Nike: A Case Study

Lesson Map: http://esriaustralia.com.au/education/SpatialActivity31

Engage

Globalisation and the corporation

? Over the years, Nike has been the focus of many sweatshop allegations. What is a sweatshop? A sweatshop refers to a place where working conditions are poor and/or workers are severely underpaid.

   Context: Read some Nike allegation articles here: 1 | 2

? Nike came under fire for being a billion-dollar multinational corporation, that chose to set up factories in countries with terrible working conditions and trade free zones. What is a multinational corporation? A multinational corporation is a corporation (MNCs) that has assets in more than one country. They may have a centralised headquarters in one location. Many of these MNCs are founded in America, Asia or in some Western countries.

Explore

About the Swoosh

➔ Click on the Lesson Map URL above to open the map. In the 'Details' pane, under 'Content', tick the first checkbox to turn on the layer 'Global Companies 200'. Turn off all other layers.

? This layer represents where the Top 200 corporations were founded. Please note that this includes financial corporations. What countries are in control of the most? The United States (75), China (27) and Japan and France (12).

? Turn on the layer 'World GDP'. Which countries have the highest GDP in the world? The countries with the highest GDP are America, China and Japan.

? Turn off the layer 'World GDP'. Turn on the layer 'World Exports of G and S'. This stands for goods and services. Despite being in control of major multinational corporations, we can see that America, China and Japan do not export large quantities of goods. What does this tell us? What countries export high amounts of goods? This tells us that those countries may use developing countries to manufacture their products as it may be more cost effective. We can now see some countries in Asia, Africa and some Western Countries.

? Turn off all the layers. Turn on the layer 'Nike Global Headquaters'. There are two

Download student worksheet here.

Time
30 minutes

Activity

Investigate Nike and its sweatshop allegations

Learning Outcome

Students will be able to:

- Define a multinational company

- Investigate which countries control the world's economy

- Identify the locations of Nikes headquarters, stores and factories

- Explore Nikes sweatshop allegations

ACARA Curriculum Link

Year 9 Geography: Geographies of Interconnections

ACHGK067 | ACHGK068 | ACHGS067

Teacher Feedback:

To share your feedback on this, or any Spatial Activity, please contact education@esriaustralia.com.au
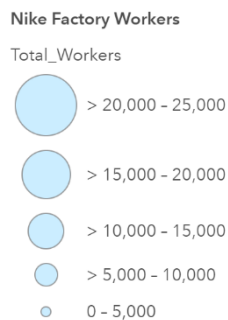
subsidiaries of Nike on the map. What is a subsidiary and what are Nike's major subsidiary companies on the map? (Hint, you can click each symbol for a pop up to appear). A subsidiary is another company, controlled by its parent company. In this case, Hurley and Converse are the companies controlled by its parent company, Nike.

→ Turn on the layer 'Nike Stores'. Nike has stores in nearly half of the world, as well as headquarters in three different countries. This demonstrates that Nike is multinational.

Explain

Nike sweatshops

→ It takes many parts to make a shoe, including the rubber, polyester, synthetic leather, leather, and cotton. These parts can be gathered from all over the world, making it hard to track who is involved in the shoe making process. Turn on the layer 'Making a shoe (parts)'. This represents some of the leading exporters of shoe materials. You can imagine the hundreds of people involved in the manufacturing chain.

→ Turn off all of the other layers. Turn on 'Nike Factory Workers'. Each of these circles represents one factory. The larger the circles, the more workers work at that factory.

Nike Factory Workers

Total_Workers

- \> 20,000 – 25,000
- \> 15,000 – 20,000
- \> 10,000 – 15,000
- \> 5,000 – 10,000
- 0 – 5,000

? Which country has the highest number of workers? Vietnam.

? Select the table icon and sort the factory 'Total_Workers' column descending.

? What is the largest factory called and how many workers are employed there?

The largest factory is called Chang Shin Vietnam Company, Ltd, with 34,310 workers.

? What are some other countries with large amounts of factories responsible for manufacturing Nike shoes? Indonesia and China also have significant amounts of factories.

Extend

Allegations

? One of the reasons Nike came under fire was for setting up factories where labour rates were notoriously low. Turn on the layer 'Textile Pay Rates'. Click on Australia. How much does the average Australian textile worker receive per hour? $38.67.

? Now click on Vietnam. How much does the average worker receive there? $0.074.

? Do you think it is wrong for Nike to make billions of dollars, yet pay factory workers so little? Students own answer.

? One of the other reasons Nike came under fire in the early 2000s, was for reports of child workers at sweatshops. Turn on the last layer 'Child labour in textile industry'. Is there a relationship between factory locations and known countries involved with child labour? Yes, many of the factories are located in countries which employ children.

> <u>Towards an ethical and sustainable future</u>
> Before completing this lesson, had you heard of Nike and its sweatshop allegations?
>
> Nike has made enormous strides to fix its sweatshop image, including having transparency to its supply chain. Many other multinational companies are yet to follow suit.
>
> Check out some of the following websites to see how some of your favourite brands faired in recent investigations.
>
> Oxfam Naughty or Nice List | Baptist World Aid Report Card (via ABC)

Next Steps:

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