

The Swoosh: The Fight for Good Jobs

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Nike CEO Phil Knight has long been a hero of the business schools. Prestigious academic publications such as *The Harvard Business Review* have lauded his pioneering marketing techniques, his understanding of branding and his early use of outsourcing. Countless MBA candidates and other students of marketing and communications have studied the Mike formula of "brands, not products." So when Phil Knight was invited to be a guest speaker at the Stanford University Business School—Knight's own alma mater—in May 1997, the visit was expected to be one in a long line of Nike love-ins. Instead, Knight was greeted by a crowd of picketing students, and when he approached the microphone he was taunted with chants of "Hey Phil, off the stage. Pay your workers a living wage." The Nike honeymoon had come to a grinding halt.

No story illustrates the growing distrust of the culture of corporate branding more than the international anti-Nike movement—the most publicized and tenacious of the brand-based campaigns. Nike's sweatshop scandals have been the subject of over 1,500 news articles and opinion columns. Its Asian factories have been probed by cameras from nearly every major media organization, from CBS to Disney's sports station, ESPN. On top of all that, it has been the subject of a series of *Doonesbury* cartoon strips and the butt of Michael Moore's documentary *The Big One*. As a result, several people in Nike's PR department work full time dealing with the sweatshop controversy—fielding complaints, meeting with local groups and developing Nike's response—and the company has created a new executive position: vice president for corporate responsibility. Nike has received hundreds and thousands of letters of protest, faced hundreds of both small and large groups of demonstrators, and is the target of a dozen critical Web sites.

For the last two years, anti-Nike forces in North America and Europe have attempted to focus all the scattered swoosh bashing on a single day. Every six months they have declared an International Nike Day of Action, and brought their demands for fair wages and independent monitoring directly to Nike's customers, shoppers at flagship Nike Towns in urban centres or the less glamorous Foot Locker outlets in suburban malls. According to Campaign for Labour Rights, the largest anti-Nike event so far took place on October 18, 1997: eighty-five cities in thirteen countries participated. Not all the protests have attracted large crowds, but since the movement is so decentralized, the sheer number of individual anti-Nike events has left the company's public-relations department scrambling to get its spin onto dozens of local newscasts. Though you'd never know it from its branding ubiquity, even Nike can't be everywhere at once.

Since so many of the stores that sell Nike products are located in malls, protests often end with a security guard escorting participants into the parking lot. Jeff Smith, an activist from Grand Rapids, Michigan, reported that "when we asked if private property rights ruled over free speech rights, the [security] officer hesitated and then emphatically said YES!" (Though in the economically depressed city of St. John's, Newfoundland, anti-Nike campaigners reported that after being thrown out of a mall, "they were approached by a security guard who asked to sign their petition.") But there's plenty that can be done on the sidewalk or in the mall parking lot.

SLOGANS FROM THE INTERNATIONAL ANTI-NIKE MOVEMENT:

Just Don't Do It Just Don't Nike, Do It Just Justice. Do it, Nike
The Swooshtika Just Boycott It Ban the Swoosh Nike - Fair Play?
Nike, Nein, Ich Kaufe Es Nicht! (Nike - No, I Don't Buy It!)
Nike Soyez Sport! (Nike Be a Sport) Just Duit (It's just money)

A TALE OF THREE LOGOS

Campaigners have dramatized Nike's labour practices through what they call "sweatshop fashion shows," and "The Transnational Capital Auction: A Game of Survival" (the lowest bidder wins), and a global economy treadmill (run fast, stay in the same place). In Australia, anti-Nike protestors have been known to parade around in calico bags painted with the slogan "Rather wear a bag than Nike." Students at the University of Colorado in Boulder dramatized the difference between the legal minimum wage and a living wage by holding a fundraising run in which "participants pay an entrance fee of \$1.60 (daily wages for a Nike worker in Vietnam) and the winner will receive \$2.10 (the price of three square meals in Vietnam)." Meanwhile, activists in Austin, Texas, made a giant papier-mâché Nike sneaker piñata, and a protest outside a Regina, Saskatchewan, shopping centre featured a deface-the-swoosh booth. The last stunt is something of a running theme in all the anti-Nike actions: Nike's logo and slogan have been jammed so many times — on T-shirts, stickers, placards, banners and pins — that the semiotic bruises have turned them black and blue (see list below).

Tellingly, the anti-Nike movement is at its strongest inside the company's home state of Oregon, even though the area has reaped substantial economic benefits from Nike's success (Nike is the largest employer in Portland and a significant local philanthropist). Phil Knight's neighbours, nonetheless, have not all rushed to his defence in his hour of need. In fact, since the Life magazine soccer-ball story broke, many Oregonians have been out for blood. The demonstrations outside the Portland Nike Town are among the largest and most militant in the country, sometimes sporting a menacing giant Phil Knight puppet with dollar signs for eyes or a twelve-foot Nike swoosh dragged by small children (to dramatize child labour). And in contravention of the principles of non-violence that govern the anti-Nike movement, one protest in Eugene, Oregon, led to acts of vandalism including the tearing-down of a fence surrounding the construction of a new Nike Town, gear pulled off shelves at an existing Nike store and, according to one eyewitness, "an entire rack of clothes...dumped off a balcony into a fountain below."

Local papers in Oregon have aggressively (sometimes gleefully) followed Knight's sweatshop scandals, and the daily paper The Oregonian sent a reporter to Southeast Asia to do its own lengthy investigation of the factories.

Mark Zusman, editor of the Oregon newspaper The Willamette Week, publicly admonished Knight in a 1996 "memo": "Frankly, Phil, it's time to get a little more sophisticated about this media orgy... Oregonians already have suffered through the shame of Tonya Harding, Bob Packwood and Wes Cooley. Spare us the added humiliation of being known as the home of the most exploitative capitalist in the free world."

Even Mike's charitable donations have become controversial. In the midst of a critical fundraising drive to try to address a \$15 million shortfall, the Portland School Board was torn apart by debate about whether to accept Mike's gift of \$500,000 in cash and swooshed athletic gear. The board ended up accepting the donation, but not before looking their gift horse publicly in the mouth. "I asked myself," school board trustee Joseph Tarn told The Oregonian, "Mike contributed this money so my children can have a better education, but at whose expense? At the expense of children who work for six cents an hour?... As an immigrant and as an Asian I have to face this moral and ethical dilemma."

Mike's sponsorship scandals have reached far beyond the company's home state. In Edmonton, Alberta, teachers, parents and some students tried to block Mike from sponsoring a children's street hockey program because "a company which profits from child labour in Pakistan ought not to be held up as a hero to Edmonton children." At least one school involved in the city-wide program sent back its swooshed equipment to Mike headquarters. And when Mike approached the City of Ottawa Council in March 1998 to suggest building one of its swooshed gymnasium floors in a local community centre, it faced questions about "blood money." Mike withdrew its offer and gave the court to a more grateful centre, run by the Boys and Girls Clubs. The dilemma of accepting Mike sponsorship money has also exploded on university campuses, as we will see in the next chapter.

At first, much of the outrage stemmed from the fact that when the sweatshop scandal hit the papers, Nike wasn't really acting all that sorry about it. While Kathie Lee Gifford and the Gap had at least displayed contrition when they got caught with their sweatshops showing, Phil Knight had practically stonewalled: denying responsibility, attacking journalists, blaming rogue contractors and sending out flacks to speak for the company. While Kathie Lee was crying on TV, Michael Jordan was shrugging his shoulders and saying that his job was to shoot hoop, not play politics. And while the Gap agreed to allow a particularly controversial factory in El Salvador to be monitored by local human-rights groups, Mike was paying lip service to a code of conduct that its Asian workers, when interviewed, had never even heard of.

But there was a critical difference between Mike and the Gap at this stage. Mike didn't panic when its scandals hit the middle-American mall, because the mall, while it is indeed where most Mike products are sold, is not where Mike's image was made. Unlike the Gap, Mike has drawn on the inner cities, merging, as we've seen, with the styles of poor black and Latino youth to load up on imagery and attitude. Mike's branding power is thoroughly intertwined with the African-American heroes who have endorsed its products since the mid-eighties: Michael Jordan, Charles Barkley, Scottie Pippen, Michael Johnson, Spike Lee, Tiger Woods, Bo Jackson—not to mention the rappers who wear Mike gear on stage. While hip-hop style was the major influence at the mall, Phil Knight must have known that as long as Mike was King Brand with Jordan fans in Compton and the Bronx, he could be stirred but not shaken. Sure, their parents, teachers and church leaders might be tut-tut ting over sweatshops, but as far as Mike's core demographic of thirteen- to seventeen-year-old kids was concerned, the swoosh was still made of Teflon.

By 1997, it had become clear to Mike's critics that if they were serious about taking on the swoosh in an image war, they would have to get at the source of the brand's cachet — and as Mick Alexander of the multicultural Third Force magazine wrote in the summer of that year, they weren't even close. "Nobody has figured out how to make Mike break down and cry. The reason is that nobody has engaged African Americans in the fight.... To gain significant support from communities of colour, corporate campaigns need to make connections between Mike's overseas operations and conditions here at home."

The connections were there to be made. It is the crudest irony of Mike's "brands, not products" formula that the people who have done the most to infuse the swoosh with cutting-edge meaning are the very people most hurt by the company's pumped-up prices and nonexistent manufacturing base. It is inner-city youth who have most directly felt the impact of Mike's decision to manufacture its products outside the U.S., both in high unemployment rates and in the erosion of the community tax base (which sets the stage for the deterioration of local public schools).

Instead of jobs for their parents, what the inner-city kids get from Nike is the occasional visit from its marketers and designers on "bro-ing" pilgrimages. "Hey, bro, what do you think of these new Jordans - are they fresh or what?" The effect of high-priced cool hunters whipping up brand frenzy on the cracked asphalt basketball courts of Harlem, the Bronx and Compton has already been discussed: kids incorporate the brands into gang-wear uniforms; some want the gear so badly they are willing to sell drugs, steal, mug, even kill for it. Jessie Collins, executive director of the Edenwald-Gun Hill Neighbourhood Centre in the northeast Bronx, tells me that it's sometimes drug or gang money, but more often it's the mothers' minimum-wage salaries or welfare checks that are spent on disposable status wear. When I asked her about the media reports of kids stabbing each other for their \$150 Air Jordans she said dryly, "It's enough to beat up on your mother for... \$150 is a hell of a lot of money."

Shoe-store owners like Steven Roth of Essex House of Fashion are often uncomfortable with the way so-called street fashions play out for real on the post-industrial streets of Newark, New Jersey, where his store is located.

I do get weary and worn down from it all. I'm always forced to face the fact that I make my money from poor people. A lot of them are on welfare. Sometimes a mother will come in here with a kid, and the kid is dirty and poorly dressed. But the kid wants a hundred-twenty-buck pair of shoes and that stupid mother buys them for him. I can feel that kid's inner need — this desire to own these things and have the feelings that go with them — but it hurts me that this is the way things are.

It's easy to blame the parents for giving in, but that "deep inner need" for designer gear has grown so intense that it has confounded everyone from community leaders to the police. Everyone pretty much agrees that brands like Nike are playing a powerful surrogate role in the ghetto, subbing for everything from self-esteem to African-American cultural history to political power. What they are far less sure about is how to fill that need with empowerment and a sense of self-worth that does not necessarily come with a logo attached. Even broaching the subject of brand fetishism to these kids is risky. With so much emotion invested in celebrity consumer goods, many kids take criticism of Nike or Tommy as a personal attack, as grave a transgression as insulting someone's mother to his face.

Not surprisingly, Nike sees its appeal among disadvantaged kids differently. By supporting sports programs in Boys and Girls Clubs, by paying to repave urban basketball courts and by turning high-performance sports gear into street fashions, the company claims it is sending out the inspirational message that even poor kids can "Just Do It." In its press material and ads, there is an almost messianic quality to Nike's portrayal of its role in the inner cities: troubled kids will have higher self-esteem, fewer unwanted pregnancies and more ambition — all because at Nike "We see them as athletes." For Nike, its \$150 Air Jordans are not a shoe but a kind of talisman with which poor kids can run out of the ghetto and better their lives. Nike's magic slippers will help them fly — just as they made Michael Jordan fly.

A remarkable, subversive accomplishment? Maybe. But one can't help thinking that one of the main reasons black urban youth can get out of the ghetto only by rapping or shooting hoops is that Nike and the other multinationals are reinforcing stereotypical images of black youth and simultaneously taking all the jobs away. As U.S. Congressman Bernie Sanders and Congresswoman Marcy Kaptur stated in a letter to the company, Nike has played a pivotal part in the industrial exodus from urban centres. "Nike has led the way in abandoning the manufacturing workers of the United States and their families.... Apparently, Nike believes that

workers in the United States are good enough to purchase your shoe products, but are no longer worthy enough to manufacture them."

And when the company's urban branding strategy is taken in conjunction with this employment record, Nike ceases to be the saviour of the inner city and turns into the guy who steals your job, then sells you a pair of overpriced sneakers and yells, "Run like hell!" Hey, it's the only way out of the ghetto, kid. Just do it.

That's what Mike Gitelson thought, anyway. A social worker at the Bronx's Edenwald-Gun Hill Neighbourhood Centre, he was unimpressed with the swoosh's powers as a self-help guru in the projects and "sick of seeing kids wearing sneakers they couldn't afford and which their parents couldn't afford." Nike's critics on college campuses and in the labour movement may be fuelled largely by moral outrage, but Mike Gitelson and his colleagues simply feel ripped off. So rather than lecturing the kids on the virtues of frugality, they began telling them about how Nike made the shoes that they wanted so badly. Gitelson told them about the workers in Indonesia who earned \$2 a day, he told them that it cost Nike only \$5 to make the shoes they bought for between \$100 and \$180, and he told them about how Nike didn't make any of its shoes in the U.S. - which was part of the reason their parents had such a tough time finding work. "We got really angry," says Gitelson, "because they were taking so much money from us here and then going to other countries and exploiting people even worse.... We want our kids to see how it affects them here on the streets, but also how here on the streets affects people in Southeast Asia." His colleague at the centre, youth worker Leo Johnson, lays out the issue using the kids' own lingo. "Yo, dude," he tells his preteen audiences, "you're being suckered if you pay \$100 for a sneaker that costs \$5 to make. If somebody did that to you on the block, you know where it's going."

The kids at the centre were upset to learn about the sweatshops but they were clearly most pissed off that Phil Knight and Michael Jordan were playing them for chumps. They sent Phil Knight a hundred letters about how much money they had spent on Nike gear over the years — and how, the way they figured it, Nike owed them big time. "I just bought a pair of Nikes for \$100," one kid wrote. "It's not right what you're doing. A fair price would have been \$30. Could you please send me back \$70?" When the company answered the kids with a form letter, "That's when we got really angry and started putting together the protest," Gitelson says.

They decided the protest would take the form of a "shoe-in" at the Nike Town at Fifth Avenue and Fiftyseventh Street. Since most of the kids at the centre are full-fledged swooshaholics, their closets are jampacked with old Air Jordans and Air Carnivores that they would no longer even consider wearing. To put the obsolete shoes to practical use, they decided to gather them together in garbage bags and dump them on the doorstep of Nike Town.

When Nike executives got wind that a bunch of black and Latino kids from the Bronx were planning to publicly diss their company, the form letters came to an abrupt halt. Up to that point, Nike had met most criticism by attacking its critics as members of "fringe groups," but this was different: if a backlash took root in the inner cities, it could sink the brand at the mall. As Gitelson puts it, "Our kids are exactly who Nike depends upon to set the trends for them so that the rest of the country buys their sneakers. White middleclass adults who are fighting them, well, it's almost okay. But when youth of colour start speaking out against Nike, they start getting scared."

The executives in Oregon also knew, no doubt, that Edenwald was only the tip of the iceberg. For the past couple of years, debates have been raging in hip-hop scenes about rappers "label

whoring for Nike and 'Tommy'" instead of supporting black-owned clothing companies like FUBU (For Us By Us). And rapper KRSONe planned to launch the Temple of Hip Hop, a project that promised to wrest the culture of AfricanAmerican youth away from white record and clothing labels and return it to the communities that built it. It was against this backdrop that, on September 10, 1997 — two weeks before the shoe-in protest was scheduled to take place — Nike's chief of public relations, Vada Manager, made the unprecedented move of flying in from Oregon with a colleague to try to convince the centre that the swoosh was a friend of the projects.

"He was working overtime to put the spins on us," says Gitelson. It didn't work. At the meeting, the centre laid out three very concrete demands:

1. Those who work for Nike overseas should be paid a living wage, with independent monitoring to ensure that it is occurring.
2. Nike sneakers should be sold less expensively here in America with no concessions to American workforce (i.e. no downsizing, or loss of benefits)
3. Nike should seriously re-invest in the inner city in America, especially New York City since we have been the subject of much of their advertising. Gitelson may have recognized that Nike was scared—but not that scared. Once it became clear that the two parties were at an impasse, the meeting turned into a scolding session as the two Nike executives were required to listen to Edenwald director Jessie Collins comparing the company's Asian sweatshops with her experience as a young girl picking cotton in the share-cropping South. Back in Alabama, she told Manager, she earned \$2 a day, just like the Indonesians. "And maybe a lot of Americans can't identify with those workers' situation, but I certainly can."

Vada Manager returned to Oregon defeated and the protest went off as planned, with two hundred participants from eleven community centres around New York. The kids — most of whom were between eleven and thirteen years old —hooted and hollered and dumped several clear garbage bags of smelly old Nikes at the feet of a line of security guards who had been brought in on special assignment to protect the sacred Nike premises. Vada Manager again flew to New York to run damage control, but there was little he could do. Local TV crews covered the event, as did an ABC news team and The New York Times.

In a harsh bit of bad timing for the company, the Times piece ran on a page facing another story about Nike. Graphically underlining the urgency of the protest, this story reported that a fourteen-year-old boy from Crown Heights had just been murdered by a fifteen-year-old boy who beat him and left him on the subway tracks with a train approaching. "Police Say Teenager Died for His Sneakers and Beeper," the headline read. And the brand of his sneakers? Air Jordans. The article quoted the killer's mother saying that her son had got mixed up with gangs because he wanted to "have nice things." A friend of the victim explained that wearing designer clothes and carrying a beeper had become a way for poor kids to "feel important."

The African-American and Latino kids outside Nike Town on Fifth Avenue — the ones swarmed by cameras and surrounded by curious onlookers —were feeling pretty important, too. Taking on Nike "toe to toe," as they said, turned out to be even more fun than wearing Nikes. With the Fox News camera pointed in his face, one of the young activists — a thirteen-year-old boy from the Bronx —stared into the lens and delivered a message to Phil Knight: "Nike, we made you. We can break you."

What is perhaps most remarkable about the Nike backlash is its durability. After four solid years in the public eye, the Nike story still has legs (so too, of course, does the Nike brand). Still, most corporate scandals are successfully faced down with a statement of "regret" and a few glossy ads of children playing happily under the offending logo. Not with Nike. The news reports, labour studies and academic research documenting the sweat behind the swoosh have yet to slow down, and Nike critics remain tireless at dissecting the steady stream of materials churned out by Nike's PR machine. They were unmoved by Phil Knight's presence on the White House Task Force on Sweatshops — despite his priceless photo op standing beside President Clinton at the Rose Garden press conference. They sliced and diced the report Nike commissioned from civil-rights leader Andrew Young, pointing out that Young completely dodged the question of whether Nike's factory wages are inhumanely exploitative, and attacking him for relying on translators provided by Nike itself when he visited the factories in Indonesia and Vietnam. As for Nike's other study-for-hire — this one by a group of Dartmouth business students who concluded that workers in Vietnam were living the good life on less than \$2 a day — well, everyone pretty much ignored that one altogether.

Finally, in May 1998, Phil Knight stepped out from behind the curtain of spin doctors and called a press conference in Washington to address his critics directly. Knight began by saying that he had been painted as a "corporate crook, the perfect corporate villain for these times." He acknowledged that his shoes "have become synonymous with slave wages, forced overtime and arbitrary abuse." Then, to much fanfare, he unveiled a plan to improve working conditions in Asia. It contained some tough new regulations on factory air quality and the use of petroleum-based chemicals. It promised to provide classes inside some Indonesian factories and promised not to hire anyone under eighteen years old in the shoe factories. But there was still nothing substantial in the plan about allowing independent outside monitors to inspect the factories, and there were no wage raises for the workers. Knight did promise, however, that Nike's contractors would no longer be permitted to appeal to the Indonesian government for a waiver on the minimum wage.

It wasn't enough. That September the San Francisco human-rights group Global Exchange, one of the company's harshest critics, released an alarming report on the status of Nike's Indonesian workers in the midst of the country's economic and political crisis. "While workers producing Nike shoes were low paid before their currency, the rupee, began plummeting in late 1997, the dollar value of their wages has dropped from \$2.47/day in 1997 to 80 cents/day in 1998." Meanwhile, the report noted that with soaring commodity prices, workers "estimated that their cost of living had gone up anywhere from 100 to 300 per cent." Global Exchange called on Nike to double the wages of its Indonesian workforce, an exercise that would cost it \$20 million a year — exactly what Michael Jordan is paid annually to endorse the company.

Not surprisingly, Nike did not double the wages, but it did, three weeks later, give 30 percent of the Indonesian workforce a 25 percent raise. That, too, failed to silence the crowds outside the superstores, and five months later Nike came forward again, this time with what vice president of corporate responsibility Maria Eitel called "an aggressive corporate responsibility agenda at Nike." As of April 1, 1999, workers would get another 6 percent raise. The company had also opened up a Vietnamese factory near Ho Chi Minh City to outside health and safety monitors, who found conditions much improved. Dara O'Rourke of the University of California at Berkeley reported that the factory had "implemented important changes over the past 18 months which appear to have significantly reduced worker exposures to toxic solvents, adhesives and other chemicals." What made the report all the more remarkable was that O'Rourke's inspection was a genuinely independent one: in fact, less than two years earlier, he had enraged the

company by leaking a report conducted by Ernst & Young that showed that Nike was ignoring widespread violations at that same factory.

O'Rourke's findings weren't all glowing. There were still persistent problems with air quality, factory overheating and safety gear —and he had visited only the one factory. As well, Nike's much-heralded 6 percent pay raise for Indonesian workers still left much to be desired; it amounted to an increase of one cent an hour and, with inflation and currency fluctuation, only brought wages to about half of what Nike pay checks were worth before the economic crisis. Even so, these were significant gestures coming from a company that two years earlier was playing the role of the powerless global shopper, claiming that contractors alone had the authority to set wages and make the rules.

The resilience of the Nike campaign in the face of the public-relations onslaught is persuasive evidence that invasive marketing, coupled with worker abandonment, strikes a wide range of people from different walks of life as grossly unfair and unsustainable. Moreover, many of those people are not interested in letting Nike off the hook simply because this formula has become the standard one for capitalism-as-usual. On the contrary, there seems to be a part of the public psyche that likes kicking the most macho and extreme of all the sporting-goods companies in the shins — I mean really likes it. Nike's critics have shown that they don't want this story to be brushed under the rug with a reassuring bit of corporate PR; they want it out in the open, where they can keep a close eye on it.

In large part, this is because Nike's critics know that the company's sweatshop scandals are not the result of a series of freak accidents: they know that the criticisms levelled at Nike apply to all the brand-based shoe companies contracting out to a global maze of firms. But rather than this serving as a justification, Nike —as the market leader—has become a lightning rod for this broader resentment. It has been latched on to as the essential story of the extremes of the current global economy: the disparities between those who profit from Nike's success and those who are exploited by it are so gaping that a child could understand what is wrong with this picture and indeed (as we will see in the next chapter) it is children and teenagers who most readily do.

So, when does the total boycott of Nike products begin? Not soon, apparently. A cursory glance around any city in the world shows that the swoosh is still ubiquitous; some athletes still tattoo it on their navels, and plenty of high-school students still deck themselves out in the coveted gear. But at the same time, there can be little doubt that the millions of dollars that Nike has saved in labour costs over the years are beginning to bite back, and take a toll on its bottom line. "We didn't think that the Nike situation would be as bad as it seems to be," said Nikko stock analyst Tim Finucane in *The Wall Street Journal* in March 1998. Wall Street really had no choice but to turn on the company that had been its darling for so many years. Despite the fact that Asia's plummeting currencies meant that Nike's labour costs in Indonesia, for instance, were a quarter of what they were before the crash, the company was still suffering. Nike's profits were down, orders were down, stock prices were way down, and after an average annual growth of 34 percent since 1995, quarterly earnings were suddenly down 70 percent. By the third quarter, which ended in February 1999, Nike's profits were once again up 70 percent—but by the company's own account, the recovery was not the result of rebounding sales but rather of Nike's decision to cut jobs and contracts. In fact, Nike's revenues and future orders were down in 1999 for the second year in a row.

Nike has blamed its financial problems on everything but the human-rights campaign. The Asian currency crisis was the reason Nikes weren't selling well in Japan and South Korea; or it was

because Americans were buying "brown shoes" (walking shoes and hiking boots) as opposed to big white sneakers. But the brown-shoe excuse rang hollow. Nike makes plenty of brown shoes — it has a line of hiking boots, and it owns Cole Haan (and recently saved millions by closing down the Cole Haan factory in Portland, Maine, and moving production to Mexico and Brazil). More to the point, Adidas staged a massive comeback during the very year that Nike was free-falling. In the quarter when Nike nose-dived, Adidas sales were up 42 percent, its net income was up 48 percent, to \$255 million, and its stock price had tripled in two years. The German company, as we have seen, turned its fortunes around by copying Nike's production structure and all but Xeroxing its approach to marketing and sponsorships (the political implications of that will be dealt with in Chapter 18). In 1997-98, Adidas even redesigned its basketball shoes so they looked just like Nikes: big, white and ultra high tech. But unlike Nikes, they sold briskly. So much for the brown-shoe theory.

Over the years Nike has tried dozens of tactics to silence the cries of its critics, but the most ironic by far has been the company's desperate attempt to hide behind its product. "We're not political activists. We are a footwear manufacturer," said Nike spokeswoman Donna Gibbs, when the sweatshop scandal first began to erupt. A footwear manufacturer? This from the company that made a concerted decision in the mid-eighties not to be about boring corporeal stuff like footwear — and certainly nothing as crass as manufacturing. Nike wanted to be about sports, Knight told us, it wanted to be about the idea of sports, then the idea of transcendence through sports; then it wanted to be about self-empowerment, women's rights, racial equality. It wanted its stores to be temples, its ads a religion, its customers a nation, its workers a tribe. After taking us all on such a branded ride, to turn around and say "Don't look at us, we just make shoes" rings laughably hollow.

Nike was the most inflated of all the balloon brands, and the bigger it grew, the louder it popped.

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