Competing in Cedar: Nike, Superstar Athletes, and the Unseen Strangers Who Make our Shoes

Matthew S. Vos, Covenant College

Abstract

Nike’s global dominance in the athletic shoe and sports apparel market is without serious rival. Its current worth stands at $32.4 billion worldwide. Nike manufactures through an “export-processing system,” where the intellectual work of design and marketing takes place in the US and the labor-intensive assembly work takes place in hundreds of factories spread throughout Asia. Consequently, most Nike labor comes from young Asian women who typically work 10-13 hours per day with frequent forced overtime, and who earn around 50% of the wage required to meet subsistence needs. Nike’s cultural hegemony and “hip” image gains traction through celebrated athletes of color who enchant the public and powerfully showcase the company’s products. Using ideas from W. E. B. Du Bois, as well as Immanuel Wallerstein’s world-systems theory, this essay draws attention to the relationship between the women of color who work in Nike’s factories and big sport – in particular the athletes who profit greatly from Nike endorsements. The focus falls on how some exceptional athletes of color offer, perhaps unwittingly, a potent legitimation for a glitzy industry that is inextricable from the exploited labor and lives of girls and women of color – the unseen strangers who make our shoes.

Keywords: Nike, strangers, sport, capitalist world-system, meta-national corporations, supply chains, export-processing, endorsements

“Woe to him who builds his house by unrighteousness, and his upper rooms by injustice; who makes his neighbors work for nothing, and does not give them their wages; who says, “I will build myself a spacious house with large upper rooms,” and who cuts out windows for it, paneling it with cedar, and painting it with vermilion. Are you a king because you compete in cedar? Did not your father eat and drink and do justice and righteousness? Then it was well with him. He judged the cause of the poor and needy; then it was well.
Competing in Cedar

Though the word is never mentioned, with a little imagination you will see the theme of the stranger nestled between phrases in the Jeremiah passage above.¹ The prophet does, however, mention neighbors. Only they’re not really neighbors. Those harnessed to work for nothing are not neighbors – they are strangers, and possibly slaves. They do not share in the abundance. The passage anticipates that those paneling the spacious house of the wannabe king would be barred from entrance before the second coat of vermillion was dry and the sconces installed. No, the activities of this heir apparent do not correspond with the things the Lord loves – righteousness, justice, right judgment, and compassionate care for those in need. Rather, his self-aggrandizement and the social distance he maintains between would-be neighbors is associated with oppression, violence, and the shedding of innocent blood. Worth noting, any religious beliefs this castle-builder may hold are merely incidental to “knowing” the Lord. They’re not even mentioned. On the contrary, knowledge of God is manifest in how a person treats those marginalized by the social system, those who fall outside its protections, those living on the outer bank of the moat, or those without a passcode to the gated community – themes reiterated in Matthew 25. Acting like a “Lord” may lead one to forget the Lord.

We the people of God (and perhaps especially evangelicals) routinely employ the religious language of “relationship.” “Do you have a relationship with God? Do you know the Lord?” Or are you a stranger to God? This ancient passage pointedly underscores the point that relationship with God – knowing and being known by God – emerges as a person (or a community) cares for the vulnerable within their circles. To know the Lord, proclaims the prophet, is to do justice. And to do justice requires that God’s people draw near to strangers, sharing with and embracing them as neighbors and friends. It is clearly not to set yourself up in a magnificent house built through dubious labor arrangements, have security escort those who built it off your property, maybe build a moat or a wall around it (maybe call it a covenant community, as some gated communities are known), plan your next business venture, and live in upper rooms away from the riff-raff (the higher up you are, the less you can see the poor). You may make it into the next issue of Architectural Digest, but you will not know God. Know strangers, know God; no strangers, no God.

¹ This article derives from a larger book project entitled “Welcoming Strangers,” which examines strangers as a social form, from both theological and sociological perspectives.
Perhaps the rich man in the passage is not a king, but he is a pretty shrewd businessman. Good thing we’re not like him! Or are we? Do we too compete in cedar?

**Strangers in Unseen Worlds**

Amidst the unfathomable complexity of human problems, problems that resist sociological solutions, the Biblical prophets offer remarkably simple courses of action. In response to problems of race, gender, and social class (all problems of the stranger), the prophets simply tell us to do what God loves, which boils down to the oft-cited wisdom offered in Micah 6:8:

“He has told you, O mortal, what is good; and what does the LORD require of you but to do justice, and to love kindness, and to walk humbly with your God?”

Justice, kindness, and humility are qualities that tend to emerge as we make strangers into neighbors, and when we consider others better than ourselves. All of these virtues, however, remain dormant if we oppress or neglect strangers. If we are the people of God “for the world,” it follows that God does not intend us to practice the Micah 6:8 virtues only among ourselves, as a means to in-group solidarity. We are fond of John 3:16, “For God so loved the world...” – it’s an evangelical staple for bumper stickers, highway billboards, and heartfelt postings on social media. But what if we focused and applied it this way: “For God so loved the strangers...” Does that not include what it means? Is not the gospel of Jesus Christ a message about a God who suffers for, lives among, and embraces those who were strangers? As Paul writes in Ephesians 2:13: “But now in Christ Jesus you who once were far off have been brought near by the blood of Christ.” From far to near. Be like Jesus; love the strangers.

Some strangers are easy to see. When someone outside familiar social circles comes into your church, sits at the back, and leaves before the final Amen resolves, they’re a stranger. Follow them out, shake their hand, learn their needs, and invite them back. Pretty clear. But what about strangers that aren’t so visible – the strangers half a world away? What about the social systems we participate in that “use” faraway strangers to increase “our” wealth and comfort? What about global capitalism, meta-national corporations, and the poor workers who make clothes, consumer electronics, and other goods for Western markets? Who are those people to us? What are their lives like? Should they be included among the “least of these” to whom God has called us as agents of mercy? Most social contexts described in the Bible, such as the scenario depicted in the Jeremiah passage above, are far simpler than the contexts structuring our lives in advanced modernity. In our world, the routine mouse-click of an Amazon purchase establishes us as participants in multiple and overlapping social systems, complete with global financial markets, and world politics that elude our understanding. Post-industrial society is substantially more complex than the relatively simple rich man/laborer example supplied by Jeremiah. How do we navigate such complexities as the people of God “for
the world?” What are our responsibilities to those we cannot see? Are “we” the rich man of Jeremiah 22? Are “they” the “neighbors” who work for (next to) nothing? Are the prophets speaking to... us?

Just Do It – Make Our Shoes

A number of years ago, at the annual Christian Sociological Association meetings, we watched the Naomi Klein documentary “No Logo” that explains branding, how meta-national corporations work, and how rich (core) countries procure labor from poor (peripheral) countries (Klein, Jhally, Alper et al. 2003). That film deeply affected me. I returned home from the conference feeling disturbed, discouraged, and greatly overwhelmed by the magnitude of the problems in society. How to live in a world such as this – a world where my comfort and wealth comes, in no small measure, from the exploited labor of far-away strangers. “No Logo,” features a segment on the Nike Corporation which serves, to the present day, as a model of meta-national exploitation, of the super-rich taking from the very poor while disguising the transaction as virtue. Nike is the center of the hegemonic model of sport in this and other countries. “Just Do It” and the Nike Swoosh are some of the most widely recognized corporate symbols on the planet. For many, they symbolize excellence in sport and in life, and they represent overcoming obstacles, perseverance in the face of adversity, and pushing oneself to new heights. Moreover, Nike is exceptionally good at cultivating an image identifying the company and its products with these so-called virtues. Their short promotional video Nike Better World (Nike March, 2011) is one good example, though not everything in it is believable.

I am interested in how Nike, with one of the most dubious human rights records in modern corporate history, manages to promote itself as virtuous and excellent. We, the consumer public, generally think little about the “darker” side of corporate entities like Nike. For the most part, we are unfailingly loyal to companies like Nike that deliver us exciting experiences and sparkly consumer goods – too preoccupied with the immediacy of televised sports and other entertainments to notice, or to care. Why would we? Powerful forces labor tirelessly to ensure that we remain ignorant of the churning human machinery generating our shoes and tank tops. Many educational institutions, including Christian high schools and colleges, maintain exclusive athletic contracts with Nike, proudly wearing their symbol (advertising for them), and cultivating the next generation of loyal customers, in exchange for benefits ranging from vast sums of money, to discounted rates on shoes and other gear. Even churches are not immune to spreading the “Good News” of Nike. I once visited a “seeker-friendly” style church that, on the sanctuary video-screen offering inspirational pre-service messages, displayed a large Nike Swoosh with the message, “Christianity – Just Do It” in the rotation. “Today’s sermon brought to you by the Nike Corporation – Shoes for sale in the vestibule for 25% off!” was probably not far behind! The disconnect between Christian mission
statements and the harsh labor practices supporting the pop-culture symbols we associate with excellence and goodness, rarely crosses our minds, let alone deters us. But in supporting these and other like symbols, we, albeit unwittingly, reinforce modern day racism and slavery. While Nike announces itself as the solution to racism and sexism (something made manifest in the Nike commercial referenced earlier), it makes its shoes and athletic gear almost exclusively through the exploited labor of people of color – mostly young women who fall well below the legal age to work full-time in the United States and Canada.

It should not escape notice that the most powerful spokespersons for Nike products and the “Nike worldview” have been superstar athletes who are themselves people of color – Michael Jordan, LeBron James, Kevin Durant, Tiger Woods, Serena Williams, Cristiano Ronaldo, Michelle Wie, newcomer Zion Williamson, and many others. Athletes are truly successful when they get a piece of this action. Worldwide, Nike spent 3.75 billion dollars on advertising and promotion costs in 2019 alone (O’Connell 2019a). However, their continued “success” requires ongoing exploitation of ever more distant nameless and faceless strangers.

In the remainder of this article, I offer a brief overview of Nike’s labor practices, and raise questions about the relationship between the athletes of color who have lucrative Nike contracts, and the oppression of (mostly) female Asian workers – people of color – that their highly visible endorsements require, legitimate, and obfuscate. My interest is in how global capitalism and the meta-national corporations that structure it draw influential people of color – high profile athletes – into solidarity with them, bringing their images, voices, and messages into hegemonic lockstep. In the shadow of lucrative endorsement contracts, those who might speak for the powerless now identify with, represent, celebrate, stand alongside, promote, and defend the oppressor. Those who might help, look the other way, snatching up the profits as they do so. Those who might raise a powerful collective voice on behalf of the downtrodden divert the public gaze away from the ones whose toil makes our shoes. And we, in turn, so often regard these people with an adoration approaching worship. No wonder some incorporate Nike symbols into their churches.

In developing the connection between Nike, the athletes of color who serve as their spokespersons, and the poor “strangers” of color who make our shoes, I draw on Immanuel Wallerstein’s World-Systems theory, as well as W.E.B. Du Bois’ vision for a Pan-African movement that promoted unity among people of color in their common struggle against prejudice and discrimination. Both of these sociological thinkers offer us ways of better understanding the implications of our “trading in cedar.” Both offer a prophetic voice amidst the deafening roar of the sports stadium. First, we examine the Nike way of doing business.
Supply Chains Supplying Their Chains: Understanding the Nike Model

The global sports apparel industry totaled almost $174 billion in 2018 (O’Connell 2019b). Forbes documents that in 2014 the North American share of the global market was $60.5 billion, an amount predicted to rise to $73.5 billion by 2019 (Heitner 2015). Sport sociologist George Sage (2009) observes that the production of sporting goods is a key component in the sport industry – we simply cannot understand sports without accounting for this factor. Though we take it for granted, apparel (which includes equipment) is an indispensable ingredient in sporting activities. However, apparel does not come from nature – people, human beings like you and me, stitch it together. Accordingly, the labor of those who make our shoes, uniforms, and other goods is the foundation on which our sporting experiences are fashioned.

The fact that sporting goods and athletic apparel comprise such an enormous industry, one that locates almost all its production outside North America, should lead us to ask, “What is life like for those who make Nike apparel, and other sporting goods?” Lamentably, the answer to that question is a discouraging one.

Our lives are enmeshed with a global economy. Everything we have or use, with few exceptions, involves globalization and meta-national corporations. Most of the food we eat, clothes we wear, electronics we use, vehicles we drive, and so on, are produced through the various structures of this highly complex and integrated economy. Among other things, globalization results in having access to a tremendous variety of relatively inexpensive consumer goods and services.

This is made possible only through low-wage labor. Globalization provides fertile conditions for an almost endless supply of exploitable workers. Sport sociologist Stanley Eitzen writes that “not everyone experiences globalization in the same way. For some, it expands opportunities and enhances prosperity, while others experience poverty and hopelessness. Jobs are created and jobs are destroyed by globalization” (Eitzen 2016:238). There is little chance that Wal-Mart could sell boots for so little money were they produced in North American factories for a fair wage. Globalization provides companies with the ability to control labor costs by moving production to countries that have lower (or almost no) standards for worker treatment, and frequently for human rights in general. For example, most people in my circles would be disturbed to learn that their shoes had been made by a 14-year old girl who worked full-time, plus forced overtime, for a couple of dollars a day – especially if it happened in one of “our” cities. However, when low-wage production happens outside of “our” borders, away from our communities, and in places where workers cannot tell us their stories or the conditions of their lives, we rarely think about it – or about them. “Low-wage” is generally the most significant factor (there are others) in “low-cost.” We search for low-cost “stuff,” and revel in finding a bargain. It feels almost virtuous to snag a “deal,” and for the most part, the back-story of production is something we rarely encounter. In fact, we tend to locate ourselves...
on the right side of justice when we choose the “fair trade” Starbucks coffee over their more questionable free trade (not fairly traded?) offerings.

Nonetheless, someone had to make the shoes and other products that we come to possess for scant wages and benefits. And that someone will remain a stranger to us, because the only way this production arrangement works is if the buying public is shielded from the reality of its labor force. The hegemonic control that meta-national corporations like Nike exert derives from their ability to direct our focus to the exciting experiences they offer us while shrouding the infrastructures upon which those experiences and products are fashioned. Furthermore, the meager remuneration offered workers by companies like Nike has little to do with the company’s ability to pay a livable wage that considers “their” workers’ present and future needs. When Nike sells shoes for amounts in excess of $125, the profit does not end up in the pockets of the workers who made them. The overseas labor utilized by the apparel industry – primarily concentrated in China, Indonesia, and Southeast Asia – is bid lower and lower by brokers who locate and contract the lowest cost labor available for the Western companies that hire them. In effect, the poor of these “peripheral” countries are treated as commodities on the global markets. Brokers obtain “labor” much like they barter for the lowest priced steel or cotton. In procuring this human commodity, Nike serves as the leader in what apparel workers’ advocacy groups call “the race to the bottom.”

Not “our workers,” just “labor.” Young woman… foreigner… laborer… stranger. But who cares? It’s just business, and the basketball game is on. As one image sporting the Nike Swoosh in the shape of a whip proclaims, “Slavery, Just Do It.”

Although we contemplate diversity, racial integration, fairness, and equality in Canada and the United States, our concerns seldom reach beyond our own borders to the strangers who make our shoes. Almost all of the exploitation found in the overseas production of athletic apparel is absorbed by people of color, most of whom are female, and most of whom are young. Yet we proudly wear the corporate symbols of those who engineer, reinforce, and profit from this arrangement, stand in awe of the athletes who consume the biggest slices of this exploitation pie, and associate the whole business with excellence. How would we regard such people if they were our daughters who stitch their shoes for nothing?

In China, Sage writes, average wages are just 2.1% of U.S. average wages. These jobs have taken away American jobs – 2.7 million of them between 2000 and 2003 (Sage 2009).

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2 The Naomi Klein documentary “No Logo” offers a clear, helpful, and sobering explanation of how supply chains function to insulate companies like Nike from responsibility for the workers who assemble their products. For example, Nike owns no factories overseas – they just contract the production of goods via supply chains. Every link in the chain further distances them from responsibility for workers. For example, Nike might connect with a particular broker who knows the labor landscape in Indonesia. That broker would contract with another, who would contract with another, and another. At the end of this “race to the bottom” is the lowest wage labor available. This approach enables Nike and others like them to deny their complicity in human labor abuses with the argument that it is really the factory owners and the standards in foreign countries that bear responsibility. Consequently, they can reap the financial benefits of exploitation while denying culpability.
According to some estimates, the United States loses about half a million jobs a year to overseas labor. Additionally, wages paid by Nike (and Adidas) to their mostly Asian labor force have not increased to keep pace with the rising cost of living, among other factors, but have actually gone down.

How does a corporation based in the United States of America reduce their labor costs to almost nothing? They certainly cannot do it in the U.S. where human rights standards are monitored, and far too high to permit the levels of exploitation required to compel workers to work for unsustainably low wages in often dangerous conditions (from exposure to toxic chemicals, long hours, forced overtime, and even corporal punishment). Rather, the labor arrangements they desire require contexts that ignore or negate human rights – something far more likely in less developed countries. Sage explains:

The consequences of export-processing industrialization in developing countries has been dreadful. Although this system has provided employment for many workers, there have been adverse consequences as well: wages so low that workers cannot provide for their basic needs, unjust and inhuman working conditions, prohibition of union organization, and environmental devastation. Add widespread child labor to these conditions. According to International Labor Organization estimates released in 2002, some 352 million children (same as the entire US population) aged 5-17 are engaged in some form of economic activity in the world, with the Asian-Pacific region having the largest number of child workers. (Sage 2009:393)

Moreover, despite claims by Nike, and others corporations like Adidas, that their involvement helps improve conditions overseas, the meager wages they pay have not really helped these developing countries – the economic gap between rich and poor has widened dramatically. What they take is much greater than what they give. Although Nike trumpets its role in stimulating economies in the countries where they have located production, the evidence suggests that when wages begin to rise in those countries, even slightly, Nike relocates to countries where they can push their wage cost even lower (Wilsey and Lichtig n.d.). Some Nike critics suggest that as countries like South Korea and Taiwan have democratized and begun granting workers more rights, Nike has relocated production to places like China and Indonesia where labor laws are negligible, frequently not enforced, and the governments are more repressive (Wokutch 2001). Oddly, while democratization is sometimes perceived as a side effect of shoe factories and the revenues they bring to economically depressed countries, it is not something that Nike strives toward or desires, as is shown by its departure from these countries to ones with greater political oppression and more helpless workers (Wilsey and Lichtig n.d.). Writing for the *Washington Post*, Swardson and Sugawara offer the following summary:

No company symbolizes the mobilization of American companies overseas more than Nike. Its 30-year history in Asia is as close as any one company’s story can be to the
History of globalization, to the spread of dollars . . . into the poor corners of the earth. From Japan through Korea and Taiwan and then into China, Indonesia, and Vietnam, it is a story of restless and ruthless capital, continually moving from country to country in search of new markets and untapped low-wage labor. (Swardson and Bugawara 1996)

About Nike

Over 90% of the sneakers and sporting goods sold in the US are made in foreign countries, primarily in China. Nike, of course, isn’t the only company making athletic shoes and apparel under dubious labor arrangements, but it is the industry leader, and as such is in a position to act more responsibly and justly around the world. They set, and are responsible for the trend. Some speculate that if Nike, which has the most clout in the sports apparel industry, were to back off a bit, other athletic apparel manufacturers would experience less pressure to follow suit as they compete for market share.

A long way from the company’s 1964 “waffle-iron” shoe sole beginnings, Nike’s current (2018) worth stands at $32.4 billion worldwide (O’Connell 2019a). Philip Knight, the company’s recently retired co-founder, is its largest stockholder, with an estimated net worth of $35.5 billion (Forbes 2019).

Although Nike is an American company, it has not manufactured an athletic shoe in the US since 1984 (Macaray 2015). Using an “export-processing system,” the intellectual work of design and marketing takes place mostly in the US, and the labor-intensive, assembly work takes place in the company’s 700+ factories spread throughout Asia (Sage 2009). Because Nike does not own the factories that produce their goods, they have been able to insulate themselves from responsibility for “their” workers. Accordingly, there are numerous accounts of the abysmal working conditions and human rights abuses taking place in Nike manufacturing facilities. In a short piece titled, “Nike’s Crimes,” David Macaray writes:

By now most people are familiar with Nike’s glitzy corporate history. They burst upon the scene, then left the country. When Nike shuttered its last shoe factory in the U.S., more than a quarter-century ago, it was estimated that 65,060 American shoe workers had lost their jobs. Worse, of course, was the domino effect it had on the economy. When you relocate your entire manufacturing base to the Third World, you not only cause your own employees to lose their jobs, but you start the dime rolling; you induce your competitors (Reebok, Adidas, Puma, etc.) to move their facilities as well, as they seek to compete with the near slave-wages you’re now paying your new employees. By the time the smoke settles, you have what we have today: $100 shoes being assembled by Vietnamese children making 20-cents an hour... literally. (Macaray 2015:321)

In a 1992 interview in the Harvard Business Review, co-founder and then CEO of Nike, Phil Knight explained the shoe company’s strategy of moving their manufacturing from one country to another: “We were also good at keeping our manufacturing costs down. The big, established players like Puma and Adidas were still manufacturing in high-wage European
countries. But we knew that wages were lower in Asia, and we knew how to get around in that environment, so we funneled all our most promising managers there to supervise production” (Willigan 1992). Abysmal working conditions in these low-wage factories appear to be common. Summarizing a number of investigative reports by a wide variety of organizations, Sage notes the following as typifying Nike factory working conditions:

- In the late 1980s, minimum wage in Indonesian shoe factories was 83 cents per day... just 56% of the wage the government considered as meeting minimal physical needs.
- Horrendous working conditions, extremely long days, mandatory overtime, and abuse by supervisors.
- 75-80% of Nike workers were women during the 1990s – something that appears to be the case up to the present day. Most were under 24, and it was normal to put in 10-13 hour days, six days a week. The typical worker was paid 13-20 cents per hour. (Sage 2009:396-97)

While all this was going on, Nike was doing quite well, and paying out 1.13 billion dollars on advertising alone in 1998. Since then the money Nike pays out for product and brand promotion has risen sharply and consistently. The 2019 figure for advertising and promotion, as noted earlier, stands at $3.75 billion.

Collective movements started arising with the intent to create public outrage against Nike to pressure them into changing their practices and improving conditions. Among them, the Nike social movement set to work documenting below subsistence wages, abysmal working conditions, employment of very young girls, abuse of workers, and anti-union practices, among other offenses, in Nike factories (Sage 2009:398-99). Some of this pressure seemed to produce results. For example, in 1992, Nike drafted a code of conduct stipulating new and improved standards for its labor suppliers, but subsequent research showed that many of the workers in its factories were largely unaware of the existence of the code. “Interviews with Nike’s workers about the Code suggested that it was chiefly an instrument of damage control rather than a legitimate effort to protect workers who labored in Nike factories” (Sage 2009:399). 

So how are things looking today? Has Nike reformed and turned their considerable influence and vast fortunes to cultivating safe and humane workplaces and a living wage that provides for the present and futures of “their” workers in faraway places? Not really.

After noting the astronomical increase in sponsorships and endorsements by Nike and Adidas in recent years, the 2018 report written for the Clean Clothes Campaign, an alliance of labor unions and non-governmental organizations that focuses on improving conditions for workers in the global garment industry, reports the following:

- Leading sportswear brands, like Nike and Adidas, continue to withdraw from China because of the rising cost of labor, despite the fact that wages are only now barely enough to allow workers’ families to live with dignity.

Journal of Sociology and Christianity

Volume 9, Number 2 • Fall 2019
• In terms of the price of a pair of Nike or Adidas shoes sold to a consumer, the worker’s share has fallen by 30% between 1995 and 2017.

• In Indonesia, Cambodia, and Vietnam, where these brands have shifted most of their sourcing, incidents of human rights violations are more prevalent, and workers’ average salaries are 45% to 65% below the living wage, that is to say largely insufficient for workers to meet their families’ basic needs.

• The apparent contradiction between the creation of downstream value and the precarious situation of garment factory workers can be explained by the business and financial model of sportswear makers Nike and Adidas. The central objective of this model is the maximization of profits in order to generate greater and greater returns for shareholders, as evidenced by the extraordinary dividends paid to shareholders each year (as high as 10% of gross revenue in the case of Nike). Nike has thus become a shining example of stock market success that its competitors strive to emulate.

• Their ability to create profit rests mostly on their ability to control and decrease production costs.

• Their use of multi-level, transnational subcontracting supply chains based on the principles of lean management allowed them to achieve substantial savings via the pursuit of greater productivity and the exertion of increased economic pressure on their suppliers. Even if the working conditions in the factories with which such sportswear brands contract are attracting more and more scrutiny, these factories are increasingly being located in countries where labor is cheaper – and salaries are lower than the living wage – and there is greater social risk.

• If Nike and Adidas had paid the same amount of dividends in 2017 as they did in 2012, or maintained the level of marketing/sponsorship spending, the resulting proceeds would have allowed for living wages to be paid throughout their entire supply chain in China, Indonesia, Vietnam, and Cambodia.

• Nike’s annual tax evasion figures estimated by Tribune de Genève journalists – 60 billion dollars per year on average – corresponds to what it would take to pay living wages to 287,000 workers in Vietnam and 241,000 in Indonesia.

• This production model generates increasingly substantial profits which are reaped by shareholders, and do not “trickle down” to the workers in the garment factories, despite the promises of sportswear brands, notably about the payment of living wages to their suppliers’ workers. To honor this commitment, the very logic of the system would have to be inverted; guaranteeing workers adequate wages and working conditions would need to become the objective – not the brands’ profit margins. As this study shows, this is not a matter of insufficient financial means – Nike and Adidas generate enough revenue to be able to pay living wages across their supply chains – but rather one of priority. (Clean Clothes Campaign 2018)
Taking their Labor, Keeping them Poor

The Nike approach is far from unique among shoe manufacturers, but their history, global reach, clear market dominance, and ongoing approach to production offer a vivid illustration of Immanuel Wallerstein’s World-Systems theory.

Marx’s analysis of capitalism focused on the division of labor that characterized the exploitive relationship between the bourgeoisie and proletariat primarily within the nation-state itself. Wallerstein sees the current “world-system” as connected by this same capitalist division of labor. However, in the “world-system,” the global division of labor reaches far beyond national borders to connect very different cultures and societies, drawing them together in “relations of dependency.” Thus, where Marx focused on how the owner class exploited the worker class for profits, mostly within nation states, Wallerstein sees the global economy – the entire world – as the new arena where this exploitation-drama plays out.

Capitalism rests on a logic of energetic, progressive expansion. Accordingly, capitalist systems require an endless supply of low-wage labor. When the standard of living rises in a “core” country, like the United States, such that workers expect higher wages and benefits, human rights are prioritized, and profits decrease, “nationally bounded” capitalist systems reach their limits. To move forward, capitalists begin to push beyond national borders into new territories where they can obtain the cheap labor needed to continue expansion, enabling them to maintain or increase profits. The world-system that emerges from these activities constitutes a stratified system of class relations on a global scale. In effect the world contains (and maintains) upper, middle, and lower classes (or castes) by country or political region.

For Wallerstein the “exportation of exploitation” is the key factor structuring the division of labor upon which the world-economy is based. Labor is more easily exploited in countries with less robust economies and with non-democratic governments that tend not to police human rights.

Exporting exploitation implies the movement of specific goods outside the national boundaries, and product movement from the most profitable to less profitable firms explicitly entails such a shift. Both of these processes move goods and labor from advanced capitalist to rising capitalist countries. In addition, both processes lead to the collapse of small businesses, and the centralization of accumulation – that is, capital is concentrated in fewer and fewer hands. (Allan 2014:458)

“As a result, the stability of the modern world-system came to be based on a fundamental inequality in which some regions of the globe accumulate wealth at the expense of the continuing impoverishment of other regions” (Appelrouth and Edles 2007:575). In effect, the essential characteristic of the system is the inequality of relations it maintains. This inequality is vigorously reinforced by the prosperous core countries who direct global production and who achieve the greatest gains from it. Accordingly, global stability is achieved through pervasive
instability. Rationality in the world-system is a product of the irrationality structuring global economic relationships. As we will see, racism and sexism provide legitimating mechanisms that minimize challenge that might disrupt or compromise the system.

In fleshing out the characteristics of world-systems, Wallerstein offers a typology that includes “core states,” “periphery states,” and “semi-periphery states.” Core states have well developed economies, a higher standard of living, higher wages, and so on. Because capitalists in core states have reached the limits of exploitable labor in their own countries, they turn to periphery states in the quest for profits. Periphery states are those whose labor is forced (little occupational choice or worker protections) and underpaid. They are the weakest and most vulnerable players in the world-system. “The periphery states are those to which capitalists in core states shift worker exploitation and more competitive, less profitable products. These shifts result in a constant flow of surplus-value from the producers of peripheral products to the producers of core-like products” (Allan 2014:459). “Semi-periphery states are those that are in transition from being a land of exploitation to being a core player, and they both export exploitation and continue to exploit within their own country” (Allan 2014:459). In other words, the semi-periphery emerges as periphery economies begin to stabilize and their standard of living rises even marginally. However, the transition from periphery to semi-periphery prompts core countries to abandon current production locations and search for new sites still entrenched in the periphery.

This tripartite categorization of nation-states and the systemic relationship between them helps explain what critics of the Nike model call the “race to the bottom.” Core countries, then, are in the business of “extracting” surplus from the poor, periphery ones and then abandoning them once the standard of living rises there. In this process, the semi-periphery plays a critical role in maintaining the system. Because it functions as both “exploiter and exploited” it acts as a sort of middle class, preventing unified opposition against the core countries. In the end, there will be no revolution, no real change, no future for poor shoe and garment workers, just a restless and relentless drive to secure perpetually impoverished exploitable labor.

Kenneth Allan offers a compelling example to illustrate Wallerstein’s theory:

In the 1800s, textiles were produced in very few countries, and it was one of the most important core industries. But, by the start of the twenty-first century, textiles had all but moved out of the core nations. . . . In 1976, Nike began moving its manufacturing concerns from the United States to Korea and Taiwan, which, at the time were considered periphery states. Within 4 years, 90 percent of Nike’s production was located in Korea and Taiwan. . . . However, both Korea and Taiwan were on the cusp, and within a relatively short period of time they had moved into the semi-periphery. Other periphery states had opened up, most notably Bangladesh, China, Indonesia, and Vietnam. So, beginning in the 1990s, Nike began moving its operations once again. Currently, Indonesia contains Nike’s largest production centers, with 17 factories and
90,000 employees. But that status could change. In 1997, the Indonesian government announced a change in the minimum wage, from $2.26 per day to $2.47 per day. Nike refused to pay the increase and in response, 10,000 workers went on strike. In answer to the strike, a company spokesperson, Jim Small, said, “Indonesia could be reaching a point where it is pricing itself out of the market.” (Allan 2014:459, 60)

Yes, the proposed wage increase – so alarming to Nike – was 21-cents per day, not per hour.

Wallerstein’s emphasis is on praxis. He is convinced that the world as we know it – the Capitalist World-System – is coming to an end. Historically, all worlds do. What “we” are doing – what we see so clearly in the Nike model – is unsustainable on a number of fronts. “The structural supports upon which capitalism has been built are limited and nearing exhaustion” (Allan 2014:465). The chaos we see all around us, economic and otherwise, provides evidence that the present world, as we know it, is coming apart. Wallerstein wants us to see, hear, and understand the Marxist dynamics still at work within the system, and to translate this into action. Allan writes,

Wallerstein is not saying that these changes are beyond our ability to influence or control. Rather, he means that ‘fundamental change is possible… and this fact makes claims on our moral responsibility to act rationally, in good faith, and with strength to seek a better historical system. According to Wallerstein, because the system is in a period of transition where ‘small inputs have large outputs’ and ‘every small action during this period is likely to have significant consequences,’ we must make diligent efforts to understand what is going on; we must make choices about the direction in which we want the world to move; and we must bring our convictions into action, because it is our behaviors that will affect the system. (Allan 2014:467)

I remain pessimistic. The hegemonic control exerted by the Nike model is so powerful, pervasive, and unassailable, that its undoing requires all but a complete dismantling of the current system. Our allegiance to “big sports,” all that they include, and our sense that they represent excellence and the best things in life, offers Nike, Adidas, and others, the cultural supports they need to continue with “business as usual.” Even religion is co-opted to bless and sacralize the sport institution as “holy” among human endeavors. At the end of the day, we’re just sports “fans.” Fanatics. And fans keep things going. No matter the cost.

The World Despises Darkies

As we have seen, capitalism requires a supply of labor that can be readily exploited. In national capitalism, the level of exploitation is limited to the confines of the state itself (Allan 2014). As the economy expands in a nation like the United States, wages increase and profits go down. However, with global capitalism, exploitation can be exported. The cost of our shoes and athletic apparel stays about the same, or goes up, but the wages that companies pay through their ceaseless colonial adventures goes down. Although Nike appears to pay more wages in
dollar figures, they actually pay less now (their exploitation of Asian workers is greater) than they did a decade ago (Clean Clothes Campaign 2018).

Wallerstein argued that core nations exploit periphery nations in this ongoing quest for profits. Where Wallerstein sees nations, W. E. B. Du Bois sees color – the reality of these exploited nations is one of color. “Thus the world market most wildly and desperately sought today is the market where labor is cheapest and most helpless and profit is most abundant. This labor is kept cheap and helpless because the white world despises ‘darkies’” (Du Bois 2014:23). In how many factories is Nike paying primarily poor “white” women a few dollars a day to make shoes? Googling “Nike labor” images is instructive. They are all women of color.

As W. E. B. Du Bois writes, “There is a chance for exploitation on an immense scale for inordinate profit, not simply to the very rich, but to the middle class and to the laborers. This chance lies in the exploitation of darker peoples” (Du Bois and Sundquist 1996:504, 05). These are “dark lands,” ripe for exploitation, “with only one test of success, – dividends!” (505).

“While Du Bois perceives distinct differences between blacks and whites that can be characterized in spiritual terms (the souls of black and white folk), he also argues that the color line is socially constructed and politically meaningful.... Race... is perceived as immutable and therefore a much more powerful way of oppressing people” (208). Accordingly, race functions as a means by which the oppression inherent in the capitalist world-system is legitimated and institutionalized.

In an essay entitled, “The Ideological Tensions of Capitalism: Universalism Versus Racism and Sexism,” Wallerstein affirms Du Bois’ lament about “dark lands” and exploited labor hinging on color, and extends the analysis to include sex. According to Wallerstein,

The modern world, we have long been told, is the first to reach beyond the bounds of narrow, local loyalties and to proclaim the universal brotherhood of man. Or so we were told up to the 1970s. Since that time, we have been made conscious that the very terminology of the universalist doctrine, as for example the phrase the brotherhood of man, belies itself, since this phrase is masculine in gender, thereby implicitly excluding or relegating to a secondary sphere all who are female. (Wallerstein 2000:344)

Wallerstein explains that the doctrine of universalism stands as the primary challenge to racism and sexism. The universalist ideology is seen in the concept of “natural law” which proclaims that people are fundamentally equal and should not receive privilege or disproportionate rewards based on genetics or inherited position. Rather, universalism emphasizes merit. On the other hand, the racist/sexist ideology that legitimates precisely those things universalism opposes is alive, well, and currently structuring the world system. These two ideologies – universalism and racism/sexism – exist in tension, forming a paradox.

Universalism, Wallerstein contends, is well-suited for maintaining the capitalist world economy for it assigns value and worth to all persons – offering a doctrine that, at least theoretically, includes (and uses) “all” in the ever-expanding capitalist vision. By contrast, particularisms (for example, excluding a people because of the particularities of their religion or
race) are incompatible with the logic of the capitalist system for which expansion and commodification are central (and possibly solitary) values. Exclusion through banishment, shunning, death or some other means can work at odds with capitalism’s thirst for expansion and the never-ending search for labor. Hitler’s extermination of the Jews serves as an example. Killing millions of Jews eliminates the possibility that “they” could serve as workers. “It would follow then that, within a capitalist system, it is imperative to assert and carry out a universalist ideology as an essential element in the endless pursuit of the accumulation of capital. Thus it is that we talk of capitalist social relations as being a ‘universal solvent,’ working to reduce everything to a homogeneous commodity form denoted by a single measure of money” (Wallerstein 2000:347).

Within a meritocratic system, inequality is tolerated when it is presumed to be the result of merit and not inheritance or some other privilege. Racism, Wallerstein explains is not simply “disdain” for the “other.” Ultimately, racism involves the “ejection of the barbarian” from the community. Racism taken to such an extreme presents a problem for capitalism in that it leads to a loss of the labor that the expelled might have provided. Capitalism needs all the labor it can get. Thus,

Ejection out of the system is pointless. But if one wants to maximize the accumulation of capital, it is necessary simultaneously to minimize the cost of production (hence the costs of labor power) and minimize the costs of political disruption (hence minimize – not eliminate, because one cannot eliminate – the protests of the labor force). Racism is the magic formula that reconciles these objectives. (Wallerstein 2000:348, 49)

According to Wallerstein, racism “ethnicizes” the workforce. For example, when Europeans came to the New World, they slaughtered large numbers of native peoples. When they became convinced that the “Indians” had souls which needed to be saved, it altered their posture toward them.

Since Indians had souls, they were human beings, and the rules of natural law applied to them. Therefore, one was not morally permitted to slaughter them indiscriminately (eject them from the domain). One was obliged instead to seek to save their souls (convert them to the universalist value of Christianity). Since they would then be alive and presumably en route to conversion, they could be integrated into the work force – at the level of their skills, of course, which translated into meaning at the bottom level of the occupational and reward hierarchy. (Wallerstein 2000:349)

In this way native peoples were not excluded or ejected, but rather were incorporated into the so-called meritocratic system – albeit at the bottom, where they would remain. And so, by virtue of racism, the workforce becomes ethnicized. This general approach, though it varies in form, “allows one to expand or contract the numbers available in any particular space-time zone for the lowest paid, least rewarding economic roles” (Wallerstein 2000:350). Furthermore, this racist system socializes children into internalizing and playing the “appropriate” roles that help sustain the system. And, “It allows a far lower reward to a major segment of the work
force than could ever be justified on the basis of merit” (350). Finally, it allows the disparate doctrines of universalism and racism/sexism to be combined into a single system.

In the capitalist world-system, racism and sexism are intimately linked. Wallerstein indicates that “the ethnicization of the workforce exists in order to permit very low wages for whole segments of the labor force” (Wallerstein 2000:350). This entire arrangement is only possible because of the unpaid labor that women perform within a system that sees this as normative. Thus, when males, functioning in households as primary wage earners provide low-wage labor in ethnicized systems, their wages can provide only a portion of the resources required by the household. Their low-wage situation is only sustainable because women (and children, and the elderly) input labor into “so-called subsistence and petty market activities” (350). In short, capitalists rely on the normative system within which the unpaid labor of women is legitimated. “In such a system, this labor input in nonwage work ‘compensates’ the lowness of the wage-income and therefore in fact represents an indirect subsidy to the employers of the wage laborers in those households. Sexism permits us not to think about it. . . . As racism is meant to keep people inside the work system, not eject them from it, so sexism intends the same” (350). Furthermore, women’s work in these situations is frequently viewed, not as critical to the household, but as something supplementary – something that need not be taken too seriously.

When we see young women of color working in Nike factories for extremely low wages, we are witnessing a system that exploits and ensnares them from multiple angles even as it provides and reinforces legitimating mechanisms that ensure few notice, and even fewer care. These women exist within a system that preaches an ideology of universalism, even as it employs racism and sexism to fuel and sustain that system. Recalling the words of George Sage, our sporting experiences depend on the labor of those who make our shoes and tank-tops – women of color, who work in periphery countries that are endlessly mined by the core and semi-periphery. These are the women who Nike thinks price themselves out of the market when they want a 21-cent per day raise. We don’t tolerate it here, but we sure demand it there.

“The world despises darkies.” . . . especially when they are women.

**Not So Innocent Ourselves**

Big sport offers a powerful and seductive way of veiling the ugly underbelly of global consumer capitalism. It is easy to see Nike’s Phil Knight as an objectionable and greedy capitalist. That is what he is. Knight and his people have fought for many years to keep Nike wages low, labor young, unions out, and workers unprotected and vulnerable. It is less easy to see Michael Jordan, Lebron James, Kevin Durant, or Colin Kaepernick as the faces of greed who oppress people of color. In the United States, these athletes are vocal proponents for racial and
gender equality, sometimes at cost, and they give to philanthropic causes that address various types of inequity. They entertain us. They inspire us, and through their example, we sometimes rise to greater heights ourselves. But they take Nike money. And they spend it on themselves. A lot of it.

The following table shows the top seven endorsement deals in sports history, and all but Lionel Messi (an Argentine of Italian descent) are people of color:

15 Biggest Athlete Endorsement Deals in Sports History (truncated to the top seven)

<table>
<thead>
<tr>
<th>NO#</th>
<th>ATHLETE</th>
<th>BRAND</th>
<th>YEARLY</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Michael Jordan</td>
<td>Nike</td>
<td>$60m</td>
<td>Share of revenue in “Nike Jordan” shoe series</td>
</tr>
<tr>
<td>2</td>
<td>Lebron James</td>
<td>Nike</td>
<td>$30m</td>
<td>Lifetime contract ($30 million a year plus share in shoe sales)</td>
</tr>
<tr>
<td>3</td>
<td>Kevin Durant</td>
<td>Nike</td>
<td>$28.5m</td>
<td>$285m+ over 10 year deal (2014-24)</td>
</tr>
<tr>
<td>4</td>
<td>Cristiano Ronaldo</td>
<td>Nike</td>
<td>$21.7m</td>
<td>$105m+ over 5 year deal (2014-2019)</td>
</tr>
<tr>
<td>5</td>
<td>Lionel Messi</td>
<td>Adidas</td>
<td>$20m</td>
<td>$140m over 7 year deal</td>
</tr>
<tr>
<td>6</td>
<td>Tiger Woods</td>
<td>Nike</td>
<td>$20m</td>
<td>$100m over 5 year deal (2013-2018)</td>
</tr>
<tr>
<td>7</td>
<td>Kobe Bryant</td>
<td>Nike</td>
<td>$15m</td>
<td>$75m over 5 year deal (2014-19)</td>
</tr>
</tbody>
</table>

Source: (TotalSportek 2016)

Michael Jordan reportedly “earned” $110 million from Nike in 2017 alone (Badenhausen 2017). They pay him more when they do “well.” The young women of color who provide the labor by which they prosper, do not receive bonuses when Nike has a banner year. No “signing bonuses” for them. Jordan motors around in a luxury yacht, and flies in a private jet that looks like a sneaker with his accolades N236MJ (Number 23, 6 NBA championships) painted on the tail. Lebron James lives a life of opulence, and stands to make more than a billion dollars from Nike during his lifetime. A story in USA Today offered details about Kevin Durant’s $12.15 million dollar beach house (Im 2019). This is but a small glimpse of the conspicuous consumption enjoyed by these “gods among men.” However, the money they acquire from Nike comes to them as a direct consequence of the unpaid labor of mostly young, mostly Asian women. People of color. Of course, Nike contracts with white athletes as well – and they are no less culpable for the role they play in maintaining this system of oppression.

My point is that elites such as Phil Knight, who influence and, with like others, set the agenda for the capitalist world-system, co-opt the very forces that might offer a compelling counter-narrative to this hegemonic system that colonizes the entire world. Athletes of color who might stand as powerful voices of opposition to the deplorable labor practices foisted upon poor people of color, are recruited to fortify and secure the fortunes of those who would pluck the last dime from “girls” who make their shoes, and who by extension, build their yachts,
beach houses, and Lamborghinis. As spokespersons, these athletes, who we so admire, assist us in “buying into,” and even celebrating the economic systems tuned to benefit the Phil Knights of the world, and they help divert our gaze away from the wretched things these global monopolies leave behind. When Nike recently acquired Colin Kaepernick’s endorsement, their stock rose to a record high (Kelleher 2018). Kaepernick will take a knee in protest of American racism – and good for him. But the same knee grinds into the backs of the young women of color who made the shoes on which he stands. His Nike ad reads, “Believe in something, even if it means sacrificing everything.” Indeed. Someone did sacrifice – we just don’t notice, and we mostly don’t care. Kaepernick takes the money – and words of praise for Nike now grace his lips. What a tragedy.

Jordan, James, Durant, Ronaldo, Woods, and Bryant do not need the Nike money. They should not take it. We should not be impressed or enchanted when they do. Instead, we might mourn the great loss that Nike and similar “strong-arm” meta-nationals represent to young women of color who are offered no voice, no recourse, no options, and no futures. What do these nameless women think about the slogan “Just Do It?” Do they cheer when Lebron dunks a ball or Ronaldo scores a goal? Do they surf the web to see Kobe Bryant’s car collection, which includes a helicopter? Likely not.

What would happen if any one of these powerful athletes turned down the money and brought to public attention the reality of the system? What if both Michael Jordan and Lebron James would visit a Nike shoe factory and live and work beside the laborers for a week? What if Jordan and James offered their voice to the oppressed, rather than the oppressor? What if…

Du Bois was deeply involved in Pan-African movements, and between 1919 and 1927 he engineered four Pan-African congresses. Pan-Africanism functioned as both a cultural and political ideology that called for solidarity between people of African descent on the basis of their common interests. Du Bois’ famous line “The problem of the 20th century is the problem of the color line” was written with this in mind (Du Bois 1903/2014). While Du Bois’ writing centered on the interests of people of African descent, his concerns can be easily extended to envision all people of color being bound together by the interests and issues they share in common.

In the spring of 1949, he spoke at the World Congress of the Partisans of Peace in Paris, saying to the large crowd: "Leading this new colonial imperialism comes my own native land built by my father's toil and blood, the United States. The United States is a great nation; rich by grace of God and prosperous by the hard work of its humblest citizens ... Drunk with power we are leading the world to hell in a new colonialism with the same old human slavery which once ruined us; and to a third World War which will ruin the world" (Lewis 2009:687).

We still colonize the world in search of profits. As Du Bois notes, we do it by color. As Wallerstein observes, we do it by gender too. We, especially we the people of God, must recognize and take responsibility for our complicity in sustaining the systems that oppress
distant strangers. Nike’s business practices exploit people of color, leaving them with want, poverty, and hopelessness. And through all this, we sit enthralled, entertained by those who provide the cultural legitimation for taking so very much from these faraway neighbors. We cheer as iconic athletes and the hegemonic package of Big Sport help us look the other way, so that people like Phil Knight can keep getting richer – no interference from us.

Even if you take the position that Nike is, ostensibly, no worse than any other shoe manufacturer when it comes to trolling for poverty wages, you have to admit that its Chairman of the board, Phil Knight is a supreme hypocrite. Vehemently anti-labor union, Knight nonetheless tries to come off as this above-the-fray enlightened philanthropist/humanitarian. He does charity work; he gives money to colleges. But in truth, Knight is as hard-bitten a businessman as any sweatshop foreman. The only difference is image. And image is everything to Nike. The company spends an estimated $280 million a year on celebrity endorsements [way more now], including those of superstars Michael Jordan and Tiger Woods. It’s no exaggeration to say that Knight, the “humanitarian,” could feed and clothe all the children of an African city for less than he’s paying Jordan for one year. (Macaray 2015:321)

I fear we’re not so innocent ourselves. At least not if we compete in cedar.

References


Direct correspondence to Dr. Matthew S. Vos at matt.vos@covenant.edu