

From the Editor

MIKE NAHAN

HAVE you ever wondered why Nike is hated so? On the surface, it is the perfect company for an aspirational age. It sells fashion and a vision of a healthy, multicultural, liberated lifestyle. It supports most of the world's sporting heroes—from Michael Jordan to our Cathy. It makes a good pair of shoes which have kept many an ageing Baby Boomer, like myself, away from the podiatrist.

By all standards it is the model company. It pays employees well. Its has never laid-off any employees in its history. It pays high wages and has a rigorous equal opportunity policy. It has consistently generated healthy profits, which it shares with its employees through stock options and a bonus scheme. It has established the Nike Foundation, which gives millions of dollars worth of goods each year to poor schools around the world. And its uses 100 per cent recycled packaging, is committed to using organic cotton, if it can find any, and is committed to reducing greenhouse gases (which admittedly is not hard for a shoe company).

Importantly, it is a model employer in the Third World. As with virtually all textile and footwear manufacturers, it has established operations in many less-developed countries, particularly in Asia. If it had not done so, it would simply not exist. Significantly, its operations in these countries set the standard. It pays higher wages and provides better working conditions and living facilities than its competitors. Naturally, it is the employer of choice for thousands of unskilled women seeking freedom from a subsistence mode of life.

Despite its admirable record, Nike has come to symbolize the 'exploitative corporation', decried from the pulpit, in the press, and on university billboards around the world.



What is going on? Well, Nike has been the target of a classic anti-corporate campaign, the *modus operandi* of which is the subject of our feature article (Jarol Manheim, page 3).

The US textile and clothing unions, in an attempt to stem the loss of jobs to developing countries, decided in 1990 to launch a corporate campaign. They chose Nike, not because of its poor standards but because of the strength of its brand name. The unions realized that, to be successful, they and their real concerns could not be the focus of the campaign. Their reputation was, if anything, worse than that of the corporates. Their concerns—more money and jobs for their members—would be seen as self-interested. Thus, the campaign focused not on local jobs but rather on saving young women from sweatshops—in other words, they went for the high moral ground. Although the unions have funded and orchestrated the campaign, they have avoided the limelight. Instead, the key to their strategy was to enlist the support of a range of moral crusaders from the churches, charities, aid agencies, philanthropic foundations and universities. The unions also set up front organizations—such as Fairware in Australia—and enlisted the support of a few of Nike's competitors.

The campaign has been hugely damaging to Nike. Its brand name—its

most valuable asset—has been converted from a symbol of freedom and fun to a symbol of the sweatshop employer. Unions have benefited because most clothing and footwear manufacturers in Australia have signed-up to a union-controlled code of conduct. And the campaign has also provided many activists with a prominent position for public preening.

Not surprisingly, it has done nothing but harm to the people with which it claimed to be concerned—local outworkers and workers in developing countries. In many cases, those people have lost the best of employers when Nike closed plants or contracted out work.

Of course Nike is not on its lonesome. Rio Tinto, Coca-Cola, Philip Morris, the Commonwealth Bank and many other corporations in Australia have been the object of such campaigns.

And if the ACTU has its way, corporate campaigns are the way of the future for the union movement. It is busy building its links with a raft of NGOs and activist groups—even with the lunatic fringe that ran the SII protest in Melbourne last September. It is helping to fund a course at RMIT to teach the art of corporate campaigning. The President of the ACTU, Sharon Burrows, is committed to using the union movement's influence in the superannuation industry as part of its campaigns—as has been shown in the US, nothing threatens corporations like the prospect of massive fund withdrawals.

This is a worrying trend. The destruction of wealth by the debasement of public debate—in order to serve vested interests and moral vanity—threatens not only the functioning of the corporate sector and therefore prosperity, but also the very foundation of a free society.

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REVIEW