

Worker rights violations at Nike factory in Malaysia

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Nike Inc. said Friday that it has found major worker rights violations at one of its Malaysian contract factories, including squalid living conditions, garnisheed wages and withheld passports of foreign workers.

The investigation began more than a week ago following a report by Australia's Channel 7 television of "human trafficking on a major scale" of foreign workers at the factory.

Nike said its investigation confirms there are serious breaches of its code of conduct and has taken numerous steps to immediately protect the workers.

Hannah Jones, Nike's vice-president for social responsibility, said she would not qualify the violations as human trafficking but said the investigation is ongoing.

"This isn't about definitions, this about action on the ground to help these workers," Jones said.

About 1,200 employees work at the Hytex factory, which has produced T-shirts for Nike for 14 years.

Because of a shortage of labour in Malaysia and poor employment opportunities in their home countries, a recent influx of workers have come from Bangladesh and other areas.

Nike confirmed many of the recent migrant laborers paid a fee in their home country to agents to get the jobs. Once in Malaysia, the factory held their passports.

Their wages were also withheld until a \$375 US foreign worker fee the Malaysian government requires from the factory was repaid. Nike said the fee is less than a quarter of a worker's average annual income.

The workers were also forced to live in cramped, filthy factory-provided housing.

Nike said all workers are being transferred to Nike-inspected and approved housing. Roughly 100 have already been moved and the transition will be complete within a month.

All workers will be reimbursed for any fees and going forward, the fees will be paid by the factory. All workers will have immediate access to their passports and any worker who wishes to return home will be provided return airfare

Nike said it last investigated the factory in February and found poor record-keeping and management issues but said the influx of workers had not occurred yet and the housing was not identified as an issue.

Nike said it is reviewing its entire Malaysian contract factory base within the next 10 days and will require all its factories there to institute the same policies.

Meet The Indonesian Workers Who Make Your Nikes: 50 Cent Hourly Wages, Beatings, And Humiliation

By Zaid Jilani on Jul 13, 2011 at 9:40 am



Nike has not lived up to its promised reforms and its workers suffer as a result.

More than a decade ago, shoe giant Nike came under fire for its use of sweatshop labor in the production of its products. Most of the criticism focused on its Indonesian workforce, where workers, largely young women, were forced to labor under harsh conditions and abusive supervisors. In 1997, filmmaker Michael Moore made Nike's abuses a subject of his film "The Big One," and met with Nike CEO Phil Knight. Knight explained that the reason his company was using low-wage labor in Indonesia is because "Americans don't want to make shoes."

In 2001, following protests by labor and human rights advocates, Nike pledged a series of reforms following the revelation that some of its developing world workers were children. But a new investigation conducted by the Associated Press appears to find that poor conditions persist in many of Nike's factories.

At the Taiwanese-operated Pou Chen Group factory in Sukabumi, Indonesia, which makes Converse shoes for Nike, and PT Amara Footwear factory in Jakarta, workers alleged that they are paid ultra-low wages, regularly verbally and physically abused, and even fired for the act of taking sick leave:

The 10,000 mostly female workers at the Taiwanese-operated Pou Chen plant **make around 50 cents an hour**. That's enough, for food and bunkhouse-type lodging, but little else. Some workers interviewed by the AP in March and April **described being hit or scratched in the arm — one man until he bled**. Others said they were fired after filing complaints. [...] Mira Agustina, 30, **said she was fired in 2009 for taking sick leave, even though she produced a doctor's note**. [...]

At the PT Amara Footwear factory located just outside Jakarta, where another Taiwanese contractor makes Converse shoes, **a supervisor ordered six female workers to stand in the blazing sun after they failed to meet their target of completing 60 dozen pairs of shoes on time**.

An internal Nike report released to the AP found that "nearly two-thirds of 168 factories making Converse products worldwide fail to meet Nike's own standards for contract manufacturers." Meanwhile, in 2010, Nike CEO Mark Parker's received an 84 percent hike in his annual compensation, raking in \$13.1 million, an amount many of the workers in Sukabumi and Jakarta can only dream of.

Name: _____

Date: _____

1. In the first article, *Worker rights violations at Nike factory in Malaysia*, what problems were occurring? What did Nike promise to do for these workers?

2. When was this article written?

3. In the second article, what types of complaints were still being filed from contracted Nike workers?

4. What date was this article written? Have the promised changes been made for the factory workers? Why do you think this is?

5. What specific rights in the Declaration of Human Rights are being denied to Nike's contracted workers?

6. What is the salary of Nike's CEO? What is the salary of the factory workers? Is this gap in salaries fair, why or why not?

7. Why is it important for human rights to be upheld and protected?

8. What can happen in countries that do not protect human rights?

9. What solutions would you propose to Nike in order to fix their human rights violations?