

How Nike fueled exploitation of workers manufacturing its products

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Sweatshops

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Labor is an expense in manufacturing that requires many resources. Ways to reduce resources used in production is a priority for any manufacturing company. Sweatshops are an illegal means adopted by companies, to reduce production expenses. A sweatshop is an area of employment that breaks more than one labor laws. Poor pay working for long is rampant in these sweatshops. Child labor is a common practice in such settings. While companies refuse participation in this illegal labor employment most of them practice it outside the country (McHale, Zompetti & Moffitt, 2007). It is only after investigations that the truth is surfacing now.

Nike is the world's biggest outfit producer. Production includes expensive shoes and clothes especially for sportsmen. Nike employs half a million employees, as most of their production methods are labor intensive. This has provides many people with a source of income. Nike is competitively superior in the market, (McHale, Zompetti & Moffitt, 2007) in comparison with other clothing companies it is the biggest. A dream made in the university by a group of boys is now a company with billions after tax turnover. Nikes production takes place outside America in developing countries. The company boasts slogans and rigid labor laws that do not provide for child labor and exploitation. Despite this, Nike faced sweatshops allegations in the 1990s.

After questioning workers in the developing countries, they gave answers that were not credible. While a large percentage said, they would work for Nike if given another chance; questions about threats in their workplaces

arose. With supervisors, pressuring them to false information, information obtained was controversial with regard to complaints aired by workers before then. In the 1990s, workers in these countries for the first time talked of the ills of the Nike management. Women complained of sexual assault by superiors in these sweatshops.

What angered many including labor activists were that Nike was the market leader. Other small companies would have taken after the company to increase their profits. Even worse was the fact that Nike would easily pay these workers as with the enormous profits, they made but they chose not. When these complaints surfaced years of activism followed (McHale, Zompetti & Moffitt, 2007). Children activists established then that even children below sixteen years gained employment in these companies. This was embarrassing for the company as before that, they boasted the first labor laws. What was worse, the working conditions were unsafe, and these workers had to work for long hours.

Nike has improved ethical conditions of laborers producing its products. In response to the allegations, Nike responded by improving terms of employment. In Indonesia where most allegations originated they increased wages. All over their companies, they withdrew children below the age of sixteen that were working there. Nike increased salaries in these sweatshops. Although it was below the wage standards in America, in these countries, they reached the living wages (McHale, Zompetti & Moffitt, 2007). Nike introduced overtime pay for every extra hour of labor.

In the global eyes, Nike is back to the status of a prestigious manufacturer. Despite these efforts, some activists still want Nike to compensate workers

who suffered under these conditions. Nike still has a long way to go to reach the levels of a positive compensating company. Today Nike is on the front line advocating for decent working conditions (McHale, Zompetti & Moffitt, 2007).

References

McHale, J. P., Zompetti, J. P., & Moffitt, M. (2007). A Hegemonic Model of Crisis Communication. *Journal of Business Communication*, 44(4), 374-402.