

CORE CULTURAL ICONS

NIKE

CULTURE

Robert Goldman
& Stephen Papson

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Core Cultural Icons

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Core Cultural Icons aims to combine theoretical and practical analysis. The series, edited by the author of *The McDonaldization of Society*, George Ritzer, focuses on key icons in contemporary consumer culture and analyzes them using the latest cultural theories. In this way, the series seeks to further our understanding of contemporary culture and to make theoretical issues more accessible to students who complain that theory is often too forbidding or daunting. Core Cultural Icons offers a route map for understanding contemporary culture and the leading cultural theories of today.

NIKE CULTURE

THE SIGN OF THE SWOOSH

ROBERT GOLDMAN
AND
STEPHEN PAPSON



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PREFACE

This is a book about the aesthetic power of television images. More properly it is about the power of television advertising images presented by one company, *Nike*.^{*} *Nike's* ads – as cultural documents – are our primary source of data. We begin with this evidence because we regard advertising as a rich cultural form, not simply as trivia wedged in between shows. The deep analysis of ads can provide insight into the workings of contemporary culture. Television images and cultural power go together like hand and glove, and there was no hotter commercial property in the mid 1990s than *Nike*. The subject of *Nike* ads interests us because their study permits us to pose questions about relationships between an unfolding global economy and the importance of what may be seen as an economy of imagery.

Our focus is on advertising texts themselves. Although intended to illuminate much broader matters, this approach none the less risks leaving other aspects of the story in the background. Matters central to the operation of *Nike*, such as sports marketing and shoe design, remain out of sight. And, though we give considerable attention to *Nike's* Asian labor problem, we have not provided much detail about the actual relations of production from the Asian end. Although our story of *Nike* advertising lacks an ethnography of audiences, our narrative is informed by our daily attention to how people make sense of ads. Just as significant, we have elected to tell our story without drawing attention to the personalities who make these ads, or to the organizational constraints that drive their work. In the course of our research, we have conducted some interviews with *Wieden & Kennedy* writers (*Nike's* advertising agency) and *Nike* personnel charged with managing the advertising. We have attempted to weave what we learned from those interviews into our analysis rather than drawing attention to the drama of producing commercial art under pressure-filled conditions.

It is not so easy to write about television ads without being able to see them, hear them, or engage them directly. This project would work much better as a multimedia project, but that is not a luxury we have at present,

^{*} *Nike* is a trademark of the Nike Corporation.

given the current state of copyright law. Our wish that this text would be accompanied by a CD-ROM of *Nike* commercials remains a fantasy. Consequently, we wrote this book with the assumption that the reader has some familiarity with *Nike* advertising. On numerous occasions we provide thick description of advertising texts. Still, it is an uneasy line that we walk between too much detail about the texts or too little.

In the 1980s, one of *Nike*'s most memorable TV commercials aimed at athletes ended with the tagline that there is no finish line. The double meaning of the tagline encompassed what the folks at *Wieden & Kennedy* believed summed up the *Nike* philosophy of sports. The line spoke to athletes: it conveyed a non-instrumental attitude about athletics that translated into a philosophy of life. As we have tried to finish this study of *Nike*'s cultural imagery, this tagline has taken on new meaning for us. Every time we have approached the completion of this book, history has continued to unfold in significant ways that altered the stories we seek to tell. *Nike* was in the news almost every week, on the front page, the sports page, and the lifestyle sections. *Nike* continued to spill out new ads, prompting us to jokingly ask them if they would please put just a brief moratorium on the ads. Of course, they did not. While this sense of perpetually running to catch up to our object of study has been frustrating, it also serves as a useful reminder. History is never done, and its complete retelling, if ever there was such a thing, is an elusive desire. Even if the *Nike* folks had acceded to our wish and stopped the ads, this would remain an incomplete and partial analysis of *Nike*'s public discourse. We cannot claim to know all the meanings that *Nike* ads elicit among athletes, non-athletes, women, men, gays, straights, the elderly, children, African Americans, Euro Americans, third world workers, and so on. What we offer here is our interpretation of a phenomenon that by its very nature is constituted by a range of interpretations. Our goal remains to stimulate critical public conversations about the place of advertising and commodity culture in our social cosmos, because in the world of cultural studies as well as in ideologies of sport, there is no finish line ...

Just after we completed writing this book, *Nike* even replaced its "Just do it" tagline, a saying etched into global consciousness, with the new tag of "I can." While *Nike* changed its slogan, the underlying themes of empowerment and transcendence remain the same. *Nike* justified the surprising announcement as extending the spirit of its basic philosophy with a more enabling dimension. It should be added, however, that *Nike*'s revenue peaked in 1997 and has been followed by a pronounced growth slow-down, and with a flattening of revenues came a tumble in the stock price. One response was to change slogans. There may have been multiple motivations behind this change, but we believe that each can be explained by a theory of advertising that sees it as a tool for engineering ties between commodities and images. Jettisoning what was arguably one of the preeminent taglines in advertising history tells us possibly two things. First, it testifies

Preface

to the extraordinary reliance of corporations like *Nike* on the power of advertising to revitalize the currency of its commodities. We are more convinced than ever that this is an industry dependent on sign values. Second, it is a reminder that in an economy of signs, slogans and image styles are ephemeral and unstable. The apparent solidity of *Nike's* powerful slogan "Just do it" evaporated in a heartbeat subject to the inexorable calculus of Capital.

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The lyrics quoted on pp. 29–30 are from “The Revolution Will Not Be Televised” – Gil Scott-Heron © 1971, 1978. Bienstock Publishing Company. Used by permission. All rights reserved.

1.

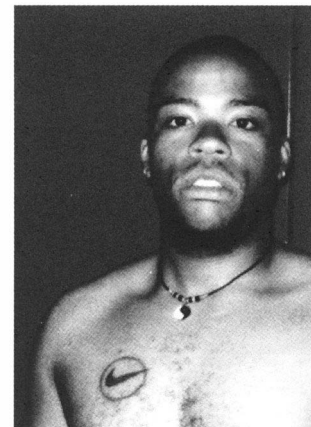
SUDDENLY THE SWOOSH IS EVERYWHERE

The credo in today's arenas: no swoosh, no swagger.¹

We live in a cultural economy of signs and Nike's *swoosh* is currently the most recognizable brand icon in that economy.* Nike's *swoosh* is a commercial symbol that has come to stand for athletic excellence, a spirit of determination, hip authenticity, and playful self-awareness. While the logo carries the weight of currency, Nike's "Just do it" slogan has become part of the language of everyday life. Indeed, the Nike *swoosh* is so firmly lodged in the public consciousness that Nike no longer necessarily includes its name in its ads or on billboards. The shoe vanished from Nike TV ads some time ago. Then in the mid 1990s the Nike name has also quietly disappeared, leaving only the *swoosh* logo to mark the ads. Nike signs its ads with only its icon, so confident are they that the *swoosh* can be interpreted minus any accompanying text. Nike's 1997 annual report makes just this point: the "company has come to be known by a symbol — the *swoosh*."

The *swoosh* achieved visual omnipresence. And yet this, precisely, has been Nike's achilles heel. The visual embedding of the *swoosh* onto all environments — the clothing products we use, the social spaces we occupy and the media we watch — gave rise to *overswooshification* (when every surface has a *swoosh* across it like the Air Max running shoes with seven *swoosh* exposures on each shoe). Overexposure, for Nike, *overswooshification*, presents the peril of sign inflation — the more common the *swoosh* becomes the less value it has. Nike sought to combat this in December 1997 by moving away from its *swoosh* signature to signing its commercials as Nike, in a small, tight cursive font.

Nike and its advertising agency, Wieden & Kennedy, currently stand out as leaders in what may be described as a cultural economy of images. The Nike *swoosh* sign has rapidly gained an identification level that rivals the Coca-Cola icon, while its brand value is currently unparalleled. The preeminence of the Nike logo has translated into record corporate earnings fiscal



The swoosh tattooed on this athlete's chest expresses identification with Nike's philosophy to "just do it" by reminding him to stay committed to working out.

* Nike and the *swoosh* are trademarks of the Nike Corporation.



This cartoon by Lalo appeared in *La Jornada*, a Mexico City newspaper. Reproduced by permission of Lalo Alcaraz.

quarter after fiscal quarter, making *Nike* a blue chip stock. Instantly recognized throughout the world, the *Nike swoosh* sometimes seems to be everywhere – on shirts and caps and pants. The icon is no longer confined to shoes as sponsorship deals have plastered the *swoosh* across jerseys and sporting arenas of all manner, from basketball to football to volleyball to track to soccer to tennis to hockey. *Nike's* growth strategy is based on penetrating new markets in apparel while making acquisitions in sporting goods. The value of the *swoosh* now runs so deep that visitors to remote, rural, and impoverished regions of the Third World report finding peasants sewing crude *swoosh* imitations on to shirts and caps, not for the world market but for local consumption. Even in the hinterlands of places like Jamaica and Guatemala, the *swoosh* symbol carries recognition and status. As the *Nike* symbol has grown ascendant in the marketplace of images, *Nike* has become the sign some people love to love and the sign others love to hate.

It is now a commonplace to observe that *Nike* advertising is no longer about selling shoes but about keeping the *swoosh* highly visible and highly valued. This does not surprise us because we view advertising as a cultural space in which competitors try to maximize the value of their visual logo in an always-fluctuating economy of signs. We view advertising as a vehicle for articulating a brand's sign value. This means that an ad campaign gives visibility and meaning to a brand image, and that it **joins together** meanings of the product with meanings evoked by the imagery. Virtually every ad these days is an investment in this kind of brand identity. In *Nike's* case this involved joining images of Michael Jordan with the meaning of *Nike* shoes – Michael Jordan joined to *Nike* shoes lends value to the meaning of the *swoosh*. Since he provided the initial source of value in this exchange, it is no surprise that Michael Jordan himself has long since been transformed into a global iconic presence in the media, so much so that in 1996 *Nike* introduced a "Brand Jordan" line of shoes and apparel.

Consumer ads usually invite viewers into fantasies of individualism, although the promise of individualism is likely premised on conformity of consumption preferences. Since the 1960s advertising has grown reliant on formulas for branding goods with the imagery of individual identity and well being. But as the number of consumer products has steadily increased, so has advertising clutter. Ads became predictable and boring, and what is worse, too many of them looked the same. Hence, though every advertiser seeks to differentiate their product name and symbol from competitors, when they use the same formulas and clichés everyone else uses, they thwart their own purpose. Every once in a while, someone will break away from the pack, but competitors usually respond by imitating the innovative look or style until it is no longer distinctive. By the early 1980s, widespread consumer discontent with the recipes of advertising had developed. By the late 1980s, a few leading edge advertising agencies recognized that media-literate baby boomers and post-baby boomers had grown alienated from slick

ads built around appeals to consuming individualism and status through commodities.

Nike and its advertising agency, *Wieden & Kennedy*, have built their reputation on advertising that is both distinctive and avoids claims of packaged individualism. Their ads have garnered public admiration because they seem to speak in a voice of honesty and authenticity. Paradoxically, their aura of authenticity has been a product of their willingness to address alienated spectators about feeling alienated from media-contrived images. *Wieden & Kennedy* has cobbled together a style that sometimes ventures into the waters of political provocation; a style situated at the intersection between public and private discourses where themes of authenticity and personal morality converge with the cynical and nihilistic sensibility that colors contemporary public exchanges. Ranging from moral indictment to showers of praise, *Nike* ad campaigns have sometimes provoked intense public interest. Within the realm of popular culture, *Nike* ads constantly surprise and excite, because they are unafraid of being controversial. This willingness to take chances in its ads has translated into *Nike's* dominance in the sign economy.

Looking at *Nike's* advertising from the late 1980s through the mid 1990s, we find *Nike* ads come in two basic flavors. One flavor is of an irreverent, winking attitude toward everything that smacks of commodity culture. *Nike* adopts a self-reflexive posture about the formulas of consumer-goods advertising as well as a self-aware attitude about its own position as a wealthy and powerful corporation in an industry based on influencing desires and tastes. These ads speak to savvy and jaded viewers about the glossy, staged exultations of one brand or another that daily assault us. In these ads, *Nike* hails viewers wary of the continuous incursion of commodified discourses into all life spheres. In the second flavor, however, *Nike* constructs itself as the vehicle of an ethos that integrates themes of personal transcendence, achievement, and authenticity. We call this *Nike's* motivational ethos. By mixing these two flavors of advertising, *Nike* has created an advertising discourse that is able to present itself as a legitimate public discourse. *Nike* advertising has ventured beyond the typical advertising agenda of merely building up its own sign to construct what appears to be a personal philosophy of daily life.

Nike's advertising has invested the *swoosh* with a sensibility that resists the profane and cheesy tendencies that consumers associate with commercial culture. *Nike* advertising does more than simply sell shoes as commodities, it gives voice to important cultural contradictions that define our era. In this regard, we see *Nike* advertising as representative of a newly unfolding stage of commodity culture mixed with cultural politics. This is evident where *Nike* has pursued a calculated approach to provoking public debate and controversy, something that previous rounds of consumer advertising sought to avoid at all costs. In this vein, *Nike's* method of advertising as storytelling interests us because of the way it draws on the rhetorical legacy of middle



The two sides of Nike: (top) the cynical side, Dennis Hopper parodying Patton's speech; and (bottom) the inspirational sides. Eighty-year-old Walt Stack running 17 miles a day.

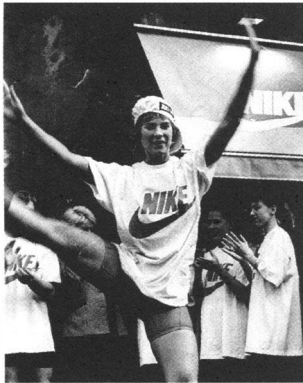
class morality to raise questions that are not immediately resolvable through recourse to commodities. We believe that *Nike's* advertising is popular because of the way it speaks to, and embraces, the contradictions of both middle-class morality and the language of commodities.

NIKE'S GLOBAL LANDSCAPE



Above, a Nike billboard graces St. Petersburg, Russia.

Below, cheerleaders open a Nike store in St. Petersburg. Is Nike appealing to local tastes or fashioning a global monoculture?



Nike's advertising builds on the globalization of sports culture, at the same time that it contributes to the globalization of commodity culture. *Nike's* business has benefited as much as anyone from the globalization of commodity culture. "The aim is to sell a global brand through marketing that appeals to local tastes." According to *Nike* vice-chairman, Richard Donahue, "The commitment is to be a global company – one management, one theme, one value, one ethic around the world."² *Nike* exemplifies what has become known as a hollowed corporation. In the global dispersal of business functions the actual manufacture of goods no longer forms the central axis of such corporations; instead the production process is broken up, farmed out, and spatially dispersed. Conversely, the hollowed corporation is heavily dependent on the circulation of images or sign values to generate profits. As we have noted, *Nike* is a company that competes *par excellence* in an economy of signs and images.

In 1997 *Nike* grossed over \$9 billion of sales in its athletic footwear business and its related apparel and sports equipment businesses (e.g., hockey skates, swim goggles, soccer balls). In the US, *Nike's* share of the branded athletic footwear business expanded to 43.6%, taking further market share away from then second-ranked *Reebok*, which slipped to 15.9% of market share, with *Adidas* and *Fila* emerging from the pack in third and fourth place. Few probably remember any more that just ten years earlier in 1987 *Nike* trailed *Reebok* by a score of 30.1% to 18.2% in the market share battle. Though the top four firms accounted for over 72% of the one billion pair of athletic shoes sold in 1996 in the US, *Nike* dominated the industry. It accounted for nearly 60% of shoes in stock at major retail chains including *Finish Line*, *Footaction*, and *Foot Locker*.³ This dominance in the athletic footwear industry has led some retailers to see the "swoosh" as double-edged sword – bringing in fat profit margins but also making them overly dependent on *Nike* and reducing retailers' relative bargaining power with the shoewear giant.⁴ Phil Knight, *Nike* CEO, summarized the primary reason for the expansive 40% annual growth of the *Nike* brand: "The 99% increase in sales of US athletic apparel is testament to the powerful brand equity we've created."

Analysts see *Nike* evolving from "a shoe giant to marketing behemoth whose trademark "swoosh" symbol now graces everything from hockey gear to swimwear."⁵ A review of *Nike's* annual reports shows that *Nike's* revenue

machine has been propelled in recent years by the expansion of its branded apparel business, by its entry into the sports equipment business, by the surging popularity of women's athletic shoes, and by the continuing growth of its international markets. As a proportion of total revenues, *Nike's* international sales of footwear and apparel grew from approximately 27% in 1987 to more than 37% in 1997. And *Nike* expects that the fastest growth to come will be in the emerging markets of Latin America and the Asian-Pacific region. Driven by Japanese consumers' panic-buying of *Nike* shoes at wildly inflated prices, *Nike's* Asia-Pacific shoe sales increased by 70% in 1997.⁶ In 1996 *Nike* signed a celebrity endorsement deal with the Brazilian national soccer team, perennially one of the top soccer teams in the world, in an effort to build brand recognition in soccer-crazy South America.⁷ Though *Nike's* market share in the international footwear arena does not yet compare with its domestic dominance, *Nike* President Tom Clarke predicts that *Nike's* international sales will surpass domestic sales by the close of the 1990s.⁸

Before we discuss the cultural politics of *Nike* advertising, the development of *Nike's* brandpower, and the cultural significance of the *Nike* icon, we need to consider the significance of the *Nike swoosh* in the context of changes that have reshaped a global capitalist system of producing, distributing, and selling goods. In the reshaping of the global business system one watchword has been **flexibility** – the flexibility of production facilities, of location, of communications, and of course, jobs, as manifested in what is now known as outsourcing.⁹ Producers as diverse as *Nike*, *Intel* (computer semiconductors), and *Seiko* (watches) all operate global production processes “organized through dispersal, geographical mobility, and flexible responses in labor markets, labor processes, and consumer markets.”¹⁰ Going hand in hand with outsourcing and flexible production practices is a general process of “sneakerization” which refers to the proliferation of niche, and sub-niche, markets. While *Nike* produced over 300 models and 900 styles of shoes in 24 different footwear categories in 1989,¹¹ by 1996 *Nike* technology had evolved into the design of approximately 1,200 shoe models, which translates into approximately 3,000 styles and colors of shoes. As *Nike's* general manager for China observed, “In the old days we'd make one model and it would run for 9–12 months. But no more. Now we are changing models every week.”¹²

Though “sneakerization” was obviously coined in reference to the shoe industry and the creation of specialty shoes, the same tendency manifests itself just as readily in automobiles, watches, fashion, and semiconductors.¹³ So it is not surprising that *Intel* is investing in its logo just as *Nike* has.

Even from the window of a jet soaring over Silicon Valley, the “*Intel Inside*” swirl logo is part of the landscape, splashed across the roof of the giant chip-maker's headquarters. The symbol is everywhere today, notably plastered to the front of most brands of personal computers.¹⁴

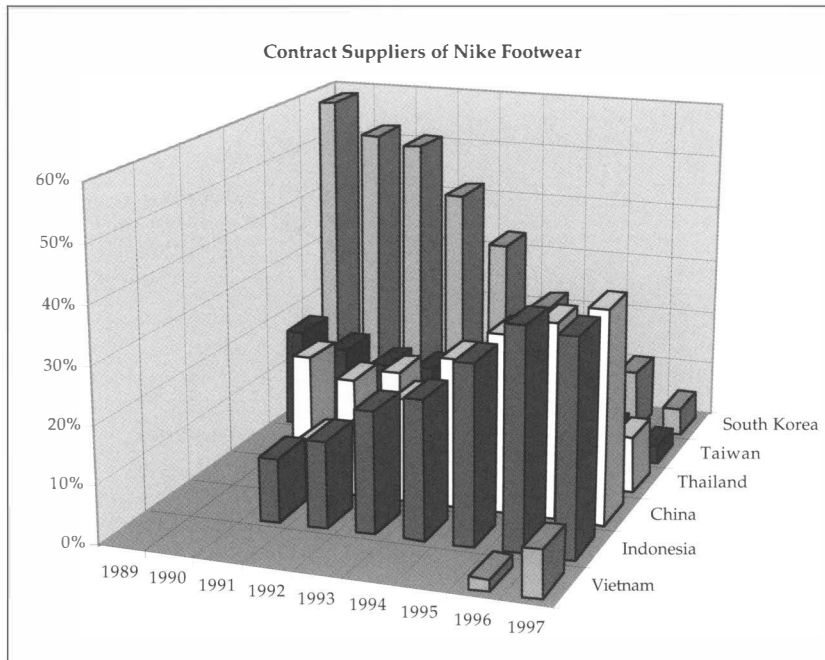
This is exactly what we would expect in an industry where proprietary products rapidly turn into commodities after their introduction, product life-cycles shrink more and more rapidly, and producers who wish to stay competitive must be prepared to specialize for niche markets. We could repeat this mantra a thousand times to stress the underlying point here: in a commodity world, you've got to have a logo to make your product stand out.

Nike is a transnational corporation that links national economies into a complex web of global production arrangements. In its 1996 Securities & Exchange Form 10-K Filing, *Nike* describes its business as follows:

The Company's principal business activity involves the design, development and worldwide marketing of high quality footwear, apparel, and accessory products. The Company sells its products to approximately 18,000 retail accounts in the United States and through a mix of independent distributors, licensees and subsidiaries in approximately 110 countries around the world. Virtually, all of the Company's products are manufactured by independent contractors. Most footwear products are produced outside the United States, while apparel products are produced both in the United States and abroad.

Notably absent from this description, *Nike* makes no mention of producing shoes or apparel. This is because *Nike* is not a production company. Almost all production of shoes, apparel, and accessories is outsourced to contract suppliers in developing nations while the home office in Beaverton, Oregon designs, develops, and markets the branded goods. In the global athletic footwear industry, shoe design, distribution, advertising, marketing and promotion "constitute the epicenter of innovative strategies that allows enterprises to capture greater shares of wealth within a global commodity chain."¹⁶ *Nike* coordinates and organizes a complex logistical enterprise that weaves together material and non-material inputs across national boundaries. While the most complicated of *Nike's* shoes contain over 200 component pieces, a quick glance at a more modest shoe reveals the direction of globalized production. The *Nike* Air Max Penny basketball shoe consists of 52 material components produced in five different nations. Assembly of these components which include items such as a midsole, an outsole, a carbon fiber composite plate, along with proprietary technology components such as the Forefoot Zoom Air Unit, requires that a pair of *Nike* shoes will have been "touched by more than 120 pairs of hands during production."¹⁷

Nike's Annual 10-K reports document the diversified manufacturing of "virtually all of the Company's footwear" by contract suppliers operating throughout Asia. The development of the athletic footwear industry has driven the movement of production from Japan to South Korea and Taiwan, and then to lower wage regions in Indonesia, the People's Republic of China, and Vietnam. Whereas South Korea and Taiwan accounted for a combined 76% of *Nike* shoewear production in 1987, by 1997 78% of *Nike's* shoes came



from Indonesia and China while the share produced by South Korea and Taiwan had shrunk to 7%. Nike's strategy of overseas sourcing is premised on treating its product as a "global commodity chain" which can be dissected into component processes. This permits the shoe company to seek maximum flexibility over each part of the chain. Nike's strategy (and its competitors do the same thing) is "to retain control over highly profitable nodes in the athletic footwear commodity chain, while avoiding the rigidity and pressures that characterize the more competitive [manufacturing] nodes of the chain."¹⁸ In today's athletic shoe industry, no company has been able to gain a significant advantage over their competition from the actual manufacture of the product. So why take on the headaches of building manufacturing sites and organizing and maintaining a labor force when it makes greater fiscal sense to subcontract the manufacturing process? As a Nike vice-president for Asia-Pacific operations was quoted in 1992: "We don't know the first thing about manufacturing. We are marketers and designers."¹⁹ There was an additional benefit to this strategy: it allowed Nike to distance themselves from questions regarding the treatment of labor in this manufacturing process. When another Nike executive was asked about a labor disturbance in a Nike contract factory, he could in fact reply that he didn't know, while adding that "I don't know that I need to know."²⁰

It is very difficult to compete in today's athletic footwear industry without engaging in the outsourcing of labor to relatively unskilled laborers in impoverished nations.²¹ Companies in the athletic footwear industry depend on the existence of poor Asian nations where there is a ready surplus



Flexible accumulation is synonymous with the flow of capital investment across borders. This factory in Vietnam is a newer site of production of Nike shoes. Which country will be the next source of cheap labor?

