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Promotionalism is self-problematizing. It is not only a solution to corporate communication and identity, but it is also a source of new problems that result precisely from the side effects of success.

PROMOTIONALISM AND SUBPOLITICS

Nike and Its Labor Critics

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This article examines why Nike, the leading sports shoe and apparel merchandiser, has become a principal target of activism against sweatshop labor conditions in developing countries and why it has faced persistent public relations problems in its response to antisweatshop criticism. Nike has become a major target because it has successfully integrated different forms of corporate communication into the promotion of a high-profile corporate identity. The reflexive character of Nike’s promotionalism, however, has allowed for activist criticism that contrasts Nike’s claims of social responsibility with the labor conditions in its manufacturing operations. Antisweatshop activism, an example of what Beck calls subpolitics, is motivated by ethical interests, has a decentered network form of organization, and has a pluralistic, tactical focus. The effect of this activism has been to turn the debate over Nike’s labor practices into a dialectic between issues and crisis management, which accounts for Nike’s public relations problems.

On May 12, 1998, Nike CEO Phil Knight appeared at the National Press Club in Washington to announce “new initiatives to further improve factory working conditions worldwide and provide increased opportunities for people who manufacture Nike products” (Nike, 1999b). Knight admitted that Nike products—and, by implication, its corporate identity—had become “synonymous with slave wages, forced overtime and arbitrary abuse” (Dionne, 1998, p. A7). The context for Knight’s speech was economic and political. Nike had recently suffered a significant drop in its share price in connection with the Asian financial crisis, and projections about sales and profits had been revised downwards. But the speech also came on the heels of a series of public relations problems in regard to the campaign being waged by nongovernmental organizations (NGOs), labor unions, religious groups, and other activists in the United States and elsewhere against sweatshop labor practices in developing countries. These practices included below-subsistence wages, hazardous and stressful working conditions, forced overtime, long working hours, abusive management, and denial of workers rights to organize independent unions.
The target of the antisweatshop movement has been Western transnational corporations in industries such as sports apparel and footwear, which rely heavily on the “triangle” or “export processing” manufacturing system where production is contracted out to companies based in newly industrialized countries, such as Taiwan and Korea, with factories in low-wage countries in Asia, Central America, and elsewhere in the developing world (Gereffi, 1994; Korzeniewicz, 1994). Nike in particular has become the principal object of antisweatshop criticism and the growing media publicity of the issue, especially since the mid-1990s. In the coverage of Knight’s speech in The New York Times, it was noted that Nike had recently been “pummeled in the public relations arena” (Cushman, 1998, p. D1) in regard to these criticisms. In 1997, the company was the object of critical media attention as a result of two commissioned reports of working conditions in its contract factories. The first, by GoodWorks International, gave Nike a generally favorable review, but the report was widely criticized for its poor methodology and narrow focus just as Nike was attempting to capitalize on the report through a series of publicity advertisements (Herbert, 1997). The second, an audit of a Vietnamese factory by Ernst and Young that was leaked by a Nike employee, documented serious threats to workers’ health and safety (Greenhouse, 1997). Elsewhere in the media, Nike was lampooned as a sweatshop employer in the popular comic strip Doonesbury. Similarly, in Michael Moore’s film The Big One, Phil Knight “found himself saying unbelievably callous, stupid, and uninformed things about Nike’s third-world working conditions” (cited in Kuttner, 1998).

This article seeks to address two questions. The first is why Nike has become the most prominent target of antisweatshop criticism given that its production practices do not vary significantly from those of its major competitors, such as Reebok and Adidas-Salomon, or from other transnationals in the apparel and footwear industries generally. The second is why Nike has faced persistent problems in the public relations arena. We make two arguments in response to these questions. The first is that Nike is the principal target of antisweatshop activism because of its symbolic as well as economic prominence. Nike has become a celebrity corporation as a result of its high-profile promotional practices, which are respon-
sible not only for its commercial success but also for making it into a salient target for activist criticism. Second, we argue that social activism poses a challenge for corporate communication and issues management because it is ethically motivated, has a decentered network form of organization, and relies on the use of reflexive tactics that turn promotional power against itself.

These arguments are developed in four steps. In the first section of the article, we outline the importance of promotional communication in buyer-driven commodity chains such as sports apparel and footwear. Nike has been especially adept at integrating claims to social responsibility into a promotional strategy that involves two major elements: extensive endorsements and sponsorships, and the use of information subsidies. Nike has been able to transfer the celebrity value of endorsers such as Michael Jordan and Tiger Woods to its own corporate identity and achieve public prominence through its media presence. In the second section, we argue that Nike’s promotional success has had reflexive effects by making the company highly visible as a target for antisweatshop activism. This activism, an example of what Ulrich Beck (1997) called “subpolitics,” has taken the form of counterbranding Nike through using the public sphere to publicize the gap between Nike’s claims and the conditions and experiences of its workforce. Because Nike is so dependent on publicity, it is vulnerable to counterpublicity. In the third section, we argue that in contrast to its promotional success, Nike’s public relations response to antisweatshop criticism has been problematic. Nike has responded reactively and defensively. This has allowed Nike’s issues management response to be interrupted and disrupted by activists whose communication tactics stress the exposure of local crises in labor conditions. In the conclusion, we assess the implications of our analysis for both Nike and the antisweatshop movement. Nike faces the dual problem of making substantive improvements to working conditions, wages, and workers’ rights and restoring its public credibility as a company whose claims to social responsibility are seen as sincere. For the antisweatshop movement, the challenge is to sustain the interest of the media and the public in its campaign in a social environment where multiple issues and problems are competing for attention and action.
Nike has become a principal target of antisweatshop activism not only because it is the largest company in the global sports shoe and apparel industry but also because it has achieved public prominence as a celebrity corporation. Nike has successfully integrated the way it has constructed and communicated different aspects of its corporate identity into an effective promotional strategy that associates its brand name and image with positive social values ranging from athleticism and fitness to social and environmental responsibility to patriotism (Cole, 1996; Cole & Hribar, 1995). Nike has been adept at using the logic of promotionalism to craft a flexible, multifaceted identity that enables the company to represent itself simultaneously as serious and “cool,” socially conscious and fashionable, earnest and ironic, and image conscious and technologically sophisticated (Goldman & Papson, 1998). Following Wernick’s (1991) definition, promotionalism entails the integration of different aspects or forms of communication to the extent that functional differences between them become blurred and fused. Advertising, marketing, public relations, and other forms of what Boje (2000) called “corporate writing,” such as mission statements, annual reports, and even corporate architecture, are integrated into a self-referential network of signs (Cheney & Christensen, 2001). So, for example, when Tiger Woods advertises Nike, Nike also advertises Tiger Woods, and there is no clear or fixed distinction in their relationship between the signifier and the signified.

Promotionalism entails the management of public presence and the attempt to translate this presence into an asset that serves the corporation’s economic success and continuity. The construction and circulation of corporate identity is the mechanism by which public presence is managed (Cheney & Christensen, 2001). Identity is a condensed representation and projection of the essential self that is defined in terms of positive values that transcend particular practices or circumstances and draw their meaning and resonance from the wider cultural environment in which the organization is situated. This transcendent quality indicates how identity is a response to the constant problematization of corporate practices.
that comes from operating in an environment where competitive success is the ruling logic yet where different stakeholders may also have contradictory expectations of the organization’s role and responsibilities. Corporate identity, which is signified above all by the brand name, logo, and slogan, comes to serve multiple functions. Externally, the role of identity is to distinguish the corporation from market rivals not only economically, in terms of the quality and price of its products, but also socially, in terms of its place in the wider community. Corporate identity is a tool to motivate consumer and investor identification with the organization and its products and a way to legitimize the corporation and its activities. Internally, the role of corporate identity is to secure unity and identification with the organization and its goals on the part of members who are functionally differentiated and stratified. Internally and externally, identity concerns the generation of trust.

PROMOTIONALISM IN BUYER-DRIVEN COMMODITY CHAINS

Although it is widely recognized that corporate identity—and the need for extensive promotionalism to publicize it—is becoming increasingly significant, that significance varies structurally. Identity and promotionalism play an especially critical role for brand-name companies in buyer-driven commodity chains such as the apparel and athletic footwear industries, where export-processing manufacturing is increasingly the norm. In buyer-driven chains, economic success depends on control over and heavy investment in the initial and final stages of the production process, that is, over product conception, design, and styling on one hand and marketing, advertising, product display, and consumer relations on the other (Gereffi, 1994; Korzeniewicz, 1994). The intervening stages of component fabrication and product assembly are contracted out to factories in developing countries where low-skilled, cheap labor—especially young migrant women who are also considered to be more compliant and reliable—is relatively plentiful (Carty, 1997). These are also countries where local political elites often seek to attract foreign capital by ensuring that environmental and labor standards are poorly enforced or nonexistent and where social
stability depends on authoritarian methods of social control. Although promotional strategies linking product conception to marketing often emphasize the product’s technological and aesthetic sophistication, production practices rely heavily on labor-intensive methods in which productivity and profitability depend on the kind of intensified labor process typical of the “bloodier” forms of Taylorism (Lipietz, 1987).

Buyer-driven commodity chains entail a dissociation of production and consumption that is economic as well as geographical. Manufacturing labor costs are only a small fraction of the final price consumers pay for the product. The total costs of promotion, including product styling and design, outweigh those of actual production as new styles, models, and lines are constantly required to ensure the growth of consumer demand in what is a market of parity products. Constant product innovation and turnover mean that the brand name and logo become the principal means to stabilize corporate identity and its public reputation. In this context, Nike’s promotionalism has been distinct not only in its public prominence and presence but also in the way it has attempted to mobilize the logic of “cause-related marketing” (Smith & Higgins, 2000) to capitalize on issues of social responsibility and activism that go beyond (as well as including) conventional forms of corporate philanthropy (Cole, 1996; Stabile, 2000). Nike has sought to associate itself with the rights, needs, and aspirations of the socially disadvantaged and excluded, such as African Americans, women, and the disabled, by promoting a discourse of self-empowerment and affirmation through sport, fitness, and physical activity (Cole, 1996; Cole & Hribar, 1995; Stabile, 2000).

NIKE’S PROMOTIONAL COMMUNICATION STRATEGY

Nike’s promotional strategy has involved two elements that are important in the integration of commercialism and social responsibility: the use of endorsements and sponsorships as a vehicle to promote social causes and the use of information subsidies as a way to manage publicity. Both have a dual character and function in a way that reinforces the flexibility and mobility of Nike’s identity. The
use of celebrity sports endorsers and the sponsorship of sporting events and activity as vehicles to promote social causes expand the meaning of both and blur the line between commercial and non-commercial activity. Nike’s products and brand name, its corporate identity, its social activism on behalf of others (especially the disadvantaged or those at risk), the identity of celebrity endorsers, and the identity of the sports these endorsers play all feed into the promotional mix. The effects often extend beyond local or national contexts and play out at a global level, as the example of Michael Jordan illustrates (LeFeber, 1999). The integration of endorsements and sponsorships enables Nike to represent itself as a socially concerned actor promoting sport as a solution to social problems. Crucially, the problems these causes address tend to be defined in a way that strips them of their material determinants; they become problems of attitude and disposition for which Nike and the corporate economy should not be held responsible. Material inequalities and social divisions are at once acknowledged and effaced through the fusion of ethical and commercial interests and the promotion of affirmative values (Cole, 1996; Cole & Hribar, 1995).

Nike’s “If you let me play” advertising campaign vaunting the personal and social benefits of female participation in sport and its Participate in the Lives of American Youth (P.L.A.Y.) program, launched in 1994, are the most prominent examples of the integration of commercial and ethical promotionalism. Both positioned themselves as the response to a problem of social exclusion and disadvantage. This was articulated more explicitly in the case of the P.L.A.Y. program, which, according to Phil Knight, was the reaction to a “crisis in America” as children were denied access to sport and play due to cutbacks in school sport programs and the lack of safety in community playgrounds (Business Wire, cited in Goldman & Papson, 1998, p. 109). The publicity campaign promoting the program on television made use of Nike endorsers such as Michael Jordan and Jackie Joyner-Kersee to narrate visual images of the “social alienation of poverty and their transcendence via sports” (Goldman & Papson, 1998, p. 109; see also Cole, 1996).

The area in which Nike has most recently extended its endorsement and sponsorship practices is the development of sporting opportunities and rising athletes in developing countries, particu-
larly in Asia, where much of the company’s production capacity is located and where much of the antisweatshop criticism and activism is focused. Asian countries, particularly the most rapidly developing ones, are becoming increasingly attractive as potential consumer markets. The proportion of Nike’s revenue from foreign sales grew from 27% in 1987 to almost 45% in 2000 when the Asia-Pacific region accounted for 11.1% of total sales, up from 10.1% in 1999 (Goldman & Papson, 1998, p. 5; Nike, 2000). The promotion of young Asian athletes entails the integration of what Nike (1999c) refers to as a “three-tiered . . . campaign.” The first tier is the introduction of a new product line, the Play Series, comprising six different sports-related shoes, which the company claims “delivers Nike performance technology with an accessible price.” This is part of an attempt to expand Nike’s consumer markets in Asia, which also entails the opening of “up to 20 Nike-only stores, with one Flagship Store in each key city across Southeast Asia” in partnership with “strategic retail partners” (Nike, 1999c). The second tier is an advertising campaign to promote the new shoes. This is organized in terms of the slogan “It’s My Turn” and features “inspiring and aspiring young Asian athletes” as endorsers. The final tier is a series of local community development projects known as Play Zones that complete the linkages among the product, the brand, sport as an activity and value, and societal benefit. The Play Zones are a Nike-sponsored project to “refurbish and upgrade adopted playgrounds, conduct maintenance work and host sporting events on-site” in six Asian countries (Nike, 1999a).

Nike’s integration of communication into a broader promotional strategy has made extensive use of information subsidies. There are two main types of information subsidy, quantitative and qualitative, and Nike has exploited both (Gandy, 1992). Direct or quantitative subsidies occur when one actor assumes the economic cost of generating or providing information for the use or benefit of another. In this respect, Nike provides information subsidies to the media inasmuch as it acts as a source of information about its business activities, sponsorships, community programs, and so forth. The obverse of this is that the media provide indirect or qualitative information subsidies back to Nike inasmuch as media coverage, at least good news coverage, enhances the presence and value of Nike’s identity in the public sphere. Most important, qualitative subsidies enhance
corporate legitimacy by displacing the source of information onto the media, whose credibility is greater to the extent that the media are seen to be more objective and less self-interested. Information subsidies amount to an exchange of cost and trust.

Nike’s ability to make use of qualitative subsidies has been expanded by the development of the Internet as a communications tool. As part of its “nikebiz” Web site, Nike republishes selected press coverage in edited and unedited form. Although much of this consists of promotionally positive coverage—for example, the opening of a new Nikeworld store, victory celebrations by a Nike endorser, or the results of a sponsored sports event—Nike has also included some coverage of its labor practices critics, including its own frequently asked questions page on wages and related labor rights issues, letters responding to activist groups such as the Clean Clothes Campaign, and, most recently, a 12-minute virtual video tour of Nike factories in Asia. The Web site comes to play a role similar to that of the department store window in which a diverse array of items is put on display without any other overt logic determining their arrangement except a promotional one, which positions the viewer as a consumer of Nike’s identity who is free to pick and choose which elements strike his or her interest: products to buy, share price trends to contemplate, or ethical concerns to allay.

The Web site is designed to play a strategic communications role for the company in which all aspects of its marketing, promotional, and public relations communications are integrated together in a networked form (Jensen, 1996). The Web site offers a way to unify communication with different audiences and audience segments in a single virtual space. Its use as a means to acknowledge and address one’s critics in a controlled environment is valuable given the way that the actions of these different audiences, particularly consumers and investors, are interrelated. Answering one’s critics is a way to display openness and reassure not only consumers concerned about the ethics of one’s products but also investors whose decisions are calculated in terms of prospective sales and revenue. Neoliberal economic globalization has not only enhanced corporate power through deregulative reforms, but it has also created new areas of corporate vulnerability by reinforcing shareholder value as the overriding measure of corporate success and with it the critical role of the (large institutional) investor. Deregulation intensifies the
likelihood of stock market volatility resulting from the rapid com-
munication of bad publicity.

Information control becomes especially critical in an environ-
ment sensitive to bad news when desirable audiences overlap. The
recent emergence of groups such as United Students Against
Sweatshops as important participants in the broader antisweatshop
movement point to the way in which middle-class university stu-
dents have targeted Nike’s college sports apparel market as a way to
press the company to accede to independently monitored codes of
labor conduct. As the next generation of the professional-managerial
class, university students are desirable consumers as well as poten-
tial investors. They are also already more likely to be familiar with
and reliant on the Internet as a means of communication and source
of information, skeptical of more conventional forms of promo-
tionalism, and aware of and sympathetic to the arguments of Nike’s
antisweatshop critics. For an audience such as this, whose style of
life is now internationalized, the Internet offers companies such as
Nike an opportunity to globalize information about local promo-
tional initiatives.

REFLEXIVITY AND SUBPOLITICS:
THE PROBLEMS OF PROMOTIONALISM

The incorporation of social responsibility into Nike’s promo-
tional strategy was designed not only to enhance the serious,
socially committed side of Nike’s corporate identity but also to
deflect early criticism of the company for the side effects of its pro-
motional and commercial success. To the extent that this was suc-
cessful in the short term, it has served in the longer term only to dis-
place the object of activist criticism from the manipulation of
consumers and the exploitation of urban, African American youth
subculture to the treatment of Nike’s workforce in Asia and else-
where. Although the focus of antisweatshop activism is the mate-
rial conditions of production in Nike’s factories, the strategy that
activists have adopted relies heavily on communication and public-
ity as the principal means to exert pressure on Nike. Antisweatshop
activism has thus been able to exploit Nike’s own dependence on
public image and communication as a way to turn promotionalism back on itself and open up issues such as wages, working conditions, and worker rights to ethical criticism.

REFLEXIVITY: PROMOTIONALISM AS ITS OWN PROBLEM

The pervasiveness of promotionalism speaks not only to the importance of corporate identity in the marketplace but also to the blurring of boundaries between the marketplace and the wider social, political, and cultural environment that the process of commodification brings about. Promotionalism is directed ultimately at the production of consumption, which takes place in civil society, outside the economic sphere. Promotionalism further blurs boundaries inasmuch as it draws on and incorporates the values of civil society as a means to enhance corporate identity, particularly when identity becomes problematic. For example, Cole and Hribar (1995) have argued that when Nike lost market share to Reebok in the mid-1980s, its response was to refocus its promotionalism on female consumers by incorporating into its advertising and other forms of communication an appeal to and celebration of women’s aspirations for autonomy and self-empowerment. This was done in a way that reflected the growing hegemony of neoliberal ideology by framing these aspirations in terms of an individualistic preoccupation with the body as power and the stylization of life through consumerism. Nike fused together images of distinct forms of power in which the body is represented simultaneously as an object capable of efficient and disciplined productivity and as a focus of self-care and concern (Foucault, 1977, 1988). Similarly, Cole (1996) has argued that Nike’s use of African American celebrity endorsers such as Michael Jordan to promote social causes as well as commodities makes use of racial imagery in a way that transcends and effaces specifically racial meanings. Jordan is represented in Nike’s promotionalism as the personification of universal values rather than as the representative of a particular community whose interests are shaped by social exclusion.

In both respects, Nike used promotional strategies to resolve market-based problems, in the one case using cultural values to
appeal to a new, expanding market segment and in the other using a particular social identity as a way to overcome social difference and generate universal appeal. Nike has also used promotional logic to address problems that have arisen outside the marketplace. As Cole (1996) and Stabile (2000) noted, Nike’s integration of marketing and social responsibility has generally been a response to controversy and crisis originating in civil society. Nike’s P.L.A.Y. program, for example, came in the wake of bad publicity the company suffered in the late 1980s and early 1990s from its association with a wave of “sneaker crimes” when media reports of youths being mugged and even killed for their sport shoes began to circulate. The finger was pointed at Nike precisely because of the powerful effect its promotionalism was thought to have on creating a level of consumer desire on the part of those unable to afford the products. The racialized coding of the sneaker crime wave put Nike in particular in the spotlight because of the company’s association with African American sports celebrities such as Michael Jordan.

What the sneaker crime crisis represents is promotionalism’s reflexive character. That is, promotionalism is self-problematizing. It is not only a solution to corporate communication and identity, but it is also a source of new problems that result precisely from the side effects of success (Beck, 1997). By making Nike into a celebrity corporation with a prominent public profile and presence, promotional success has also made Nike into a prominent public target of social criticism leveled in terms of a putative breach between what the company claims to represent and what the effects of its practices are. The critique of Nike, in other words, is an immanent one that holds Nike up to scrutiny in terms of its own claims and identity. In the case of the sneaker crime crisis, the reflexive effect of promotionalism was confined to the negative, excessive side effects of consumption. In the case of antisweatshop criticism, on the other hand, the effect of reflexivity has shifted to the sphere of production. Activists have criticized and protested the working condition in Nike’s factories in terms of a failure to respect and implement the values that Nike invokes in its claims of social responsibility and individual empowerment. Because corporate identity has to circulate in the public sphere, where its meaning cannot be totally controlled, activists have been able to open up a gap
between Nike’s identity and its actual image and counterbrand the company as a sweatshop employer.

COUNTERBRANDING: ACTIVISM AND SUBPOLITICS

The counterbranding of Nike as a sweatshop employer has to be seen to the context of social movement activism as an example of what Beck (1997) called “subpolitics.” Subpolitics refers to the politicization of situations, practices, and processes that comes from below the formal political system (from non-elites) and from outside it. It operates at both a more localized and globalized level than official politics and its institutional supports (parliamentarism and political parties). Subpolitics is the politics of interest groups, social movements, activism, and advocacy groups whose interests radiate out beyond the sphere of institutional politics and whose targets include power centers other than the State. Subpolitics emanates from and refers to the interstices of social life where power relations register their effects. To use Habermas’s (1987) terms, if politics represents the intervention of the system, that is, the state and market economy, in the everyday life-world of lived social and cultural experience, then subpolitics represents the reciprocal feedback effect of the life-world on the system.

What motivates this feedback is a critical discourse stemming from the situated ethics of the life-world as a space where the products of the political and economic system—power and commodities—are felt. The discourse of subpolitics is an ethical-critical one that confronts the State and the market with their attempts to appropriate and exploit the normative expectations of everyday life. Central to the motivation of the antisweatshop movement is a belief that Nike is hypocritical in the way it lays claim to social responsibility as an instrument of commercial promotionism yet continues to exploit young, migrant, female workers in the developing world. The logic of the antisweatshop critique is one of communicative action geared to mutual understanding and consensus rather than strategic action aimed at competitive success (Habermas, 1987). This logic is a general feature of new social movements oriented not toward the immediate, material self-
interest of participants but to questions of shared meaning and social solidarity (Carroll, 1997; Jasper, 1997). Many new social movements share an altruistic dimension as their actions entail an interest in the well-being of others (Melucci, 1996). What this altruistic interest implies is not the kind of identity politics that characterize corporate communication but rather a politics of identification. The kind of subpolitics represented by the antisweatshop movement is less about identity in the sense of distinguishing oneself from others than it is about creating social understanding and support across identities. Antisweatshop activism involves a desire to empathize with and care about the situation, interests, and aspirations of those at a distance while assuming a critical stance toward something that is culturally and geographically more proximate, that is, the corporation.

Subpolitics also differs from formal politics in that it is oriented more to questions of tactics rather than strategy. Social movements assume a looser, more mobile, and flexible form than more bureaucratically structured organizations; they are typically organized in terms of network arrangements that lack a definite center with binding decision-making power (Castells, 1996). This makes social movements more nebulous, transient, and reliant on a more pluralistic range of tactics that may also lack a strong sense of overall strategy. The antisweatshop movement, for example, consists of a network of different groups that engage in diverse activities, such as culture jamming, conventional public protests, participation in shareholders’ meetings, regulatory initiatives such as the Worker Rights Consortium, and growing use of the Internet, a tool that is seen to have democratized corporate-activist relations by diminishing the corporation’s gatekeeper role in the communication of critical information (Coombs, 1998; Heath, 1998; Klein, 2000; Sage, 1999; Shaw, 1999).

The absence of a power center also means that the antisweatshop movement is dependent on drawing its power from others, particularly its adversaries. Boje (1999) referred to those of the antisweatshop movement as entrepreneurial activists because they imitate Nike’s promotional practices through the use of counter-narratives, especially local stories of abuse told by Nike factory workers and communicated through the Internet, and public spectacles such as “shoe-ins” staged at Nike retail outlets.
This use of the public sphere to promote the counterbranding of Nike does not mean, however, that the tactics and identity of activists converge. The notion of entrepreneurial activism tends to efface crucial differences in motives and power between corporations and their critics. Antisweatshop activists are motivated primarily by ethical concerns rather than material self-interest. Of the major components of the movement—labor and human rights NGOs, religious faith communities, student groups, and labor unions—only the latter have a significant self-interest at stake in the fight against Third World (as well as domestic) sweatshops. Activists’ use of promotional tactics stems from the way social movements exercise power in the form of what Beck (2000) called “judo politics.” In judo politics, the strength and power of one’s adversaries is turned against them. This is only successful, however, as long as one lacks an equivalent power of one’s own. The effect of judo politics is to create suspicion about the reputation of the opponent, not to impart his or her power to the judo politician.

To view movement activism as simply another form of entrepreneurialism is to overlook how the antisweatshop movement uses promotional tactics to interrupt and undermine promotional logic. By using counternarratives and public spectacles, activists have attempted to call Nike to account on the grounds of its own action claims; that is, has Nike done what it says it has or has not done? From the postmodern perspective in which the concept of entrepreneurial activism is situated, this calling to account has simply resulted in a spiral of claims and counterclaims whose truth is decided by superior power (Boje, 1999). In contrast to this view, however, we would argue that truth cannot be reduced to superior power. First, power relations are also relations of potential conflict and struggle in which the attempt to fix truth on the terms of superior power can be contested. In noncoercive power relations, actors have to take account of and accommodate themselves to the views of others involved. Claims making is interactive and interdiscursive. The relationship between truth and power consists not in the way that the latter decisively determines the former but in the way either one can render the other problematic on ethical as well as factual or strategic grounds.

Second, power is exercised in differentiated and reflexive ways. Power exercised in one way can resist or problematize the effects of
power exercised by other means. If power is the capacity to act on or
direct the actions of others (Foucault, 1988), then it can be exer-
cised through discourses whose truth depends on the deployment of
ethically and factually reasoned arguments rather than promotional
dominance. Narrative, for example, can be used not only to com-
municate identity as a means of self-legitimation but also as an
accounting device, a way of embedding reasons and arguments to
provide an explanation that is amenable to critical assessment and
debate. The reduction of truth to power, finally, ignores the differ-
entiated nature of truth. Reasoned arguments problematize promo-
tional power by also calling its trustworthiness to account. Trust-
worthiness is inherent in any discourse inasmuch as the latter’s
power depends on its being seen to be truthful as well as true
(Habermas, 1987). Discourses entail claims about the sincerity as
well as accuracy of the claims maker. Where the antisweatshop
movement has been successful is precisely in casting doubt on the
truthfulness of Nike’s claims by questioning and contesting the
company’s motives and practices by means of the local, situated
narratives of those who are otherwise powerless.

ANTISWEATSHOP ACTIVISM:
ISSUES OR CRISIS MANAGEMENT?

By raising controversy over Nike’s labor practices, the anti-
sweatshop movement not only has questioned the reality of produc-
tion conditions and worker rights in developing countries but has
also thrown Nike’s sincerity and credibility into relief. Nike has
been presented with a problem whose resolution is not only practi-
cal but also communicational. Its communication problem is par-
ticularly acute inasmuch as issues of sincerity and credibility pene-
trate to the heart of corporate identity as the principal instrument
and goal of promotional and commercial success. Nike’s public
relations response to the antisweatshop movement, however, has
compounded this communication problem. Despite the view that
corporate public relations have become increasingly proactive,
Nike’s response to its antisweatshop critics has been largely reac-
tive and marked by a reluctance to take seriously its critics’ argu-
ments and claims. Nike has attempted a strategy of issues management aimed at deflecting and dispersing blame, reiterating ethical commitment, and subduing controversy. Its critics, on the other hand, have relied on dispersed tactics to interrupt this strategy and reframe the sweatshop issue as an endless series of local crises.

NIKE’S RESPONSE: ISSUES MANAGEMENT

Boje (1999; see also Burns, 2000) identified four stages through which Nike’s response to sweatshop criticisms has developed. The first stage up to the early 1990s was one of avoidance. Nike disclaimed responsibility by displacing blame onto its contractors. From 1993 to 1996, Nike’s response switched to one of denial that the problem existed in a systematic and widespread way and pointed to its own corporate code of conduct, first formulated in 1992, as evidence of this. This was followed in 1996 and 1997 by a period of intensified publicity after the 1995 discovery of the El Monte sweatshop in California and the 1996 exposé of Wal-Mart for sourcing the Kathy Lee Gifford line of clothing from sweatshops put the sweatshop issue back in the media spotlight. Nike claimed its monitoring system was independent and commissioned the GoodWorks International report that was subsequently criticized by the media and academic scholars as well as activists (Boje, 1998). Knight’s National Press Club appearance in May 1998 marked the beginning of the fourth stage and the prospect of some material improvement in working conditions.

Nike’s reactive posture, its reluctance to address criticisms on major issues such as wage levels, and its continued hostility toward some critics point to the limitations of promotionalism and the difficulty that promotionally oriented issues management has in coming to terms with antisweatshop subpolitics. The heart of issues management is a concern on the part of the corporation to manage the public policy process in a way that minimizes interference in its structure and functioning by outside actors (Heath, 1988). Put differently, it is about maximizing corporate autonomy and the ability to act strategically in an environment that consists of multiple stakeholders who have differential claims on the corporation’s conduct. In this respect, Nike’s reluctance to address the issue of manu-
facturing wage levels, despite the relatively small proportion of total costs they entail, represents a desire to preserve autonomy in a key sphere of the environment, the marketplace. When Nike translates social responsibility into philanthropic initiatives such as environmental projects, microloans for local entrepreneurs, or education and fitness programs in Third World countries, it also demonstrates a concern to maximize promotional returns. These are initiatives to which Nike can attach its name and corporate identity in a more visible and lasting way than wage increases (whose visibility to investors, on the other hand, is far less ephemeral than to concerned consumers).

Nike has also attempted to manage the sweatshop issue promotionally by turning the tactics of the movement back on itself. This ranges from criticizing some activists and attempting to affix them with an identity as misguided or misinformed idealists to reverse culture jamming. Invoking its alter ego as a cool, ironic company that does not take life or itself too seriously, Nike offered $25,000 to well-known consumer activist Ralph Nader, at a time when he had been speaking out publicly against child labor in Asia, to appear in a Nike commercial denouncing “another shameless attempt by Nike to sell shoes” (Lapham, 2000, p. 39). More recently, Nike began a new promotional campaign to sell football shoes in Australia by advertising the Web site of a supposed anti-Nike activist group. The group was fake, a product of Nike’s promotional imagination; its complaint was that it was unfair of Nike to market such a superior product. The campaign was short lived, however, as real activists began decorating the ads with an alternative Web site address exposing the hoax, and Nike closed down the original Web site, having succeeded in getting itself into the media spotlight again (Lasn, 2001).

From an activist viewpoint, this kind of reverse culture jamming reveals Nike’s willingness to exploit public cynicism and suspicion that result from promotional dominance of the public sphere (Lasn, 2001). From an issues management viewpoint, the resort to playing judo politics with the antisweatshop movement highlights the stratified, shifting nature of the corporate environment and the problems that social activism raises for issues management. The rise of issues management in the 1970s coincided with the neoliberal turn in economic thinking as governments began to redefine their role
from one of legislative and regulatory intervention to a more arms-
length one of facilitation and mediation in circumstances where
corporate conduct became socially problematic. This was the model
adopted by the American government in response to the growing
controversy about sweatshops. In 1996, the Clinton administration
brokered an agreement—the Apparel Industry Partnership (AIP)—
between several apparel industry companies and other interested
parties, including labor and human rights NGOs. The AIP, which
gave rise to the Fair Labor Association (FLA), included Nike as a
charter member. The formation of the AIP/FLA marked the
institutionalization of sweatshops as a multilateral issue whose res-
solution was seen to lie in long-term consensus building around vol-
untary corporate codes of labor conduct, monitoring, and public
accountability rather than legislative or regulatory intervention.

The construction of an issue by means of this kind of
institutionalization process has two consequences for how the issue
is framed and communicated in the public sphere. First, respon-
sibility for the issue is generalized and dispersed among several par-
ties. Membership in the AIP/FLA enabled Nike to share its respon-
sibility for the sweatshop issue with other corporate members and
demonstrate publicly its willingness to resolve the problem in a
voluntary way. Nike and others, such as the Gap, who are caught in
the spotlight of bad publicity are able to point to one another as evi-
dence that the problem is systemic rather than specific or localized.
Corporations are able to rely to some extent on an information sub-
sidy from the news media, where the systemic nature of the prob-
lem has been framed primarily in terms of the volatility of con-
sumer demand and taste rather than the imperative of profit
maximization (Greenberg & Knight, 2001). Second, the general-
ization and dispersion of the issue implicates all the parties to insti-
tutional arrangements like the AIP/FLA in the responsibility for
resolution. Resolution becomes a matter of organizational politics,
of negotiation and compromise. In the public sphere, where the
issue is represented through the news media, the conflict tends to
shift from Third World labor conditions per se to the grounds of
realism in the attempt to negotiate a settlement between different
institutional actors who do not include the workers themselves. The
focus of debate and contestation begins to shift from substantive to
procedural questions (Greenberg & Knight, 2001).
Parallel with its involvement in the AIP/FLA, Nike has also sought to manage the sweatshop issue publicly through establishing its own NGO-like association, the Global Alliance for Workers and Communities, in partnership with toy maker Mattel and the International Youth Foundation. Although the stated goal of the Global Alliance is to “identify aspirations and needs of workers and then design projects to address them,” such as building schools or establishing health clinics, the organization has also become actively involved in the battle of reports that has become a dominant feature of how the struggle between Nike and its critics has developed (Global Alliance for Workers and Communities, 2001). The credibility of the Global Alliance lies in its ability to appear to be independent of Nike’s control, and it is noteworthy that a report Nike recently commissioned from the organization on working conditions in some of the company’s contract factories has been critical of abuses such as management harassment of workers. As with other reports Nike has commissioned, this one has been criticized for questionable methodology (Boje, 2001). Nonetheless, Nike has been able to use it as evidence of its own openness by featuring it, together with another recent critical report by the monitoring agency Verité on a Mexican contract factory, on its nikebiz Web site (Nike, 2001; Verité, 2001). Thus, Nike has begun to manage the issue by becoming an agent of criticism of itself.

LOCAL CRISIS: THE LIMITATIONS OF ISSUES MANAGEMENT

Nike’s self-implication in this culture of criticism points to the way that the central features of antisweatshop subpolitics—motivation that is primarily ethical, a decentered networked form of organization, and the reflexive tactics of judo politics—have interrupted and disrupted its ability to manage claims of sweatshop practices purely as an issue. Although activists have responded to Nike on an issues level through the development of alternative institutional arrangements such as the Worker Rights Consortium, their principal response to Nike has been to focus on documenting particular instances of abuse, such as denial of rights, harassment of workers, unsafe working conditions, or abject wage levels, framed
as crises requiring urgent remedy. In other words, in response to Nike’s attempts to manage the sweatshop problem via an issues logic, that is, as a general problem requiring multilateral, long-term systemic resolution, the antisweatshop movement has employed a logic of rupture and immediacy. The micronarratives that Boje (1999) has identified as a tool of antisweatshop activists acquire their force as part of the construction of a cumulative chain of dispersed, local crises. The effect of this has been to split Nike’s response between managing the problem as an issue through institutional involvements such as the AIP/FLA and engaging discursively in local damage control exercises as new claims of abuse are raised.

What has emerged is a dialectic of issues and crisis management in which Nike’s attempts to construct the issue in a systematic and manageable way are constantly punctured by activist claims about local crisis situations. The implicit effect of this is to reconstruct sweatshops qua issue as a problem of both Nike’s factory conditions and its public credibility. This dialectic arises because issues management assumes a stakeholder perspective when it looks at the social environment and the latter’s potential to generate problems for and interference in corporate practices. From the viewpoint of issues management, activists are framed as part of a network of stakeholders who are differentiated in terms of their status and the resources they can exercise, such as power, legitimacy, and urgency, in making their claims on corporate conduct (Mitchell, Agle, & Wood, 1997). The structure of the stakeholder network also determines the capacities of the membership by virtue of its density—the number of ties each member has with the others—and each member’s salience and centrality to the network as a whole, that is, how prominent each is in terms of proximity to other members and control of their access to the network as a whole (Rowley, 1997). Social activists are generally seen as secondary-level stakeholders limited to exercising the influence that stems from the urgency and possible legitimacy of their claims (Coombs 1998; Mitchell et al., 1997).

Despite the emphasis in stakeholder theory on the differentiated status and resources of the membership, it is assumed that every member has a vested interest of some kind in the corporation’s con-
duct and that this interest is what defines his or her stake and the issues that arise from it. Each member puts something at risk in his or her relationship with the corporation (and possibly with other stakeholders as well) and also stands to benefit directly from that relationship. Vested interests imply an objective relationship of interdependency, and this has a determinant effect on how that relationship is conducted. In the case of antisweatshop activism, however, the notion of vested, objective interests is problematic. The notion only makes sense as the mediation of a relatively stable identity that depends on the continued realization of objective benefits and opportunities. The interest of most activists in Nike’s production practices does not have a strong objective dimension; their stake does not really entail self-risk or -benefit. As a result, the definition of sweatshops qua issue cannot be reduced to or derived structurally from the vested interests or core identity of activists.

The absence of strong vested interests on the part of activists has ambivalent effects, and this ambivalence adds an element of indeterminacy to the relationship between Nike and its activist critics. On one hand, it means that activists acquire a degree of autonomy that exceeds the resources available to them as secondary-level members of the stakeholder network. Marginality and mobility are the condition of successful judo politics. Activists are able to assume an interrogator role in the claims-making process and adopt multiple, shifting tactics to press Nike for concessions that can be used as a criterion to reassess local conditions, expose new problems and gaps between Nike’s claims and practices, and expand the framework of criticism. Critique is reproduced through crisis. An example of this is wage levels, where the antisweatshop movement has helped to shift the debate from the question of market forces and compliance with legal minimum wage levels to that of a “living wage” that exceeds bare subsistence, allows for such items as savings and education, and is calculated according to particular local conditions. Activists have been able to build on and move beyond the commitment of Nike and other corporate members of the AIP/FLA to respect local labor and remuneration laws and reframe the wage issue in a new, contentious direction.

On the other hand, the flexibility of judo politics becomes indispensable because activists lack the kind of power resources that can
have a direct, binding effect on Nike. Activists are stakeholders whose interests are really the vested interests of other, even more marginalized stakeholders, Nike’s Third World labor force. They represent these interests by influencing Nike through their impact on other stakeholders, whose interests and power are more central, namely, consumers and investors. Their role in the network is essentially a mediated and mediating one—a politics of identification rather than identity—that functions through the rhetorical effectiveness of communicative action in the public sphere. This creates its own problems and contradictions. Protest movements generally are subject to cyclical patterns of activity and impact (Tarrow, 1994). The absence of a structurally determined, core identity and immediate, vested self-interest for many of those involved can compound this cyclical tendency by making commitment and participation more contingent and variable. As a result, activist communication too is self-directed to a large extent to ensure members’ identification and to counteract the protest cycle by revising and extending the framework within which the problem and its resolution are defined and made to resonate publicly (Snow & Benford, 1992).

The heavy reliance on publicizing local crises also reflects the ambivalent status of more generalized means of anticorporate activism, such as the boycott. Whereas some elements of the antisweatshop network call for a boycott of Nike products, others are less enthusiastic on the grounds that boycotts are difficult to organize effectively outside specific local conditions and that workers are the ultimate victims of any decline in consumer demand. The emphasis on pressuring Nike and other companies through the use of communicative action—letters, petitions, phone calls, reports, and so forth—nonetheless assumes that the possibility of an informal boycott by concerned consumers and nervous investors will induce Nike to comply. The translation of public communication into private action remains largely implicit and unspoken to avoid internal divisions and the possibility of public failure. The dialectic of crisis and issues management plays out as a kind of virtual public conflict against a backdrop of private uncertainty.
IMPLICATIONS AND CONCLUSION

For Nike, antisweatshop activism has created an image problem by setting the company’s self-identity at odds with a growing public reputation for sweatshop practices. Activist criticism has been able to question Nike’s credibility by exposing the gap between the company’s social responsibility claims and its local labor practices. At the heart of this image problem lies Nike’s reactive response and the way it has subsumed management of the sweatshop issue under a broader strategy of promotionalism. Although Nike now acknowledges some degree of responsibility, the legacy of its earlier stance of denial and evasion is a continuing perception of untrustworthiness that constrains its ability to convince critics and others that it is serious about resolving the problem. What is at issue is not simply the truth of conditions in Nike’s Third World factories in an objective sense but also Nike’s truthfulness in the sense of its sincerity.

Nike is now faced with two problems. The first is addressing in a substantive way criticisms of the conditions of production in its contract factories to improve the working lives and prospects of its workforce. The second is convincing its critics, particularly those at a distance from the factory floor, that it is sincere in its claims and efforts to make acceptable improvements while taking account of the way expectations and standards can be constantly revised. To address these twin problems of practical resolution and public communication, Nike needs to separate its management of the sweatshop issue from the more overtly commercial aspects of its promotionalism. Because Nike has attempted so extensively to turn its claim to social responsibility into promotional capital, its sincerity problem in particular can only be addressed successfully in ways that minimize the appearance of direct promotional benefit. Regardless of the practical steps it can take to improve working conditions, wages, and worker rights, activist criticism, public suspicion, and the uncertainty these imply will doubtless persist as long as Nike continues to treat social responsibility as simply part of a broader promotional logic and strategy.

The broader implication for transnational corporations generally is not that they should disavow socially responsible claims and
practices. Ethics aside, this will continue to prove increasingly impossible as globalization extends the chain of consequences for organizational activity and as the expansion of commodification continues to make the values of civil society crucial to the construction of corporate identity and the legitimacy of corporate practices. Rather, the implication is that corporate social responsibility should be conducted and communicated separately from efforts to enhance market position. Corporate social responsibility should address its audience—inside and outside the corporate organization—as a community of citizens rather than simply a market of consumers and investors. It should recognize and be informed by the capacities of citizens for ethical-critical reflection and not see them simply as a limitation on or distraction from the short-term manipulation of consumer or investor desire. This involves a different kind of risk taking from that associated with competitive success alone.

For the antisweatshop movement, the challenge of communication is one of both access and content. Although the Internet has something of a democratizing effect on the capacity to communicate, it functions primarily as a tool to inform and motivate those who are already aware of and sympathetic to the antisweatshop campaign. Initial awareness still relies on “old” media, such as face-to-face communication, public spectacles, and coverage in the mainstream news media. The effectiveness of these is dependent on the cyclical character of protest activism and impact and the way that social problems and causes vie for attention and support. Content can offset this dependence in the sense that social movements need to build on and renew the way they frame social problems and their resolution. The sweatshop issue is a complex one; the antisweatshop movement has been most effective in drawing attention to aspects such as wage levels that can be framed and communicated in a simplified but effective way, such as comparing the average Nike worker’s wages to the sums paid to top Nike executives or celebrity athletes. The movement will have to continue to develop the framing of key issues such as wages in an accessible yet innovative way, especially if it is to attract the attention of the elite mainstream media, whose influence is essential in legitimating the issue but whose own search for new story topics and angles creates its own cyclical effects.
As economic globalization creates the conditions under which new forms of subpolitics can generate new axes of identification that cut across not only geographical but also social, cultural, and political distances, transnational corporations will see their symbolic power challenged in the public sphere. Despite the dominance of promotionism, the public sphere has not lost all together its function as an arena of critical discourse and debate that can counteract the reduction of communicative action to an affirmative instrument of strategic action. The reflexive, self-problematizing nature of promotionism on which the antisweatshop movement has drawn in its ethical critique of Nike is one aspect of the much broader reflexivity of late modernity in which problems arise as the side effects of past success (Beck, 1997, 2000). As economic globalization extends and intensifies the logic of market relations, transnational corporations such as Nike, which are the principal agents of this process, will be confronted increasingly with this reflexivity in the form of a mobile, diffuse, and decentered subpolitics. This subpolitics, whose authority rests primarily on its ethical resonance, will continue to turn the power of publicity back onto the marketplace and reclaim the values of civil society as an affirmation of identification, mutual understanding, and social solidarity rather than competitive success.

REFERENCES


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