

# Inquiry Set 12.6E: Nike and Globalization

I. Inquiry Set Introduction	
<b>Inquiry Set Title</b>	Nike and Globalization
<b>Brief Description</b>	This set uses Nike as a case study of globalization to examine the costs and benefits of a worldwide business on the individual workers and on the national economies involved.
<b>Authors</b>	Shelley Brooks, Program Coordinator, CHSSP
<b>Grade Levels</b>	12
<b>Topics/Concepts</b>	global economy, workers' rights, Nike, multinational corporations
<b>CA HSS Standards / Frameworks</b>	<p>Principles of Economics</p> <p><b>12.6</b> Students analyze issues of international trade and explain how the U.S. economy affects, and is affected by, economic forces beyond the United States's borders.</p> <p><b>12.6.1</b> Identify the gains in consumption and production efficiency from trade, with emphasis on the main products and changing geographic patterns of twentieth century trade among countries in the Western Hemisphere.</p>
<b>Framework Excerpt</b>	<p>Due to trade liberalization policies (the lowering of trade barriers between countries), along with advances in technology, communication, and transportation that speed up trade between countries, all economies throughout the world are more closely integrated with one another today than at any other time in the past. As part of understanding what globalization is, students consider the question: How does globalization affect international and national economies, and individuals? Students explore how changes in government policy, technology, information, and the rise of global markets contributed to this process. A sign that the U.S. economy is more globally integrated is the large percentage of exports and imports in GDP. Students will learn what exports and imports are, examine a trade deficit and surplus, and examine the balance of payments. They learn how the United States economy can be influenced by external factors, such as an increase in the price of oil on the global market or major changes in the incomes of its trading partners.</p>

## Nike and Globalization

	<p>Trade occurs between individuals and firms globally due to differing comparative advantages. To address the uneven consequences of globalization, students consider this question: Why are there critics of globalization? International trade can be mutually beneficial to countries as it encourages specialization based on comparative advantage, increases overall productivity and employment, and lowers prices for consumers. The growth of world trade has contributed to an overall increase in personal income in our recent history, but this increase has not been uniform across nations and within nations. Critics of globalization assert that freer trade does not equate with fair trade; certain nations and classes within nations benefit while other nations and classes within nations do not share in the prosperity. Students can analyze protectionist measures used to reduce imports and examine the positive and negative impacts upon different groups, such as the effect of trade restrictions implemented during the Great Depression. Students might collect data, evaluate the sources of the data, and use the data to analyze particular trade restrictions of the United States and its trading partners. They might use the same process to defend or argue against current trade agreements and disputes between the United States and other countries.</p> <p><i>Globalization</i> refers to the faster and freer flow of goods and services, inputs, money, and ideas around the world, as well as the emergence of a global production system used by multinational corporations. Financial transactions, whether in the form of credit, stocks, or bonds, also flow quickly around the world and cause economies to be closely integrated with one another. Students learn that trade liberalization, technology, information, and lower costs of transportation have all fostered globalization. Students can trace the impact of globalization for themselves, for different groups in their own economy, and for groups in other countries. Students can also use their knowledge from tenth-grade world history in examining developing countries and studying how they have been impacted by globalization.</p>
<p><b>ELD Standards</b></p>	<p><b>California English Language Development Standards for Grade 12</b></p> <p>Part I. Interacting in Meaningful Ways</p> <p>A. Collaborative</p> <ol style="list-style-type: none"> <li>6. Exchanging information and ideas with others through oral collaborative discussions on a range of social and academic topics</li> <li>7. Interacting with others in written English in various communicative forms (print, communicative technology and multimedia)</li> <li>8. Offering and justifying opinions, negotiating with and persuading others in communicative exchanges</li> <li>9. Adapting language choices to various contexts (based on task, purpose, audience, and text type)</li> </ol>

## Nike and Globalization

	<p>B. Interpretive</p> <p>6. Reading closely literary and informational texts and viewing multimedia to determine how meaning is conveyed explicitly and implicitly through language</p> <p>C. Productive</p> <p>11. Justifying own arguments and evaluating others' arguments in writing</p> <p><b>Common Core State Reading Standards for Literacy in History/Social Studies, Grades 11-12</b></p> <p>7. Integrate and evaluate multiple sources of information presented in diverse formats and media (e.g., visually, quantitatively, as well as in words) in order to address a question or solve a problem.</p> <p>8. Evaluate an author's premises, claims, and evidence by corroborating or challenging them with other information.</p> <p>9. Integrate information from diverse sources, both primary and secondary, into a coherent understanding of an idea or event, noting discrepancies among sources.</p>
<p><b>Investigative Question</b></p>	<p>How does globalization affect international and national economies, and individuals?</p>
<p><b>Historical Background</b></p>	<p>This source set uses an item familiar to all students — the Nike sneaker — to illustrate how globalization provides challenges and opportunities for multinational corporations, the workers involved in manufacturing Nike products, and consumers. Nike, a company started in Oregon in the 1960s, soon became a multinational corporation and today produces its shoes and apparel in 42 different countries, employs one million people around the world in the manufacturing, and reports revenue of \$36 billion.</p> <p>Nike has capitalized on globalization better than any other sports company in the world. Nike's business model includes outsourcing its manufacturing to low-wage countries while focusing on design and marketing at its US headquarters, which brings great brand appeal and high costs to the consumers in the developed world. Nike is a prime example of the economic transactions made possible by globalization, transactions that bring high stock shares to the company and relatively high-paying jobs and infrastructure to developing countries. At the same time, Nike's contract model with foreign manufacturers leaves many workers subject to labor abuses. In Nike's early years it shifted all responsibility for fair labor practices to the factory owners, though Nike soon learned that global</p>

# Nike and Globalization

	<p>consumers demanded better of the world's leading sports company.</p> <p>In this source set, students see examples of both the benefits and the drawbacks of doing business (and working) in a global economy. Sources 1 and 2 set the stage for how Nike grew into a worldwide business, tapping into new global possibilities in the 1960s. Source 3 looks at a business strategy by Nike to try to tap into the emerging markets of Asia, Latin America, and Africa in the 1990s. Source 4 is Nike's revised code of conduct from 1998, after clear instances of labor violations took place in foreign factories contracting with Nike. Students may note that Nike still put the responsibility for fair labor on the contracting factories. The text and images in Source 5 demonstrate the power of the consumer to put pressure on a multinational corporation like Nike to use its influence to work toward greater compliance with fair labor practices. Source 6 is data from Nike showing percentage of factories in compliance with the company's code of conduct. This source can be used to help students grapple with the impact of global manufacturing on nations and workers. Together, these sources can be used as a case study of globalization, one that examines the costs and benefits of a worldwide business to the individual workers and to the national economies involved.</p>
<b>Potential Sensitive Issues, Topics, and Information</b>	This set considers labor abuses in countries with factories doing business with Nike.
<b>Map</b>	Oregon, Japan, China, Korea, Taiwan, Vietnam, Indonesia, Georgetown University, University of California

<b>II. Source Sets</b>	
<b>#1 Primary Source</b>	<b>Men's Club Nike's</b>



## Nike and Globalization

	<table border="1"> <tr> <td data-bbox="428 212 758 272"><b>Title of Source</b></td> <td data-bbox="758 212 1856 272">Men's Club Nike's</td> </tr> <tr> <td data-bbox="428 272 758 345"><b>Date</b></td> <td data-bbox="758 272 1856 345">1977</td> </tr> <tr> <td data-bbox="428 345 758 418"><b>Holding Institution</b></td> <td data-bbox="758 345 1856 418">University of Oregon</td> </tr> <tr> <td data-bbox="428 418 758 483"><b>Link to Record</b></td> <td data-bbox="758 418 1856 483"><a href="https://oregondigital.org/catalog/oregondigital:df66nm52h">https://oregondigital.org/catalog/oregondigital:df66nm52h</a></td> </tr> </table>	<b>Title of Source</b>	Men's Club Nike's	<b>Date</b>	1977	<b>Holding Institution</b>	University of Oregon	<b>Link to Record</b>	<a href="https://oregondigital.org/catalog/oregondigital:df66nm52h">https://oregondigital.org/catalog/oregondigital:df66nm52h</a>
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<b>For the Student</b>	<p>Nike began in 1964 when Phil Knight and his former track coach from the University of Oregon started a company called Blue Ribbon Sports. As a graduate student at Stanford University in the early 1960s, Knight wrote a paper that argued a company could benefit economically from employing people overseas who worked for low wages. At first, Blue Ribbon Sports sold a Japanese brand of sneakers in the United States, but in 1971 Knight and his partner decided to establish their own line of shoes and rename the company Nike. Globalization (the development of an increasingly integrated global economy) enabled Nike to capture markets well beyond the United States. The brand did so well that in 1980 Nike's sales caught up to Adidas, then the world leader in sports footwear and apparel sales.</p> <p>What does this magazine from Japan suggest about how the new popularity of Nike shoes may have affected Japanese shoe companies?</p>								
<b>For the Teacher</b>	<p>By the early 1980s, Nike had closed down its few US factories after securing contracts with factories in Korea and Taiwan, where workers could be paid less than in the United States. As these countries' economies developed, Nike moved its factories to less-developed countries such as Indonesia, China, and Vietnam. Before long, there was an extensive network of factories in Southeast Asia that relied upon guaranteed orders from Nike. As Nike declared at the turn of the century, "Our business model in 1964 is essentially the same as our model today: We grow by investing our money in design, development, marketing and sales and then contract with other companies to manufacture our products." Nike was an early player in the global economy, outsourcing its manufacturing to create a product with global appeal and marketing that product in the interconnected global trade network. Students may investigate what sort of trade agreements make this type of business model profitable.</p>								
<b>#2 Primary</b>	<b>Kaepernick football cleats</b>								

<p><b>Source</b></p>	<div data-bbox="695 310 1591 802" data-label="Image"> <p>A red Nike football cleat with a white swoosh and a signature on the side. The shoe is shown from a side profile, highlighting its high-top design and gold-colored soleplate with studs.</p> </div> <table border="1" data-bbox="394 932 1864 1206"> <tr> <td><b>Title of Source</b></td> <td>Pair of football cleats signed by Colin Kaepernick</td> </tr> <tr> <td><b>Date</b></td> <td>circa 2014</td> </tr> <tr> <td><b>Holding Institution</b></td> <td>National Museum of African American History and Culture</td> </tr> <tr> <td><b>Link to Record</b></td> <td><a href="http://collections.si.edu/search/results.htm?q=record_ID:nmaahc_2017.10.2ab">http://collections.si.edu/search/results.htm?q=record_ID:nmaahc_2017.10.2ab</a></td> </tr> </table>	<b>Title of Source</b>	Pair of football cleats signed by Colin Kaepernick	<b>Date</b>	circa 2014	<b>Holding Institution</b>	National Museum of African American History and Culture	<b>Link to Record</b>	<a href="http://collections.si.edu/search/results.htm?q=record_ID:nmaahc_2017.10.2ab">http://collections.si.edu/search/results.htm?q=record_ID:nmaahc_2017.10.2ab</a>
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<p><b>For the Student</b></p>	<p>Phil Knight knew that in order to build his brand he had to get superstar buy-in for his products. He reached out to Olympic athletes, who would essentially advertise for Nike simply by wearing Nike shoes at the world’s biggest sporting event. Soon, Nike was the shoe of choice for such athletes as basketball player Michael Jordan. Not only</p>								

## Nike and Globalization

	<p>did Jordan promote the Nike brand in the United States and other countries that followed the American National Basketball Association, but Jordan and others wore Nike shoes to the Olympics as part of the “Dream Team” squad.</p> <p>These cleats are signed by football player Colin Kaepernick and are on display at the Smithsonian’s National Museum of African American History. How do you think a sports figure’s persona is shaped by his or her brand choice? How do you think that brand is shaped by who chooses to wear it? How do you think Nike might work to shape all of this to its own benefit? Do you notice any ways in which Nike or other brands seek to appeal to different groups of consumers in this country or abroad?</p>
<b>For the Teacher</b>	<p>While shoes were the first product that Nike introduced on the global market, the company soon realized the growing market in sports apparel and in turn capitalized on this as well. By the year 2000, only 68 of the 736 factories supplying Nike were manufacturing shoes. The shoe factories were located primarily in Asian countries. The rest of Nike’s contracting factories were making sports apparel and equipment and were located in countries across the globe. Students can explore how trade agreements and rules governing international trade can influence a company such as Nike to contract with different foreign factories for different products. Shoe factories are usually larger than apparel factories and require more capital up front for necessary equipment. Apparel factories require more labor-intensive methods than shoe factories and are generally smaller and easier to assemble/disassemble and move. A multinational corporation like Nike understands how and where to invest in foreign manufacturing to increase its profit.</p>
<b>#3 Secondary Source</b>	<b>Nike production data</b>

# Nike and Globalization

Estimated Cost Breakdown: Average Nike Shoe versus the Series 100 World Shoe (U.S. Dollars)

Cost Component	Average Nike Shoe	Series 100 Shoe
Labor	2.43	0.72
Manufacturer's Overhead	2.13	0.67
Materials	10.72	3.47
Profit to Factory	0.97	0.33
Factory Price to Nike	16.25	5.19
Wholesale Price	32.50	10.00
Retail Price	65.00	15.00

Data from the World Resources Institute.

<b>Title of Source</b>	Estimated Cost Breakdown: Average Nike Shoe versus the Series 100 World Shoe (U.S. Dollars)
<b>Preferred Citation</b>	World Resources Institute. "Estimated Cost Breakdown: Average Nike Shoe versus the Series 100 World Shoe (U.S. Dollars)." In <i>Expanding the playing field: Nike's world shoe project</i> , edited by World Resources Institute. Chapel Hill, N.C.: Kenan-Flagler Business School, UNC, 2002.
<b>Title of Source</b>	Estimated Cost Breakdown: Average Nike Shoe versus the Series 100 World Shoe (U.S. Dollars)

**For the Student** While the global reach of Nike expanded, the company understood that there were large segments of the world's population that could not afford Nike sneakers. In the early 1990s, Nike analyzed markets across the globe and

## Nike and Globalization

	<p>determined that countries could fall into market tiers. Nike’s biggest market was in Tier 1 — countries with large populations (over 50 million people) and with a GDP per capita of \$20,000 (the United States fell into this category). Tier 2 included countries with smaller populations (over 15 million people) and a GDP per capita of \$20,000 (some European countries fell into Tier 2). China fell into Tier 3, with a very large population (around 1 billion people) and a relatively low GDP per capita (\$2,000 PPP). Because of the number of people living in China, Nike was eager to tap into this market. In 1998, Nike began its World Shoe Project, which consisted of shoes produced and sold solely for so-called emerging or up-and-coming markets in Asia, Africa, and Latin America. These Series 100 shoes were made in China, where labor was inexpensive and where the shoes could easily be made available to a local market (with no import duties).</p> <p>Study this chart to see how much the factory is able to profit from the Series 100 shoes, and from Nike’s average shoes. This profit is one way to consider the effect of globalization on the nation that manufactures global products. The difference between the factory price to Nike and the wholesale price is the profit to Nike. What do these numbers tell you about the effect of globalization on the US economy, where Nike is headquartered and pays taxes? The difference between the wholesale price and the retail price is the profit to the store that sells the sneakers. These profits are one way to consider the effect of globalization on the nations that sell Nike shoes.</p>
<p><b>For the Teacher</b></p>	<p>The World Shoe Project relied on local Chinese materials to construct the shoes and Nike’s existing manufacturing network, which lowered investment costs for Nike. The result was a relatively inexpensive Series 100 shoe when compared to the average Nike sneaker marketed in the United States. But Chinese shoe companies already produced low-cost sneakers, even less expensive than Nike’s Series 100 shoes. Students may examine the impact of international trade on national businesses, and the role that trade tariffs play in trying to protect national businesses from international competition.</p>
<p><b>#4 Primary Source</b></p>	<p><b>NIKE CODE OF CONDUCT</b></p> <p>NIKE Inc. was founded on a handshake. Implicit in that act was the determination that we would build our business with all of our partners based on trust, teamwork, honesty and mutual respect. We expect all of our business partners to operate on the same principles ...</p> <p>NIKE seeks partners that share our commitment to the promotion of best practices and continuous improvement in:</p> <ol style="list-style-type: none"> <li>1. Occupational health and safety, compensation, hours of work and benefits.</li> <li>2. Minimizing our impact on the environment.</li> </ol>

3. Management practices that recognize the dignity of the individual, the rights of free association and collective bargaining, and the right to a workplace free of harassment, abuse or corporal punishment.
4. The principle that decisions on hiring, salary, benefits, advancement, termination or retirement are based solely on the ability of an individual to do the job.

... we also bind these partners to specific standards of conduct. These are set forth below:

**Forced Labor:** (Contractor) certifies that it does not use any forced labor — prison, indentured, bonded or otherwise.  
**Child Labor:** (Contractor) certifies it does not employ any person under the minimum age established by local law, or the age at which compulsory schooling has ended, whichever is greater, but in no case under the age of 14.

**Compensation:** (Contractor) certifies that it pays at least the minimum total compensation required by local law, including all mandated wages, allowances and benefits.

**Benefits:** (Contractor) certifies that it complies with all provisions for legally mandated benefits, including but not limited to housing; meals; transportation and other allowances; health care; child care; sick leave; emergency leave; pregnancy and menstrual leave; vacation, religious, bereavement and holiday leave; and contributions for social security, life, health, workers compensation and other insurance.

**Hours of Work/Overtime:** (Contractor) certifies that it complies with legally mandated work hours; uses overtime only when employees are fully compensated according to local law; informs the employee at the time of hiring if mandatory overtime is a condition of employment; and, on a regularly scheduled basis, provides one day off in seven, and requires no more than 60 hours of work per week, or complies with local limits if they are lower.

**Health and Safety:** (Contractor) certifies that it has written health and safety guidelines, including those applying to employee residential facilities, where applicable; and that it has agreed in writing to comply with NIKE's factory/vendor health and safety standards.

**Environment:** (Contractor) certifies that it complies with applicable country environmental regulations; and that it has agreed in writing to comply with NIKE's specific vendor/factory environmental policies and procedures, which are based on the concept of continuous improvement in processes and programs to reduce the impact on the environment.

## Nike and Globalization

	<p>Documentation and Inspection: (Contractor) agrees to maintain on file such documentation as may be needed to demonstrate compliance with this Code of Conduct, and further agrees to make these documents available for NIKE or its designated auditor's inspection upon request.</p> <p>The NIKE Code of Conduct is a document that defines our contractor's obligations to NIKE and the contract worker, and provides a set of standards against which we can measure our contractors' compliance.</p> <p>First written in January 1992, NIKE's Code of Conduct has been revised recently to add new language and provisions suggested by non-governmental organizations (NGOs) and other bodies. It is a living, breathing document, and can and will be revised again as we learn new and better ways to communicate our standards to the contractor, and to the worker.</p> <table border="1" data-bbox="394 675 1864 813"> <tr> <td><b>Title of Source</b></td> <td>Nike's Code of Conduct</td> </tr> <tr> <td><b>Holding Institution</b></td> <td>New Mexico State University, College of Business</td> </tr> </table>	<b>Title of Source</b>	Nike's Code of Conduct	<b>Holding Institution</b>	New Mexico State University, College of Business
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<b>Holding Institution</b>	New Mexico State University, College of Business				
<p><b>For the Student</b></p>	<p>In response to bad press that reported poor working conditions for some of the workers who manufactured Nike products in the 1980s and 1990s, Nike hired a firm to investigate some of the factories it contracted with around the world. This 1997 investigation revealed that in some factories workers were exposed to dangerous levels of chemicals used to make its shoes. This resulted in skin and heart disease for some workers, as well as other illnesses. The investigation prompted Nike to update its code of conduct to the one you see here. The code of conduct is a document that Nike expects its supplying factories to follow in order to do business with Nike. As a result of outsourcing labor to other countries, Nike not only does not run the factories that manufacture its products but also does not always work with countries that protect workers' rights in the same way that labor laws do here in the United States.</p> <p>What do you notice about who is held responsible for maintaining Nike's code of conduct? Today Nike produces its shoes and apparel in 42 different countries, and employs one million people around the world. What do you think Nike's responsibility is to these workers? What responsibility do you think belongs to the factory owners and the countries in which these factories exist? What does this tell you about how globalization affects the individuals who produce global products?</p>				

## Nike and Globalization

<b>For the Teacher</b>	<p>Along with developing this code of conduct after the troubling report by the firm Ernst and Young, Nike instituted for at least some length of time a system that put Nike employees in charge of regularly visiting contracting factories to monitor compliance with the code. Factory owners were made to sign this code of conduct and post it in the factory. Of course, not all employees were literate, and most were rarely in a position of power to demand adherence to this code. As far as holding Nike accountable for labor abuses, some of the problems are inherent in doing business through contracts, and in countries with different labor laws. In the specific case of Nike, its line of products also shape to some degree the type of labor practices involved. Depending on its relationship with its contracting factory, Nike has had varying degrees of influence over how factory owners operate. Long-term, high-investment immobile factories making shoes tend to have longer relationships with Nike than do apparel factories. Moreover, apparel has shorter product cycles and more volatile consumer trends, and Nike may be just one of several sports companies for which an apparel factory manufactures. These different relationships can significantly affect how much Nike can influence compliance with its code of conduct.</p> <p>Consider having students do research on which countries produce Nike products, and whether these countries have legislation that is enforced to support workers' rights. A news search may bring up instances in which labor unions in some of these countries are having success in protecting workers, or whether factories have been found in violation of labor laws or workers' rights.</p>
<b>#5 Primary Source</b>	<b>5a. USAS Nike Summer Conference 2018</b>



**5b. Victory!**



**5c. United Students Against Sweatshops News Release, 2017**

FOR IMMEDIATE RELEASE, WEDNESDAY, AUGUST 30, 2017

... The USAS [United Students Against Sweatshops] effort helped gain Nike's acquiescence to a one-time WRC [Worker Rights Consortium] investigation at Hansae [factory in Vietnam] that produced a finding of numerous serious violations of apparel workers' rights including wage theft, the firing of pregnant women, and repeated fainting due to intolerably high temperatures inside the factory. The WRC report undermined Nike's claims about the adequacy of its self-monitoring regime that had given a clean slate to conditions at Hansae over a ten-year period.

... Nike tried to turn back the clock on twenty years of fundamental labor compliance by barring independent inspectors' access to its 680 subcontracted factories. Students and workers launched a global campaign that forced Nike to reverse its position. With pressure from schools like Georgetown University and the University of Washington among others, Nike has committed to return to its obligations under agreements it has with many

universities requiring it to allow the Worker Rights Consortium to conduct inspections as needed. This campaign serves as a reminder that even the largest sports apparel company in the world can be forced into compliance with labor rights standards by the combined efforts of students and garment workers, said Angeles Solis, USAS's labor rights campaign coordinator.

... USAS's "Just Do the Right Thing" & "Just Cut It" Campaign 2016–2017

*Georgetown University:*

Nike and Georgetown have a longstanding relationship. Renowned retired basketball coach, John Thompson Jr., sits on the Board of Nike and the school has the largest Nike Air Jordan contract of any university in the country. Former Hoyas point guard, Michael Jackson, is now the Vice President and General Manager of North America Basketball for Nike, and a number of Georgetown Athletes are now in professional leagues with Nike sponsorships. However, Georgetown is also a founding member of the WRC and has held a seat on its board since its formation in 2001. Despite their sponsored gear, student athletes stepped up to lead the Nike campaign on their campus — demanding the school stay true to its Jesuit values by organizing campus actions. Their campaign escalated to a 30 hour student occupation of President DeGioia's office, where university administration conceded to only renew Nike's license if the company agreed to WRC monitoring. In August of 2017, Georgetown finalized an agreement between NIKE Inc. and the Workers Rights Consortium on standards of independent access and remediation of Nike supplier factories. The protocol is legally binding once instituted into university licensing agreements, as Georgetown has on August 30th of 2017.

... *University of California – Berkeley & Los Angeles:*

Cal's athletics program used to be sponsored by Nike. In August, Cal switched its sponsorship to UnderArmour in a 10 year agreement worth \$86 million. UCLA's athletics program used to be sponsored by Adidas. Last May, UCLA switched its sponsorship to UnderArmour, signing a 15 year agreement worth \$280 million and estimated to be the biggest sponsorship deal in NCAA history. The University of California ... recently adopted a policy on March 17, 2016, requiring licensees to "give the University or its Licensing Agent(s) and/or NGOs free and full access to all facilities, materials, and records that may be relevant to such investigation [of factories' working conditions]."

## Nike and Globalization

	<table border="1"> <tr> <td data-bbox="386 207 688 461"><b>Title of Source</b></td> <td data-bbox="688 207 1906 461"> <p>5a. USAS Nike Summer Conference 2018</p> <p>5b. Victory!</p> <p>5c. Landmark Agreement Advances the Rights of Workers Who Sew Apparel for American and Canadian Universities</p> </td> </tr> <tr> <td data-bbox="386 461 688 526"><b>Holding Institution</b></td> <td data-bbox="688 461 1906 526">5a, 5b. 5c. United Students Against Sweatshops</td> </tr> </table>	<b>Title of Source</b>	<p>5a. USAS Nike Summer Conference 2018</p> <p>5b. Victory!</p> <p>5c. Landmark Agreement Advances the Rights of Workers Who Sew Apparel for American and Canadian Universities</p>	<b>Holding Institution</b>	5a, 5b. 5c. United Students Against Sweatshops
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<b>Holding Institution</b>	5a, 5b. 5c. United Students Against Sweatshops				
<b>For the Student</b>	<p>What do you notice about the contrast between sources 4 and 5? Note the date of this press release — 2017, close to 20 years after Nike’s updated code of conduct. What does this tell you about Nike’s determination or its success in holding its contractors to fair labor practices? Given what you’ve read about the choices made by Georgetown University and University of California, what role do you think the consumer has in responding to these reports of workers’ rights violations?</p> <p>In a global economy where there is no mechanism for enforcing international labor standards, who, if anyone, should take responsibility for ensuring labor rights? What level of responsibility does a factory and its country have for guaranteeing labor rights? Is it acceptable to make workers’ rights less important than profit? What does this source tell you about how individual workers are affected by global business?</p>				
<b>For the Teacher</b>	<p>The Worker Rights Consortium (WRC) is an independent monitoring group that assesses labor rights in workplaces around the world to ensure that university apparel is made under fair labor conditions. The WRC was established in 2000 by universities, international labor rights experts, and student groups. The United Students Against Sweatshops (USAS) is a member of this consortium. Students may want to compare the WRC to other international organizations that attempt to safeguard workers in the era of globalization (such as the United Nations / International Labour Organization). Consider using this source as an opportunity to discuss with students the criticism of globalization that it exacerbates inequality in the world, allowing multinational corporations like Nike to turn great profits while the workers and factory management enjoy a tiny fraction of the same profits.</p>				
<b>#6 Secondary Source</b>	<b>Historic data from Nike concerning factory compliance</b>				

Historic data from Nike concerning factory compliance

	Compliance	Number of Factories	Number of Countries
FY '09	32%	1034	55
FY '10	39%	1012	55
FY '11	49%	930	50
FY '12	70%	910	43
FY '13	68%	785	43
FY '14	75%	719	44
FY '15	86%	692	42
FY '16	87%	663	48
FY '17	91%	591	42
FY '18	N/A	554	42

<b>Title of Source</b>	Historic data from Nike concerning factory compliance
<b>Holding Institution</b>	Nike (firm)
<b>Link to Record</b>	<a href="https://purpose.nike.com/learning-from-our-past">https://purpose.nike.com/learning-from-our-past</a>
<b>Preferred Citation</b>	Nike. "Learning From Our Past." Accessed March 25, 2019.

## Nike and Globalization

<https://purpose.nike.com/learning-from-our-past>.

### For the Student

This data from Nike shows the percentage of factories manufacturing Nike products that comply with Nike’s code of conduct. What trends do you notice? What else stands out to you in this chart? Factories in compliance provide jobs that are highly desirable for many workers in developing countries. Some of the workers at these factories enjoy wages that can be twice as high as the going rate for other work in that region. Some factories doing business with Nike also provide benefits such as health clinics, meals, overtime pay, and schooling. Even when a factory fails to be in full compliance with the Nike code of conduct, some of these benefits, such as higher pay compared to work elsewhere in the region, may still apply. Some people argue that even when fair labor practices are violated, the higher pay from factories that do business with multinational corporations is one of the reasons why globalization is beneficial to developing countries and individuals living there.

How do you weigh the relative costs and benefits for workers in this global era of business?

### For the Teacher

As a wrap-up, consider having students debate questions such as: Should there be international labor standards, or should these standards be made at the national level? Should countries be free to set labor standards that make them most competitive in attracting multinational corporations, even if this means pushing down wages and other worker benefits? Or should all nations be encouraged to abide by minimum labor standards that could improve the skills, training, and productivity of their labor force in a way that would make the country more competitive in the long run? If there are international labor standards, who should write them? Finally, students can assess how the case study of Nike helps them weigh the costs and benefits of globalization to the people who manufacture the shoes and apparel, the people who wear Nike products, the factories and nations where these products are manufactured, and the international economy that Nike benefits from and influences.

### III. English Language Development extension activity

The attached student handouts support students’ analysis of multiple sources that contradict one another. By focusing on the perspectives and arguments presented in each document, students will create a list of evidence about topics in which there are clear differences between published corporate policy (Nike’s code of conduct) and public opinion (media releases). By selecting evidence from readings and

## Nike and Globalization

comparing their reasoning with their peers', students will make a determination of how businesses, workers, and consumers are affected by globalization.

### Directions

1. Distribute Nike's code of conduct (Source 4) and media releases (Source 5) for close examination. Teachers may provide a protocol for annotating text, or have students develop an annotation strategy for their reading and marking of the text. For example, students may color-code themes within the Nike document and then highlight the contradictions in similar themes in the additional readings. Or, students can use a symbol system (checkmark, underline, punctuation marks, etc.) to note items of interest, confusion, disagreement, or emphasis, and key points.
2. In their second read-through, students should complete Student Handouts 1 & 2 to document their analysis of the readings.
3. Next, Student Handout 3 supports selecting evidence from their readings, comparing evidence with peers, and drafting a thesis statement to answer the investigative question, How does globalization affect businesses, workers, and consumers?