Olympic Sponsors Shamed by New Report on Working Conditions

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Investigative Report by Play Fair 2008 uncovers Chinese workers making shoes for less than $2 per day. Serious violations found at suppliers for Nike and adidas.

As the clock ticks down to the Beijing Olympics, workers producing for the international sportswear companies that spend millions on Olympic and athletic sponsorship deals are still working excessive hours and paid poverty wages, according to a damning new report, "Clearing the Hurdles, Steps to improving working conditions in the global sportswear industry", from Play Fair 2008 (PF08).

Based on interviews with over 300 sportswear workers in China, India, Thailand and Indonesia, Clearing the Hurdles shows that violations of worker rights is still the sportswear industry norm's including factories supplying Nike, adidas, and other major brands.

"While the profits of major brands like Nike and adidas are soaring through the roof, the workers sewing their garments continue to make poverty wages and work under indecent conditions" says Liana Foxvog, national organizer of SweatFree Communities, an alliance of U.S. organizations that is supporting the Play Fair 2008 campaign. "Behind the rhetoric of corporate responsibility, very little has changed." Activists from SweatFree Communities will be hand-delivering the report to the headquarters of key Olympics sponsors on April 21, 2008.

The Beijing Olympics are expected to be the most profitable Olympics in the Games' history, according to the International Olympics Committee (IOC). The sale of the official mascot alone is expected to net $300 million in profits. Adidas has reportedly provided the IOC between $80 and $100 million in cash and extras to win sponsorship rights for this year's Games and expects to make huge progits with Olympics-related sales. Nike is the official sponsor of the USA team.

Play Fair's 63-page report [1] lifts the lid on Yue Yuen, the little known Hong Kong manufacturer that produces one-sixth of the world's sports shoes and counts brands such as adidas, Nike and New Balance among its most important clients.

Says one worker at a Yue Yuen factory producing for New Balance in Dongguan, China,
It is ridiculous that there is not even one rest day in a whole month! Physically we are so tired, but psychologically we are also exhausted."

The report also sheds light on the conditions of workers stitching soccer balls in Thailand, India and China. At Joyful Long factory in China’s Pearl River Delta, which supplies adidas, Nike, Umbro and Fila, overtime can reach 232 hours per month while average wages are almost half the legal minimum.

Despite more than 15 years of codes of conduct adopted by most of the major sportswear brands, PF0’s report shows that workers still earn poverty wages and face extreme pressure to meet production quotas, excessive, undocumented and unpaid overtime, verbal abuse, threats to health and safety and a failure to provide legally required health and other insurance programs.

"The global brands have enormous power over their suppliers, and have the ability to ensure decent wages and working conditions. As this report shows, they have chosen not to do so" said Zack Knorr, an organizer with United Students Against Sweatshops, which is also supporting the campaign.

Clearing the Hurdles identifies low wages; abuse of short-term contracts and other forms of precarious employment; violations of freedom of association; and the right to collective bargaining, and factory closures due to industry restructuring as the four key issues the sportswear industry must act upon. PF08 has invited industry leaders to participate in a June meeting in Hong Kong to discuss their follow up to Play Fair’s proposals.

Last year Play Fair 2008 released a report on rights violations in the production of Olympic-branded goods and since then has been seeking a concrete commitment from the International Olympic Committee on labor rights. "Five years after we first approached the IOC on this issue, no concrete commitments have been made and it still remains unclear how they will take action on outstanding labor rights issues. We are ready to start working with them right away to get concrete results" said the International Trade Union Confederation (ITUC) General Secretary Guy Ryder.


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