



## Best foot forward at Reebok

IT IS hard to be a well-meaning multinational these days. Your shareholders clamour for value, your customers too; but when you try to deliver, up jump non-governmental organisations (NGOs) to protest that you are exploiting poor-country workers. So local suppliers, to which you subcontract your manufacturing, have to be coaxed both to keep their prices down and to push their standards up—in ways that may seem reasonable in California, but look decidedly odd in Asia.

On October 18th, with commendable frankness, Reebok published a 41-page report on how it was walking this particular tightrope in Indonesia. The exercise revived memories of a report on Nike, compiled two years ago by Andrew Young, an American politician. Activists dismissed the report as a whitewash, and ran a campaign against the firm. Reebok has tried to tread more carefully. Its own report on its two main Indonesian suppliers was put together by an independent local firm, rather than a roving American, and its canny vice-president for human rights, Doug Cahn, visited Indonesia this week to check on how the changes were going.

One impression from the exercise is the difficulty of introducing industrial-

world values into industrialising-world plants. "No workers", says the report, "knew of any sexual-harassment incidents. In fact, many did not understand the [Indonesian] term for it." So the workers are being given training in "gender awareness" by a suitable Indonesian NGO.

Charged with forcing western values on reluctant Indonesians, Mr Cahn is unrepentant. Workers and managers both need to understand the consequences of their actions, he says. For example, there would be a thriving local market in empty chemicals containers, if the firm did not insist on their safe disposal. And many workers in the plants hate wearing protective clothing. "They have to be taught that it's for their benefit."

It is, though, a benefit that comes at a cost. The two Indonesian contractors have, Reebok reckons, each spent more than \$250,000 to meet the report's (relatively mild) criticisms. They must be grateful that the rupiah's fall means that their workers, fairly well-paid by Indonesian standards, are now a bargain in dollar terms. America's lucky athletes can thus buy shoes produced by Indonesians working in safer and more politically correct conditions—and at no extra expense.