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China Labor Watch

Adidas, Real Winner of the 2008 Olympics

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China Labor Watch plays an important role in the promotion of labor rights in China . Through press releases, frequent updates of labor news on its website, in-depth labor reports, and communications with the media and other labor and human rights organizations, CLW presents the international community with an accurate picture of the labor situation in China. It has produced over a hundred press releases and more than twenty in-depth reports on a wide range of topics, including conditions in shoe, electronics and garment factories; the dangers of the mining industry; child labor and work injuries; lay-offs and unemployment; the effects of SARS on China 's workers; and issues facing women employees.

to be continued : <http://www.chinalaborwatch.org/>

http://divergences.be/sites/divergences.be/local/cache-vignettes/L400xH300/chine_adidas-6660f.jpg

August 18 th , 2008. In China, there are more than two hundred factories employing over 250,000 workers that produce goods for Adidas. Among these factories, many are similar to the three documented in CLW's recent report, Chengda, Supercap ad Chang Ye Long , in treating their workers poorly. Though only three factories have been investigated from June to August, they suggest a broader pandemic of Adidas' poor practices in China.

The majority of Adidas workers are female approximately twenty years of age. They part with their families in rural villages travel hundreds of miles just to work for factories like Chengda, Supercap and Chang Ye Long.

These workers work an average of six days a week, ten to twelve hours a day. Ten workers are housed in one tiny dorm room and share one restroom. Many of them do not have pensions or unemployment insurance. Workers at Chang Ye Long do not dare be late, because being five minutes late results in a loss of two hours' wages. As adidas outfits 16 Olympic teams, technical officers, and volunteers, workers at Chengda could only enjoy the luxury of face masks and gloves when audits are taking place. Moreover, workers at Chengda don't even have a choice in dining, because the factory automatically charges a dinning fee without their consent.

Many sources have suggested that since China opened its doors to foreign investment in the late 70s, China has enjoyed great economic development at a rapid speed due to foreign companies' businesses, which has, in turn, advanced Chinese' standard of living. However, those who truly profit from China's economic growth is neither China nor its people. Instead, it is companies like Adidas which drive down the cost of labor in order to maximize profit.

According to Adidas' report, from 2004 to 2007, its gross profit has increased from €2,813 millions to €4,882 millions. Asia is its second largest market and has helped Adidas to reach €959 millions worth of sales in just the first half of 2008. The increase in sales was particularly attributed to the Chinese market. The workers at Supercap on the other hand, as a production machine of adidas, are rewarded for the increase in sales by 65 cents an hour. While Adidas enjoys the maximization of profits and allocates much of it in sponsoring the Olympics as another strategy for advertisement, workers at Supercap argue with their supervisors that they produced more than 36 hats per package and thus are entitled to a matching wage.

Although some of Adidas' suppliers such as Chenda claim that overtime is voluntary, because of the extremely low wages, workers have no choice but to work overtime in order to try to survive and support their families back at home. Most cannot not even imagine owning a pair of Adidas shoes or other Adidas products they manufacture; even such imagination is out of their reach. With the low wages, excessive fines and long work hours offered by

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these Adidas suppliers, workers can only hope that they are paid on time and correctly.

In order to sponsor the Olympic this year, Adidas has paid about US\$70 million. Looking at the low wages workers are earning, it is not difficult to imagine where the millions of dollars Adidas contributed to the Olympic come from—a contribution from 250,000 Chinese workers' long work hours and low wages. While Adidas gains all the fame and fortune from the Olympics, its workers still work day in and day out in front of production lines, hoping to earn that extra dime, literally.

“Who benefits the most from the Olympics? Companies like Adidas are the ones who profit from the event that was originally dedicated to serve as a symbol of hope and peace. It is very difficult to relate such a message to those workers working at Adidas supplier factories.” Says Li Qiang, Executive Director of China Labor Watch.

“While the slogan “Impossible is nothing” is ubiquitous, from CLW's investigative reports on Chengda, Supercap, and Chang Ye Long, there seems to be one thing that remains impossible for Adidas: ensuring suppliers are providing ethical work conditions for workers.” Li added.

Nevertheless, CLW acknowledges that efforts made by Adidas in the past few years in advancing workers' conditions are recognizable. However, with Adidas' capacity and resources as shown by its Olympic sponsorship, and as one of the important representation for its industry to the international community, we believe that there is much more that can be done by the company.