

# WHEN NIKE EQUALS STRIKE

American sportswear giant Nike promises to protect the rights of workers. But when striking shoe factory workers in Vietnam got the boot, Nike did nothing.

By Carsten Terp & Anne Skjerning / Photo Søren Zeuth



**Fighting for your rights** is not without consequences when you live in a country led by one of the world's most repressive regimes.

When 20,000 workers at a big Nike contractor near Ho Chi Minh City in Vietnam went on strike one year ago, Mr. T was fired. He can never again work for the factory, but some of his colleagues have paid an even higher price. They were harassed by the police and put under long-term surveillance.

In Nike's code of conduct the company promises to protect workers' rights. And Nike has committed itself to promoting free trade unions. Still the American sportswear giant did nothing when the Vietnamese shoe factory workers got the boot.

## 20,000 workers on strike

The Ching Luh uprising was swift and spontaneous.

A day in the end of March 2008 around 500 workers left their work stations after lunch. The words spread quickly, from ear to ear, from cell phone to cell phone. And soon thousands of workers flooded the 830,000 square meter factory grounds.

This was just one of more than 700 wildcat strikes sweeping the nation that year, fuelled by the highest inflation rate in South East Asia and increasing worker discontentment. Workers said their wages were too low to cover the expense of living, and small adjustments offered by the companies could not keep track with the inflation eating away up to 15 percent of the workers' salaries.

Like the rest of the strikes the Ching Luh uprising happened without any support from the trade union.

As a group leader Mr. T. was responsible for 15 workers in the sole factory. He knew that presenting the workers' demand for a monthly raise of 20,000 Vietnamese dong, 9€, to the management might cost him his job, but he did it anyway. He felt he was just doing his duty.

## Police in Ching Luh uniforms

These were proud days. In a country where strikes are de facto illegal and freedom of assembly is strictly limited Mr. T. witnessed

poor ground floor workers standing up for their rights. He was not afraid, he says. He felt that they were fighting for a righteous cause.

In the tense atmosphere at the factory fist fights broke out between security and workers. The management decided to call the police. Internal Nike documents in our possession reveal that at this time the strike was handled in a close collaboration between government officials and the management at the factory – with Nike on the sidelines.

The government promised to take care of security and sent out 20 officers in police uniforms and 20 in the factory security guard's uniforms. The following days the number of policemen was increased to 60.

## Strike leaders were fired

After seven days the strike was over.

The management told the workers to either accept an offer of 100,000 dong, 4€, extra a month or leave the premises and never come back. This was backed up by the union representatives who told the workers that they would be fired if they continued the strike.

Most workers accepted the offer and went back to work. Still some were told to leave. Mr. T was one of them. The union representative told him that as a group leader he was expected to control his people, not represent them in an uprising against the management.

Mr. T says that at least 100 group leaders were fired. Others were allowed to keep their jobs if they wrote so-called self-criticism statements. This is confirmed by the underground organization, Viet Labor Movement. The organization has collected names and testimonies from 20 persons who were fired in the days after the strike.

Mr. T. went back to his hometown where his family runs a small shop. He stayed there for three months before returning to Ho Chi Minh City. This trip saved him a lot of trouble, he thinks. Had he stayed, he would have experienced the same thing as other fired group leaders.



Workers leaving the Ching Luh factory in the outskirts of Ho Chi Minh City at the end of their shift.

## Who's pulling the shoe strings?

In Vietnam the police carefully investigate any kind of public disorder to find out if it is initiated by some political underground movement.

The ruling Communist party oppresses all political opposition in the country – including labour rights advocates who are routinely arrested and sentenced to years of prison for crimes against the nation.

This is documented in new reports by Human Rights Watch and ITUC. These reports mention numerous examples of beatings and arbitrary arrests of labour rights activists.

After the strike at Ching Luh things went as they normally do in Vietnam: All strike leaders were arrested and put under intense police surveillance and monitored in their neighborhood by so-called block wardens.

## Vietnam is in the dark ages

A source in the Viet Labor Movement has been a subject to this treatment. She was arrested after taking part in public demonstrations and spent ten days in prison. Again and again she was asked the same questions: Who's behind this? Who are you working for?

When she was released a police officer turned up at her workplace and ordered her boss to fire her. Through the next six months she was under close observation. Every week she was called to the police station and presented to the same list of questions.

"It's not that you're scared they will harm you, but the constant harassment makes it difficult to live a normal life. Sometimes it drives you crazy," she says.

Secretary Trung Doan of the exile organization, the Committee to Protect Vietnamese Workers, has followed the situation in Vietnam for years:

"To a not-so-observant foreigner, Vietnam is quite free these days," he says: "To workers who strive to fight for their rights, it's the dark ages. The oppression is much worse than when the French colonized Vietnam early last century," says Trung Doan.

## Special responsibilities in certain countries

Tim Connor is the labour rights coordinator of Oxfam in Australia. Since the mid 1990'ies he has monitored Nike's and other sports brands' business activities in third world countries.

According to him brands placing their production in countries with weak labour rights have a special responsibility for the safety of workers in their contract factories.

For instance they must ensure that workers are instructed in their rights. And they must establish complaint systems for the workers to use in case their rights are violated.

During a strike the obligations of the brand are clear, Tim Connor says.

"A brand should carefully monitor the situation to make sure that no workers are inappropriately punished for their participation in the strike. If workers are dismissed in the aftermath of a stri-



ke, the company should carefully investigate this to make sure that the principles of freedom of association have not been violated,” says Tim Connor.

**Nike: No workers were fired**

The situation in Vietnam shouldn't come as a surprise to Nike.

For several years the company has sourced from Vietnam, and with more than 200,000 workers involved in the production of Nike goods, the company considers Vietnam one of its most important supplier countries.

The sportswear giant has a set of ethical principles for its suppliers in the 52 countries where Nike products are manu-

Even though Mr. T is scared of retribution from the authorities he insists on telling his story about the strike at the Ching Luh factory.

factured. The Nike Code of Conduct states that suppliers must “respect the rights of all employees, including the right to free association and collective bargaining.”

In China where free trade unions are also prohibited Nike has made a public statement supporting freedom of association.

But the workers from Ching Luh didn't benefit from any of this. During the strike Nike's local compliance team in Vietnam had daily talks with the management of Ching Luh, the state-run union and the local authorities, but the company never spoke to the workers themselves.

In a statement the sportswear giant says that the company has never heard of threats to workers. Nike also states that no workers were fired as a result of the strike, that no workers were disciplined, and that the police was only called to “protect the well-being of the strikers, the management and factory property.”

This is repulsive, thinks Trung Doan of the Committee to Protect Vietnamese Workers.

“Nike says that police were called in to protect workers, while actually they were called in to break strikers' spirit.” Trung Doan adds: “Nike's profit maximization goal is achieved by feigning CSR adherence while turning a blind eye to the reprehensible mistreatment of their contract workers.”

Today Mr. T works in the insurance business. He is scared of retribution from the authorities, but he feels it's important to tell his story.

“Here in Vietnam I am not allowed to say what happened. But maybe things will get better if we get our stories in the foreign media. At least that's my hope,” he says. □



With 20,000 workers the Ching Luh factory is one of the big Nike suppliers in Vietnam.



**Facts about the articles:**

All articles in this series are based on combined desk studies and field research. The field research was done in Vietnam by researcher Anne Skjerning, photographer Søren Zeuth and journalist Carsten Terp in the days from the 3rd of April to the 16th of April 2009.

During that time 13 former and present workers at shoe factories producing for Nike were interviewed. In addition to this we spoke to a number of people who are connected to shoe production in Vietnam.

All the people who have contributed to these articles are anonymous in order to maintain their safety and avoid any kind of retribution by either employers or authorities.

**The bigger the pain, the bigger the gain**

Whenever the pain in her head gets too much, Ms. B., 32, leaves her workstation in the gluing department of the big Nike contractor, Dona Victor, to visit the factory health clinic. The doctor will then give her painkillers. These might ease the hurt, but they won't make the pain go away.

The constant headache is a consequence of gluing shoes, Ms. B. says. And so is the pain in her stomach, her sore throat and her snotty nose.

“I know that the conditions are the same at shoe factories everywhere, so what can I do other than accept it?” Ms. B. says.

The glue is smelly and it sticks to her skin and clothes. At work Ms. B. wears an apron, gloves all the way up to her shoulders and a face mask. The company provides personal protection equipment. She used to get a new mask every week, but recently it was cut down to one mask every two weeks.

Ms. B. receives a so-called hazardous benefit for working with harmful substances. This amounts to a little over 100,000 Vietnamese dong, 4€, per month. After 12 years at the Dona Victor she earns a total of 1.7 million dong, 75€, a month.

Headaches and pains in the back and shoulders are common among people working in the garment industry, confirms a doctor from a garment factory health clinic in the area. About half of his patients have difficulties breathing. And a third complains about problems with nervous tensions and numbness in their legs caused by too much strain on their back spine. Other common disorders are pains in necks and shoulders.

For workers at shoe factories a number of grave syndromes are added to the list. According to the doctor loss of memory, skin deceases, lower reproduction abilities and even miscarriages are well-known health problems. He believes these issues to be closely related to the use of harmful substances in the shoe industry.

A source in the industry informs us that more than 2000 different chemicals are used to create the various soles for sports shoes.

Various sources inform us that the workers are not aware of the long-term health effects in relation to their work. From our workers interviews we're left with the impression that the workers don't focus on the dangers of their work. They need every extra dong they can get in hazardous benefits.

In Nike's Code of Conduct the company demands its contractors to “reduce work-related injury and illness and promote the general health of employees.”

Nike says in a statement that the company has reduced the use of petroleum based solvents and glues in the manufactory by 95% since 1995. Nike demands that the company's suppliers provide workers with personal protection equipment.



Ms. B's has a constantly sore throat due to her work in the gluing department of the Dona Victor shoe factory.

**Paying the price of living**

Every day 40,000 workers enter through the gates of the shoe factory Pou Chen. One of them is 40 years old Ms. L. Four years ago she left her family in Western Vietnam and went south to work.

“I hope to be able to give my children a better life than my own. I wish to give them an education, so that they won't have to do manual labour like me,” says Ms. L., 40.

Working as a farmer in the Western part of Vietnam a divorced woman would never be able to provide a decent living and an education for a 10 year old son and an 18 year old daughter.

To secure her family Ms. L left the children in the hands of her parents and went to Ho Chi Minh City to apply for a job at the Pou Chen factory. Now she works in the sole factory, operating a high pressure machine used for manufacturing rubber soles for Nike sports shoes.

Her work is hot and smelly,



Ms. L pays 27€ a month for a rented room behind the Pou Chen factory.

and production targets are high. Ms. L. receives a maximum of 1.6 million Vietnamese dong a month, 72€ – provided that she meets her daily targets. When she doesn't, the factory deducts up to 250,000 dong, 11€, from her salary. Ms. L explains that targets are difficult to meet because Nike introduces new models and designs every month. And it takes time to get used to new routines.

Ms L says she rarely buys clothes in order to reduce costs as much as possible. But even though she manages to save a little money, she can't see her children more than once every two or three months.

Still she doesn't complain.

“I know that the conditions here at this factory are better than at any other factory in the area. So this is my best choice. I hope my children will get better choices, better salaries and better lives than me,” she says.

**Household budget of Ms. L:**

Monthly wages:	1.6 million dong (72€)
Money for her family in the village:	500,000 dong (22€)
Rent:	600,000 dong (27€)
Food:	300,000 dong (13€)
Left for personal expences, dental care etc.:	200,000 dong (9€)
Two-way ticket home:	200,000 dong (9€)