

E-TRADE HEEL

of Asian workers, by Jeffrey Ballinger

“Pendapatan” is the earnings column, and five lines below the base pay figure for the month (50,400 rupiah) is one for overtime. Sadisah and the other workers in this factory are compelled to put in extra hours, both by economic necessity and by employer fiat. Each production line of 115 workers is expected to produce about 1,600 pairs of Nikes a day. According to the column at left, next to “OT (JAM),” Sadisah worked 63 hours of overtime during this pay period, for which she received an extra 2 cents per hour. At this factory, which makes mid-priced Nikes, each pair of shoes requires .84 man-hours to produce; working on an assembly line, Sadisah assembled the equivalent of 13.9 pairs every day. The profit margin on each pair is enormous. The labor costs to manufacture a pair of Nikes that sells for \$80 in the United States is approximately 12 cents.

SUNG HWA CORP. INDONESIA OPERATIONS	
NDAPATAN	POTONGAN
50,400	PAJAK 0
0	ASTEK 525
0	SPSI 500
4,200	MAKAN 3,600
6,300	
19,845	
0	
80,745	TOTAL 4,625
	DITERIMA 76,120

Here are Sadisah’s net earnings for a month of labor. She put in six days a week, ten and a half hours per day, for a paycheck equivalent to \$37.46—about half the retail price of one pair of the sneakers she makes. Boosters of the global economy and “free markets” claim that creating employment around the world promotes free trade between industrializing and developing countries. But how many Western products can people in Indonesia buy when they can’t earn enough to eat? The answer can’t be found in Nike’s TV ads showing Michael Jordan sailing above the earth for his reported multiyear endorsement fee of \$20 million—an amount, incidentally, that at the pay rate shown here would take Sadisah 44,492 years to earn.

The words printed on the pay stub are in Bahasa Indonesia, a language created by fusing Roman characters with a dominant Malay dialect. The message, however, is bottom-line capitalism. “Per hari” is the daily wage for seven and a half hours of work, which in Sadisah’s case is 2,100 Indonesia rupiah—at the current rate of exchange, \$1.03 per day. That amount, which works out to just under 14 cents per hour, is less than the Indonesian government’s figure for “minimum physical need.” A recent International Labor Organization survey found that 88 percent of Indonesian women working at Sadisah’s wage rates are malnourished. And most workers in this factory—over 80 percent—are women. With seldom more than elementary-school educations, they are generally in their teens or early twenties, and have come from outlying agricultural areas in search of city jobs and a better life. Sadisah’s wages allow her to rent a shanty without electricity or running water.