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THE CURIOUS FEMINIST

searching
for women in
a new age of
empire



CHAPTER 3

The Globetrotting Sneaker

Four years after the fall of the Berlin Wall marked the end of the Cold War, Reebok, one of the fastest-growing companies in recent United States history, decided that the time had come to make its mark in Russia. Thus it was with considerable fanfare that Reebok's executives opened their first store in downtown Moscow in July 1993. A week after the grand opening, store managers described sales as well above expectations.

Reebok's opening in Moscow was the perfect post-Cold War scenario: commercial rivalry replacing military posturing, consumerist tastes homogenizing heretofore hostile peoples, capital and managerial expertise flowing freely across newly porous state borders. Russians suddenly had the freedom to spend money on U.S. cultural icons like athletic footwear, items priced above and beyond daily subsistence: at the end of 1993 the average Russian earned the equivalent of \$40 a month. Shoes on display were in the \$100 range. Almost 60 percent of Russia's single parents, most of whom were women, were living in poverty. Yet in

Moscow and Kiev, shoe promoters had begun targeting children, persuading them to pressure their mothers to spend money on stylish Western sneakers. And as far as strategy goes, athletic shoe giants have, you might say, a good track record. In the United States many inner-city boys who see basketball as a “ticket out of the ghetto” have become convinced that certain brand-name shoes will give them an edge.

But no matter where sneakers are bought or sold, the potency of their advertising imagery has made it easy to ignore this mundane fact: Shaquille O’Neal’s Reeboks are stitched by someone; Michael Jordan’s Nikes are stitched by someone — so are your roommate’s, so are your grandmother’s. Those someones are women, mostly Asian women who are supposed to believe that their “opportunity” to make sneakers for U.S. companies is a sign of their country’s progress — just as a Russian woman’s chance to spend two months’ salary on a pair of shoes for her child allegedly symbolizes the new Russia.

As the global economy expands, sneaker executives are looking to pay women workers less and less, even though the shoes that they produce are capturing an ever-growing share of the footwear market. By the end of 1993 sales in the United States alone had reached \$11.6 billion. Nike, the largest supplier of athletic footwear in the world, posted a record \$298 million profit for 1993 — earnings that had nearly tripled in five years. And still today sneaker companies continue to refine their strategies for “global competitiveness” — hiring supposedly docile women to make their shoes, changing designs as quickly as we fickle customers change our tastes, and shifting factories from country to country as trade barriers rise and fall.

The logic of it all is really quite simple; yet trade agreements

such as the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO) are often talked about in a jargon that alienates us, as if they were technical matters fit only for economists and diplomats. The bottom line is that all companies operating overseas depend on trade agreements made between their own governments and the regimes ruling the countries in which they want to make or sell their products. Korean, Indonesian, and other women workers around the world know this better than anyone. They are tackling trade politics because they have learned from hard experience that the trade deals their governments sign do little to improve the lives of workers. Guarantees of fair, healthy labor practices, of the rights to speak freely and to organize independently, will usually be left out of trade pacts — and women will suffer. The 1990s passage of both NAFTA and WTO ensured that a growing number of private companies would now be competing across borders without restriction. The result? Big business would step up efforts to pit working women in industrialized countries against much lower-paid working women in “developing” countries, perpetuating the misleading notion that they are inevitable rivals with each other in the global job market.

All the “New World Order” really means to corporate giants like athletic shoemakers is that they now have the green light to accelerate long-standing industry practices. In the early 1980s the field marshals commanding Reebok and Nike, which are both now U.S.-based, decided to manufacture most of their sneakers in South Korea and Taiwan, hiring local women. L.A. Gear, Adidas, Fila, and Asics quickly followed their lead. In a short time, the coastal city of Pusan, South Korea, became the “sneaker capital of the world.” Between 1982 and 1989 the

United States lost 58,500 footwear manufacturing jobs to cities like Pusan, which attracted sneaker executives because its location facilitated international transport. More to the point, in the 1960s to mid-1980s South Korea's government was a military government, and, as such, it had an interest in suppressing labor organizing. This same military government also had a comfortable military alliance with the United States government. Korean women at the time seemed accepting of Confucian philosophy, which measured a woman's morality by her willingness to work hard for her family's well-being and to acquiesce to her father's and husband's dictates. Their acceptance of Confucian values, when combined with their sense of patriotic duty, seemed to make South Korean women the ideal labor force for modern export-oriented factories.

U.S. and European sneaker company executives were also attracted by the ready supply of eager Korean male entrepreneurs with whom they could make profitable arrangements. This fact was central to Nike's strategy in particular. When they moved their production sites to Asia to lower labor costs, the executives of the Oregon-based company decided to reduce their corporate responsibilities further. Instead of owning factories outright, a more efficient strategy, Nike executives decided, would be to subcontract the manufacturing to wholly foreign-owned — in this case, South Korean — companies. The new American managerial attitude was: Let Korean male managers be responsible for workers' health and safety. Let them negotiate with newly emergent unions. Nike officials, safely ensconced in their Oregon offices, would retain control over those parts of sneaker production that gave them the greatest professional satisfaction and the ultimate

word on the product: design and marketing. Although Nike was following in the historic footsteps of garment and textile manufacturers, it set the trend for the rest of the athletic footwear industry.

At the same time, nevertheless, women workers were developing their own strategies. As the South Korean pro-democracy movement grew throughout the 1980s, increasing numbers of women rejected traditional notions of feminine duty. Women began organizing in response to the dangerous working conditions, daily humiliations, and low pay built into their work. Such resistance was profoundly threatening to the government, since South Korea's emergence as an industrialized "tiger" had depended on women accepting their feminized role in growing industries like sneaker manufacture. If women reimaged their lives as daughters, as wives, as workers, as citizens, it wouldn't just rattle their Korean employers and those men's foreign corporate clients; it would shake the very foundations of the whole political system. At the first sign of trouble, factory managers called in government riot police to break up employees' meetings. Troops sexually assaulted women workers, stripping, fondling, and raping them "as a control mechanism for suppressing women's engagement in the labor movement," reported Jeong-Lim Nam of Hyosung Women's University in Taegu.¹ The heavy-handed coercion didn't work. It didn't work because the feminist activists in groups like the Korean Women Workers Association (KWWA) helped women factory workers understand and deal with the assaults. The KWWA held consciousness-raising sessions in which notions of feminine duty and respectability were tackled along with wages and benefits. They organized independently of

Korea's male-led labor unions to ensure that women's issues would be taken seriously, both in labor negotiations and in the pro-democracy movement as a whole.

The result was that women were at meetings with management, making sure that in addition to issues such as long hours and low pay, sexual assault at the hands of managers and women workers' health care were on the table. Their activism paid off: not only did they win the right to organize women's unions, but their earnings grew. In 1980 South Korean women in manufacturing jobs earned 45 percent of the wages of their male counterparts; by 1990 they were earning more than 50 percent. Modest though it was, the pay increase represented concrete progress, given that the gap between women's and men's manufacturing wages in Japan, Singapore, and Sri Lanka actually widened during the 1980s. Last but certainly not least, women's organizing was credited with playing a major role in toppling South Korea's military regime and forcing open elections in 1987.

Having lost that special kind of workplace control that only an authoritarian government could offer, American and European sneaker executives knew that it was time to move. In Nike's case, its famous advertising slogan — "Just Do It" — proved truer to its corporate philosophy than its women's "empowerment" ad campaign, designed to rally women's athletic (and consumer) spirit. In response to South Korean women workers' newfound activist self-confidence, the sneaker company and its subcontractors began shutting down a number of their South Korean factories in the late 1980s and early 1990s. After bargaining with government officials in nearby China and Indonesia, many Nike subcontractors set up new sneaker factories in those countries, while some went to Thailand. In the 1990s China's government re-

mained only nominally communist; in Indonesia the country's ruling generals were only toppled in the late 1990s. The regimes were authoritarian regimes. Both shared the belief that if women can be kept hard at work, low-paid, and unorganized they can serve as a magnet for foreign investors. Each of these regime attributes proved very appealing to American and European sneaker company executives as they weighed where next to set up their factories.

Where does all this leave South Korean women—or any woman who is threatened with a factory closure if she demands the right to organize, decent working conditions, and a fair wage? They face the dilemma confronted by thousands of women from dozens of countries. The risk of job loss is especially acute for women working in relatively mobile industries; it is easier for a sneaker, garment, or electronics manufacturer to pick up and move the factory than it is for an automaker or a steel producer. In the case of South Korea, poor women had moved from rural villages into the cities in the 1960s searching for jobs to support not only themselves, but parents and siblings. The late 1980s exodus of sneaker-manufacturing jobs forced more women into the growing “entertainment” industry. The kinds of bars and massage parlors offering sexual services that mushroomed around U.S. military bases during the Cold War now opened up across the country.

Yet despite facing this dilemma, many women throughout Asia are organizing, knowing full well the risks involved. Theirs is a long-term view; they are taking direct aim at companies' nomadic advantage by building links among workers in countries targeted for “development” by multinational corporations. Through sustained grassroots efforts, women are developing the

skills and confidence that will make it increasingly difficult to keep their labor cheap. Many looked to the United Nations conference on women in Beijing, China, in September 1995, as a rare opportunity to expand their cross-border strategizing.

The UN's Beijing conference also provided an important opportunity to call world attention to the hypocrisy of the governments and corporations doing business in China. Numerous athletic shoe companies had followed Nike in setting up factories in China, factories in which workers' independent organizing is suppressed. They included Reebok—a company claiming its share of responsibility for ridding the world of “injustice, poverty, and other ills that gnaw away at the social fabric,” according to a statement of corporate principles.

Since 1988, Reebok has been giving out annual human rights awards to pro-democracy dissidents from around the world. But it was not until 1992 that the company adopted its own “human rights production standards”—after labor advocates made it known that the quality of life in factories run by its Korean, Taiwanese, and Hong Kong Chinese male subcontractors was just as dismal as that at most other athletic shoe suppliers in Asia. Reebok's code of conduct, for example, includes a pledge to “seek” those subcontractors who respect workers' rights to organize. The only problem is that independent trade unions are banned in China. Reebok has chosen to ignore that fact, even though Chinese dissidents have been the recipients of the company's own human rights award. As for working conditions, Reebok says it sends its own inspectors to production sites a couple of times a year. But they have easily “missed” what subcontractors are trying to hide—like 400 young women workers locked at night into an overcrowded dormitory near a Reebok-

contracted factory in the town of Zhuhai, as reported in August 1994 in the *Asian Wall Street Journal Weekly*.

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Nike's cofounder and CEO Philip Knight has said that he would like the world to think of Nike as "a company with a soul that recognizes the value of human beings." Nike, like Reebok, says it sends in inspectors from time to time to check up on work conditions at its factories; in Indonesia, those factories are run largely by South Korean subcontractors. But according to Donald Katz in a recent book on the company, Nike spokesman Dave Taylor told an in-house newsletter that the factories are "[the subcontractors'] business to run."² For the most part, the company relies on regular reports from subcontractors regarding its "Memorandum of Understanding," which managers must sign, promising to impose "local government standards" for wages, working conditions, treatment of workers, and benefits.

By April 1995 the minimum wage in the Indonesian capital of Jakarta was expected to be \$1.89 *a day* — among the highest in a country where the minimum wage still varies by region. And managers were required to pay only 75 percent of the wage directly; the remainder could be withheld for "benefits." Nike has a well-honed response to growing criticism of its low-cost labor strategy. Such wages should not be seen as exploitative, says Nike, but rather as the first rung on the ladder of economic opportunity that Nike has extended to workers with few options. Otherwise, they would be out "harvesting coconut meat in the tropical sun," wrote Nike spokesman Dusty Kidd in a 1994 letter to the *Utne Reader*. The corporate executives' "all-is-relative" response craftily shifts attention away from a grittier political real-

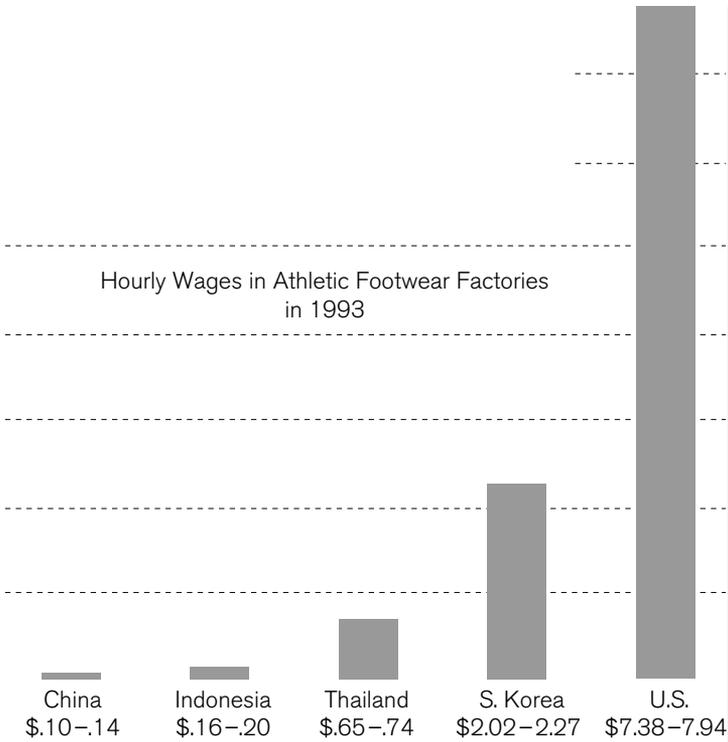
ity: Nike didn't move to Indonesia in the 1980s to help Indonesians; it moved to ensure that, despite some Asian women workers' success in organizing, its profit margin would continue to grow. And that is more likely to happen in a country where "local standards" for wages rarely take a worker over the poverty line. A 1991 survey by the International Labor Organization (ILO) found that 88 percent of women working at the Jakarta minimum wage at the time — slightly less than a dollar a day — were malnourished.

A woman named Riyanti might have been among the workers surveyed by the ILO. Interviewed by the *Boston Globe* in 1991, she told the reporter who had asked about her long hours and low pay: "I'm happy working here. . . . I can make money and I can make friends."³ But in fact, the reporter discovered that Riyanti had already joined her coworkers in two strikes, the first to force one of Nike's Korean subcontractors to accept a new women's union and the second to compel managers to pay at least the government's legal minimum wage. That Riyanti appeared less than forthcoming in talking to the American reporter about her activities isn't surprising. During the early 1990s, when Indonesia's government was dominated by military officers, many Indonesian factories had military men posted in their front offices, men who found no fault with managers who taped women's mouths shut to keep them from talking among themselves. They and their superiors had a political reach that extended far beyond the barracks. By 1998 Indonesia had all the makings for a political explosion, especially since the gap between rich and poor was widening into a chasm. It was in this setting that the government tried to crack down on any independent labor organizing — a policy that Nike profited from and

indirectly helped to implement. Referring to an employees' strike in a Nike-contracted factory, Tony Nava, Nike representative in Indonesia, told the *Chicago Tribune* in November 1994 that the "troublemakers" had been fired. When asked by the same reporter about Nike policy on the issue, spokesman Keith Peters struck a conciliatory note: "If the government were to allow and encourage independent labor organizing, we would be happy to support it."⁴

Indonesian workers' efforts to create unions independent of governmental control were a surprise to shoe companies. Although their moves from South Korea were immensely profitable (see chart, page 54), the corporate executives do not have the sort of immunity from activism that they had expected. In May 1993 the murder of a female labor activist outside Surabaya set off a storm of local and international protest. Even the U.S. State Department was forced to take note in its 1993 worldwide human rights report, describing an Indonesian system of labor repression under then-military rule similar to that which generated South Korea's boom twenty years earlier: severely restricted union organizing, security forces used to break up strikes, low wages for men, lower wages for women — complete with government rhetoric celebrating women's contribution to national development.

Yet when President Bill Clinton visited Indonesia in November 1994, he made only a token effort to address the country's human rights problem. Instead, he touted the benefits of free trade, sounding indeed more enlightened, more in tune with the spirit of the post-Cold War era than do those defenders of protectionist trading policies who coat their rhetoric with "America first" chauvinism. But "free trade" as it is actually being practiced



Figures are estimates based on 1993 data from the International Textile, Garment, and Leather Workers Federation; International Labor Organization; and the U.S. Bureau of Labor Statistics.

today is hardly *free* for any workers—in the United States or abroad—who have to accept the American corporate-fostered Indonesian, Chinese, or Korean workplace model as the price of keeping their jobs.

The not-so-new plot of the international trade story has been “divide and rule.” If women workers and their government in one country can see that a sneaker company will pick up and



What do these young Chinese women factory workers think about “the politics of daughterhood”? Reacting in part to Indonesia’s late 1990s pro-democracy movement, which mobilized thousands of Indonesian women factory workers, sneaker companies started moving their factories from Indonesia to China. Executives of Nike, Reebok, Adidas, and New Balance and their male factory-owning contractors were still pursuing in China what they had sought earlier in Korea and Indonesia: young women’s labor that could be made cheap. (Photo by Erik Eckholm, © *The New York Times*, reprinted with permission)

leave if their labor demands prove more costly than those in a neighboring country, then women workers will tend to see their neighbors not as regional sisters, but as competitors who can “steal” their precarious livelihoods. Playing women off against each other is, of course, old hat. Yet the promotion of women-

versus-women distrust remains as essential to international trade policies as the fine print in WTO agreements.

Women workers allied through networks like the Hong Kong-based Committee for Asian Women, however, sought to craft their own post-Cold War foreign policy, one that could address women's own needs: for instance, their need to convince fathers and husbands that a woman going out to organizing meetings at night is not sexually promiscuous; their need to develop workplace agendas that respond to family needs; their need to work with male unionists who trivialize women's demands; their need to build a global movement of women workers based on mutual trust; their need to convince women consumers in the United States, Europe, Japan, and Russia that when they see an expensive row of Reeboks or Nikes on the store shelves, there is more to weigh than merely the price listed on the tag.