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**STRIDE WRONG: EXPLORING THE COMMODITY CHAIN OF KEDS SHOES**

“Made in China.” It’s just a label. In fact, today, it’s a fairly standard label. So, when one finds such a label in a favorite pair of Levi’s jeans, a t-shirt from the Gap, or a pair of Keds sneakers, it’s not a cause for great alarm. As consumers, we often forget the origins of our clothes; we forget that a pair of Keds shoes was designed in Lexington, Massachusetts, with the oversight of a company in Topeka, Kansas, then produced in Kushan City, China, by a South Korean-based company, using materials imported from Korea, and then, once manufactured, imported into the United States, finding a place on a shelf in a Macy’s Department Store in Austin, Texas, before finally reaching the closet of a student at the University of Texas at Austin. In today’s increasingly global world, where commodity chains are longer and a consumer’s connection to that chain is at times limited, accepting a “Made in China” label at face value seems straightforward. This paper will seek to go behind that label, exploring the commodity chain of a pair of Keds sneakers.

Based in Lexington, Massachusetts, Keds claims to have trademarked the term “sneaker,” because the rubber soled shoes, which they first created in 1916, allowed one to “sneak” around without being heard (Keds). Today, the company is owned by The Stride Rite Corporation, which is also headquartered in Lexington (Hoovers). In addition to Keds, Stride Rite owns numerous shoe companies – Saucony, Sperry Top-Sider, Tommy Hilfiger footwear, Robeez, Grasshoppers, and Hind (Stride Rite Corporation). In 1997, Collective Brands, Inc., which is based in Topeka, Kansas, bought Stride Rite.

Collective Brands, Inc. also owns Payless ShoeSource and Collective Licensing, a “youth-oriented brand development, management, and licensing lifestyle company” based in Denver, Colorado (Hoovers). While the three companies work today as distinct entities, together, their competitive advantage is undeniable, as they comprise “the largest non-athletic footwear company in the Western Hemisphere” (Collective Brands, Inc.).

Once a pair of Keds is manufactured, the shoes are, for the most part, imported to the United States, which accounts for the majority of Keds’ sales. Stride Rite’s website lists retailers who sell Keds in countries around the world; according to the website, Keds are available in one store in each of the following countries: Australia, Bermuda, France, Germany, Greece, Hong Kong, Israel, Italy, Japan, Korea, Philippines, Portugal, Singapore, Spain, Sweden, Taiwan, and the UK (Stride Rite Corporation). Additionally, Keds are available in seven stores in Mexico (Stride Rite Corporation). While these stores are not listed on Stride Rite’s website, the business research company Hoovers adds to the list in reporting that Keds are also available in a few stores in El Salvador, Guatemala, and Venezuela (Hoovers). Despite this apparent international presence on the world market, it is evident that Keds primarily caters to the domestic market, as “only a small portion of the company’s profits come from international sales” (Hoovers). Domestic sales come from a variety of retailers; one can buy a pair of Keds at a department store like Nordstrom or Macy’s, from an independent retailer like Tyler’s Athletic Store, from a specialty retailer like Zappos.com, from a discount retailer like Overstock.com, or directly from Keds via their website (Stride Rite Corporation). Across these retailers, Keds markets itself as “an iconic American brand” that is both “casual and chic,” and identifies young women in their young to mid-twenties as its target customer (Hoovers).

While Keds markets itself as all-American, the company's shoes are in fact produced thousands of miles away from the United States, in China. The Keds website does not provide information on the manufacturing of its shoes, but the corporate Stride Rite website explains that nearly all of the company's shoes, including Keds, are imported from independent contractors in the "Far East," who manufacture shoes based on specifications that Stride Rite's companies provide (Stride Rite Corporation). While Stride Rite's website fails to specify on the company's exact manufacturing processes, other sources give us some idea of the source of the company's shoes.

In 2000, the National Labor Committee published a report on sixteen randomly inspected factories in China. One of these factories, located in Kushan City, sixty-five kilometers outside of Shanghai in Jiangsu Province, China, but run by South Korean-based Sun Hwa Footwear Company, was producing Keds (Nat'l Labor Committee). Additionally, in their book Critical Globalization Studies, Richard P. Appelbaum and William I. Robinson report that Keds sometimes contracts Yue Yuen Industrial to manufacture its shoes (Appelbaum). Yue Yuen, based in Hong-Kong but owned by Taiwanese multinational Pou Chen, has gained publicity for manufacturing shoes for several big name brands, including Nike, Adidas, New Balance, Asics, Converse, and Puma; indeed, the company is one of the biggest shoe manufacturers in the world, employing more than 150,000 people and controlling close to one-fifth of the world market (Appelbaum). The majority of the company's factories are located in Southern China (Appelbaum).

Because Keds uses independent manufacturers like Yue Yuen and Sun Hwa to produce its shoes, it is even more difficult to identify the origin of the raw materials used

in the shoes. According to the report published by the National Labor Committee in 2000, the Sun Hwa Factory in Kushan City imports the majority of its raw materials from South Korea; those few materials not imported from South Korea come from other Asian countries (Nat'l Labor Committee). Similarly, Yue Yen has worked to internalize much of its production, and today, supplies its own rubber, glues, and other materials necessary in its production of shoes (Clean Clothes Campaign).

While the exact working conditions in all factories in which Keds are manufactured are not known, based on information about Yue Yuen Industrial's factories, and the National Labor Committee's report of Sun Hwa's factory, there is some evidence of the conditions in which Keds are made. At the Sun Hwa factory in Kushan City, of the 1800 production workers in the factory, nearly all were women aged 16 to 25 (Nat'l Labor Committee). According to the National Labor Committee, each worker in the Sun Hwa factory was assigned to a special task – for example, drawing a pattern onto a piece of canvas – that she completed 6,000 times each day (Nat'l Labor Committee). Some workers, assigned to glue parts of the shoe together with only a toothbrush, were without gloves, a mask, or proper ventilation, despite the glue's disconcerting label: “XXX STRONG” (Nat'l Labor Committee). Additionally, the National Labor Committee inspectors described the Sun Hwa Factory as militaristic; going to the bathroom outside of the lunch hour required permission from a supervisor, and workers were only allowed to leave the factory at the end of the day – they left in single file lines – once they received the appropriate signal (Nat'l Labor Committee).

At Yue Yen factories, there is evidence of similar conditions; reports published by several Nongovernmental Organizations list apparent labor rights violations: “bad

treatment, sexual harassment, forced overtime, low wages (that is, lower than national law allows), poor safety standards, unjust employment contracts, limited access to the toilet, intimidation, and repression of (independent) labor unions” (Clean Clothes Campaign). A Clean Clothes Campaign publication also claims that workers in Yue Yuen factories are fined if errors are found in their work, if they go to the bathroom too many times during the workday, or if their onsite dormitories are not kept clean (Clean Clothes Campaign). Sociologist Anita Chan, of the Australia National University, described the militaristic style present during a new worker training at a Yue Yuen factory in 1996; during this three day training, “new recruits...march[ed] around the compound, being barked at by a drill sergeant. At 6.30 p.m...three formations, each of about 40 workers, were still being drilled...” (Clean Clothes Campaign).

Back in Kushan, managers at the Sun Hwa factory explained to the National Labor Committee that factory employees worked from eight to five, with an hour off for lunch, and that an average workweek lasted five days; however, the National Labor Committee did not confirm these claims with workers in the factory (Nat’l Labor Committee). For their work, the employees at the Sun Hwa factory received an average of 600 rmb, or \$79.92 each month, in 1999. This monthly salary translates to forty-two cents per hour (Nat’l Labor Committee). Bonuses were sometimes paid to workers, but rather than paying them to each individual, the Sun Hwa managers paid them to a group of workers on the same production line or to no one at all; such a system encourages workers to pressure one another to perform well (Nat’l Labor Committee). It is also important to note that, despite laws governing health and pension benefits in China, the Sun Hwa factory did not abide by these rules, and consequently, these wages did not

include any benefits (Nat'l Labor Committee). Additionally, while more than half of the workers at the Sun Hwa factory lived in onsite dormitories, the National Labor Committee was not able to confirm if worker's wages covered the food and housing expenses incurred while living in the dorms (Nat'l Labor Committee).

By no means do the conditions apparent in both the Sun Hwa factory and Yue Yuen factories represent the worker's best interests, but unfortunately, regulations to protect workers in China are scarce, as are worker's unionizing rights. While unions are present in China, in order to earn the state's recognition, these unions must join and abide by the rules of the All China Federation of Trade Unions (ACFTU), which is in turn controlled by the Chinese Communist Party (Global Policy Network). Some, including the Clean Clothes Campaign, accuse officials appointed to represent workers in the ACFTU of failing to keep worker's interests in mind (Clean Clothes Campaign). Indeed, it appears as though the Chinese government does not always protect workers; in the 1990s, the Chinese government had such a firm hand over unionizing in the country that participants in independent unions risked prison time, and strikes are against the law (Global Policy Network; Clean Clothes Campaign). Aware of this apparent inability to unionize in China, the Sun Hwa factory, previously located in South Korea, moved to China in hopes of avoiding unions (Nat'l Labor Committee). Yue Yuen has also taken advantage of China's unionizing policies, using "strong-arm tactics" and the threat of jail to ensure that any efforts at forming independent unions are quickly derailed (Clean Clothes Campaign).

Despite these apparent violations of worker's rights, both the Stride Rite Corporation and Collective Brands, Inc. work to convince consumers that they are

community-oriented companies. Stride Rite's website explains that the company continues to "stand firm" in its "commitment to children" (Stride Rite Corporation). As such, the company encourages its employees to volunteer with child-oriented service organizations like The United Way, Netpals, Annual Service Day, KABOOM!, Boston Scholars, and Helping Hands (Stride Rite Corporation). Meanwhile, Collective Brands, Inc.'s website details the company's "commitment to being a good corporate citizen by supporting programs and projects to improve the quality of life in the communities where our associates and our customers live and work" (Collective Brands, Inc.).

Unfortunately, Keds' commitment to improving the quality of life experienced by all of its associates is questionable, as it is evident that some of the workers Keds indirectly hires, through contracts with third party manufacturers, are working in poor conditions and with few rights. However, the situation is by no means hopeless. As consumers, we have the ability to look behind the label, to discover a product's commodity chain, and to demand more from the companies for whom we provide a market. Indeed, when big name companies like Nike and Puma, in fear of risking their reputations over the working conditions present in Yue Yuen's factories, began pressuring Yue Yuen to change its practices, Yue Yuen reacted, hiring more workers and increasing worker's wages (Clean Clothes Campaign). Fear of losing paying customers had caused Nike and Puma, and consequently Yue Yuen, to change its practices. Companies are receptive to the wants of customers, and consequently, it is up to consumers to incite change.

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