

## **Nike endorses the Global Compact**

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In January 1999, United Nations Secretary General Kofi Annan called for a Global Compact with business to embrace nine universal principles of human rights, labor rights and environmental practices. At the same time, the International Youth Foundation, the World Bank, Nike and other companies were just putting the final touches on a new initiative called the Global Alliance for Workers and Communities. How do these two initiatives intersect?

The Global Compact asks companies to apply the nine principles to global operations; to support those principles publicly through web postings and dialog; and to engage in projects to support the principles. Our intention is to work within the Global Compact to expand our conversation on these issues with UN organizations, international NGOs and trade unions, in an effort to concentrate our outreach efforts, which now span dozens of organizations and many forums.

But the Global Compact is about more than dialog. It seeks to engage companies with other organizations in the broader work of development. Our first and most important role in that regard is to create jobs that attack the number one global issue: poverty. Our second is to make sure these jobs provide positive platforms for individual and community growth. We use overlapping means of compliance monitoring to measure our progress in this area, and as we move from compliance to partnerships, the Global Alliance enters the picture.

The Global Alliance is intended to have workers themselves define their needs through independent local academic and NGO assessors, and then to respond with programs that seek to address those issues. The Global Alliance has just finished its first 15 months of activities. The start-up phase has been devoted to Nike contract factories in Thailand and Vietnam. In September, the first Global Alliance development projects begin for these workers, which number more than 50,000 people. Similar work is about to begin in Indonesia, and then in China.

After independent assessment with thousands of workers in 12 factories, we are finding some consistent themes: workers all want better health care and more education, as well as specific training on reproductive health and child rearing. They also want help for their families. Nike, through the Global Alliance, has set aside funding for programs that will respond to these needs.

Our work with the Global Alliance, and similar work with other NGOs on micro-credit programs and worker education, has taught us that cross-sector cooperation has a far greater chance at success than one company or foundation going it alone. Our intention is to share the learning from the Global Alliance program with the members of the Global Compact, and to learn from this dialog how we can make this and our other initiatives scalable and sustainable.

As we go forward with the Global Compact, Nike commits:

- To involve senior management time in the Global Compact dialog;
- To share openly the successes and failures we have meeting its standards, a process we began this year with the posting of monitoring results on our web site([www.nikebiz.com](http://www.nikebiz.com));
- To work with Global Compact participants and United Nations organizations to strength cooperation among governments, NGOs, trade unions and business, and especially to enhance the role of the International Labor Organization as a standard-bearer of labor rights;
- To explore with participants the concepts of social auditing, with a goal that global corporate responsibility will be judged on the basis of generally accepted social auditing principles.

We firmly believe this is the right time for these steps. The Secretary General has provided valuable leadership to make these things possible.

