory workers earn only \$1.60 a day, where the price of three meals a day is \$2.00.