

Globalisation, starvation wages and greedy capitalism A story about the sports industry

By Lars Andersson









Adidas and Nike

- Adidas - German
 - Net sales at 19.291 billions euros (USD 22.9 billions) - 2016
 - Operating profit at 1.491 billion euros (USD 1.77 billion).
 - The second biggest sports brand in the World.
- Nike - US
 - Nike is bigger
 - revenue at USD 34.350 billions (28,9 billions euros)
 - gross profit at USD 15.312 billions (12.892 billions euros).



Nike and Adidas

- Both Nike and Adidas outsource their production to subcontractors.
- Nike has 1,015,696 workers in 566 subcontractor's factories in 42 countries
- Adidas has more than 1,000 factories in 63 countries
- The subcontractors are mostly located in the Third World
- Between 63 and 80 per cent of the subcontractors of Nike and Adidas are located in Asia

China, Cambodia, Indonesia, Pakistan, Taiwan, Vietnam, Bangladesh, Korea, Myanmar, Sri Lanka, Thailand, Philippines, India

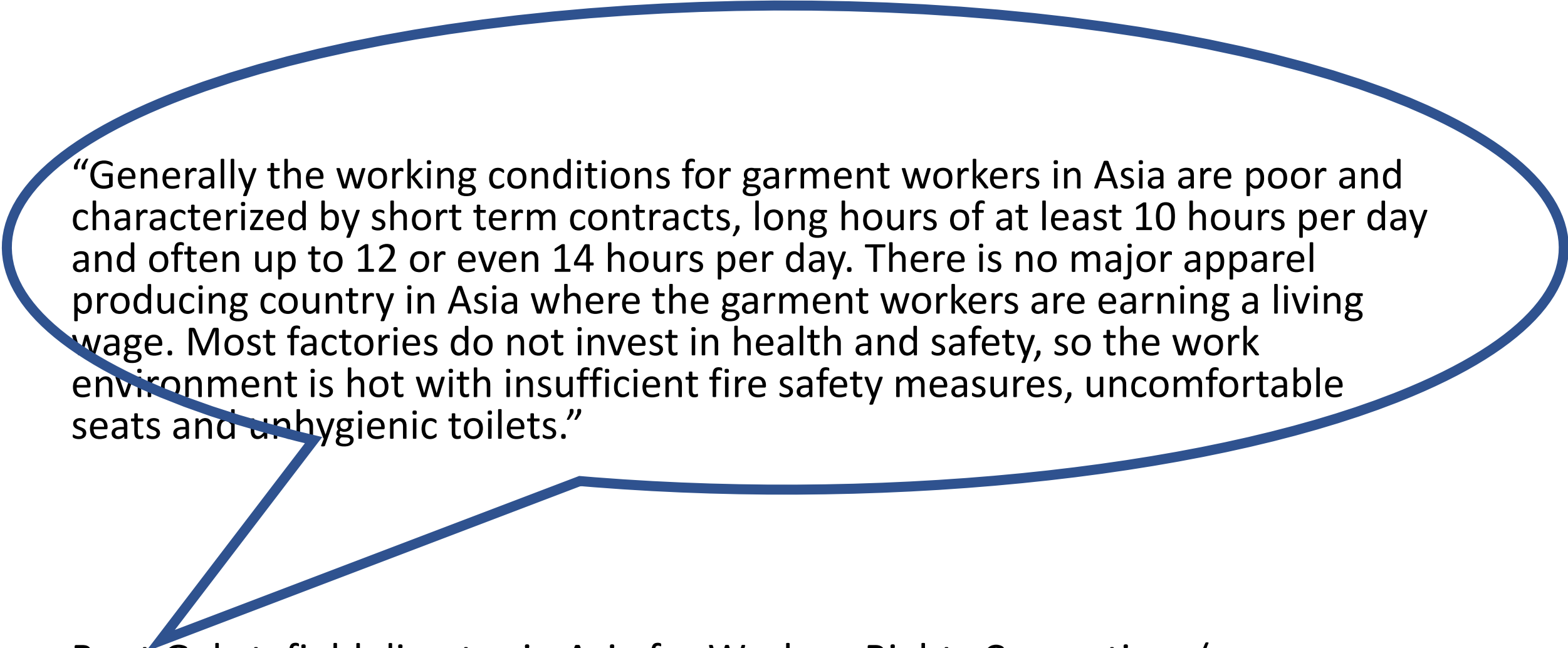




The third world

The countries are characterized by:

- Low wages – not a living wage
- Weak labour laws – or laws that are not observed
- Low environmental standards
- No unions or collective bargaining – or unions defined by the employer – or severe union busting!



“Generally the working conditions for garment workers in Asia are poor and characterized by short term contracts, long hours of at least 10 hours per day and often up to 12 or even 14 hours per day. There is no major apparel producing country in Asia where the garment workers are earning a living wage. Most factories do not invest in health and safety, so the work environment is hot with insufficient fire safety measures, uncomfortable seats and unhygienic toilets.”

Bent Gehrt, field director in Asia for Workers Rights Consortium (a NGO organisation),

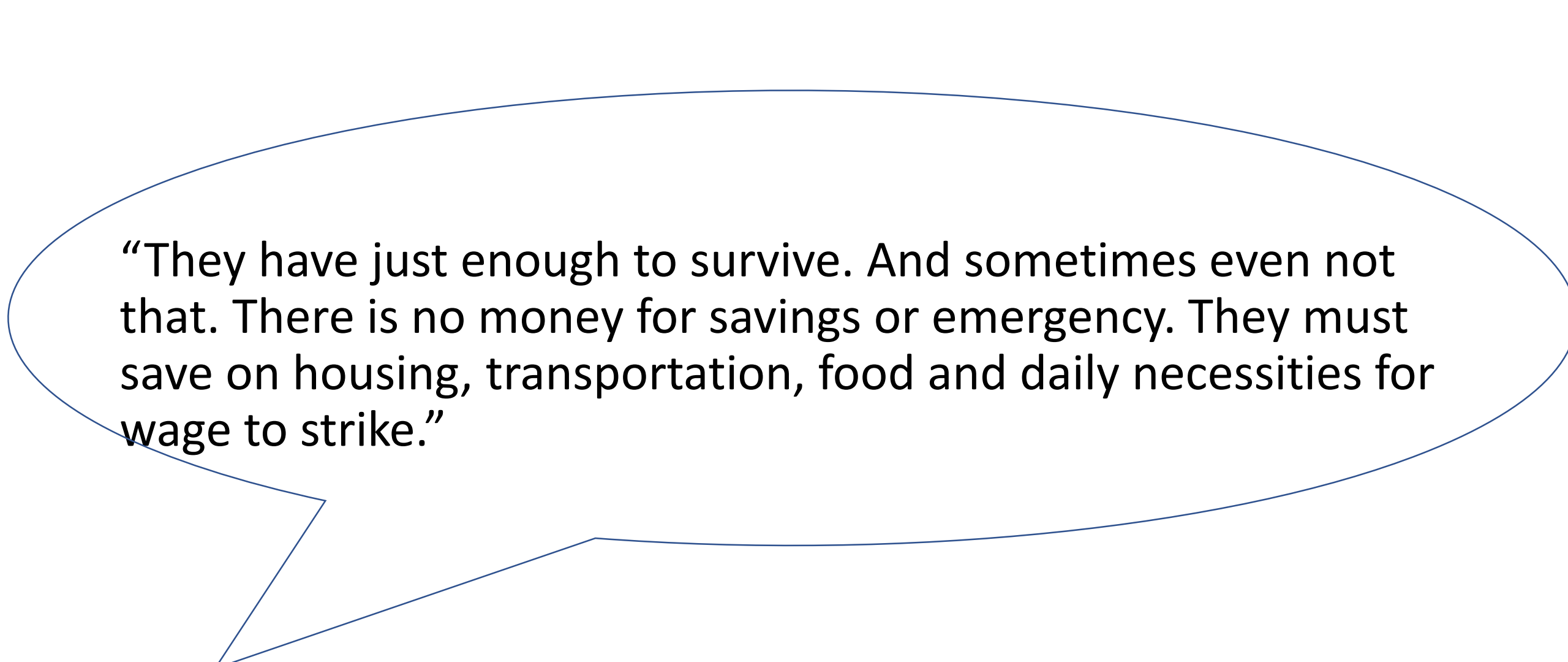


WAGES

- It is common to be paid less than 80 per cent of the official minimum wage (ILO August 2016)
- It applies for 53 % in the Philippines
- 50 % in India
- 39 % in Indonesia
- 37 % in Thailand
- 37 % in Pakistan
- 25 % in Cambodia







“They have just enough to survive. And sometimes even not that. There is no money for savings or emergency. They must save on housing, transportation, food and daily necessities for wage to strike.”

Cecile Tulio from Worker’s Assistance Center
at Rosario, the Philippines.

Brands

Adidas:

“As an overseas brand, we are not a part of the minimum wage-setting process. That is decided, often, through a tripartite committee, comprising the government, employers and unions,” senior manager of sustainability communication Silvia Raccagni says.

Nike

- “Thank you for contacting Nike. If you are a member of the media, we will promptly respond to your request.”

There is much more to tell....

- Cambodia - 700,000 garment workers – starvation wages and terrible working conditions
- Myanmar – child labour
- Syrian refugees in Turkish factories
- Other international sports brands acting just as Nike and Adidas. Some times even worse
- Nike in tax havens. Nike does not pay taxes from it's sales outside USA

Should sports worry?

Are fair play and equal opportunities just
words for the pitch?

Thank you