

**AAUP-UW Statement Regarding
UW Provost Wise's Membership on the Nike Corporate Board,
And Administrators' Positions on Corporate Boards More Generally**

January 4, 2010

The Executive Board of the University of Washington Chapter of the American Association of University Professors (AAUP-UW) has written and unanimously endorsed the following statement:

As an organization committed to upholding academic freedom, advocating for faculty, and safeguarding the integrity of the institution to which we are devoted, the University of Washington chapter of the American Association of University Professors calls upon the Provost to reconsider her decision to accept a position on the corporate board of Nike, and resign that position, for the following reasons:

1. Conflicts of Interest: Issues Specific to the Nike Corporation

Nike is the UW's largest licensee for licensed apparel, and the beneficiary of a \$35 million contract as the exclusive provider of Husky sports apparel and equipment to the Athletics Department. At the same time, in recent years Nike has been accused of serious labor rights violations, including the use of forced labor, child labor, and other violations of international labor standards.

The conflict of interest created by the Provost's service on the Nike board threatens to undermine the university's ability to ensure fairness in the production of collegiate apparel. UW's system of grappling with labor rights violations relies upon faculty, students, and staff engaging with the record of the university's business partners -- chief amongst them, Nike. The University's Advisory Committee on Trademarks and Licensing (ACTL) recently voted that Nike is in violation of the UW Code of Conduct due to its failure to take effective action after its contractors in Honduras closed down two factories after they unionized, without paying their workers as required by law. These cases came to the university's attention in part due to faculty advocacy. The committee's vote was unanimous on one of two counts, and recommended placing the company officially on notice for breach of contract.

While Nike is not the only corporation whose actions have been criticized on labor rights grounds, it is this University's chief business partner in apparel licensing; if we are to hold the company to the standards we lay out in our Code of Conduct, we must ensure that our institution allows and encourages criticism of their operations. The Provost's service on the Nike board creates a conflict of interest with regard to policies to which the University is committed.

Furthermore, these developments should be placed in historical context. For the last decade or more, university campuses have been the cutting edge of the global anti-sweatshop movement. The most dramatic victories have come as a result of campus activism (witness the recent landmark victory over Russell Athletic in Honduras, thanks to student activism:

<http://www.nytimes.com/2009/11/18/business/18labor.html>). UW has played an increasingly important role in these battles at the national and international level, but there is a long tradition of Nike's attempts to intimidate universities from taking the antisweatshop movement on their campuses seriously. At the University of Oregon, Nike's Phil Knight cancelled a \$30 million donation following the University's affiliation with the labor rights monitoring organization Worker Rights Consortium (WRC) in 2000; the donation was reinstated when the University abandoned its affiliation. During the last decade, Nike engaged in similar bullying tactics at the University of Michigan and Brown University over membership in the WRC. In this context, in which Nike has repeatedly used its considerable wealth to stifle criticism on university campuses, Provost Wise's decision to accept a position on Nike's corporate board creates a conflict of interest that is particularly worrisome. The Governor's recent appointment of another Nike board member, Orin Smith, to the UW's Board of Regents only adds to this concern.

2. Academic Freedom: Issues Specific to the Nike Corporation

Because of the Nike Corporation's troubling record with regard to labor issues, faculty, students and staff committed to labor rights have been vocal in their criticism of the company's practices. Provost Wise insists that she has recused herself from all decisions relating to the university's contracts with Nike. However, as chief financial officer for the university, she cannot responsibly recuse herself from a financial issue as significant as a multi-million dollar apparel deal. Nor can she, as chief academic officer, recuse herself from the role in day-to-day decisionmaking on matters of campus governance which lie at the core of her responsibilities. Whether or not Provost Wise allows her obligations to Nike to color her relationships with faculty, her simultaneously occupying roles as a decisionmaker in matters of faculty governance and as an advocate for Nike's interests creates the appearance of impropriety. This raises concerns about academic freedom, in that it may be expected to discourage UW faculty with research expertise on issues related to Nike's labor violations from speaking out publicly and critically (as some do) regarding these issues, and will likely have a chilling effect on future research related to labor violations in which Nike is implicated. It may not be Provost Wise's intention to silence criticism from labor rights experts. But when faculty report to a provost who is on Nike's payroll, institutional incentives favor tolerance for sweatshop abuses. This is not in the best interests of academic freedom nor of the university.

3. Issues Related to Administrators' Positions on Corporate Boards

Statements made publicly by the university's leaders in the context of the recent spate of news coverage reveal curious and problematic ambiguities surrounding the mechanisms for review and approval of decisions such as Provost Wise's decision to accept a position on Nike's board. According to a December 12th 2009 front-page article in the *Seattle Times*, "medical-school officials have said Wise doesn't need their clearance because she took on the position in her capacity as provost." Yet a subsequent KUOW radio piece reports that "University spokesman Norm Arkans says the President and the Provost serve on their boards as private individuals, not in their official university capacities." When the Provost, who is also a faculty member, accepts a position on Nike's corporate board, is she acting as a faculty member, as Provost, or as private citizen? Important questions of university governance are at stake in how this question gets answered.

Phyllis Wise clearly was not simply plucked from obscurity as a “private individual” by the Nike Corporation. Nor is it clear why she or President Emmert, both of whom are also members of the UW faculty, should be any more free to act “as a private individual” outside the existing regulations than any other member of the faculty. Since Phyllis Wise is a member of the faculty, her consideration of a position on Nike’s board should be subject to the same mechanisms already in place, for review and approval of the outside activities of faculty members, including service on corporate boards. When companies seek to work with university faculty, however, it is generally on the basis of the faculty’s expertise in particular areas of research relevant to the company’s activities. It is difficult to see what special interest the Nike Corporation could possibly have in Phyllis Wise’s research expertise in obstetrics and gynecology. Rather, it seems clear that, as the *Seattle Times* suggests, it is “in her capacity as Provost” that she is being offered this position and is accepting it. In other words, the specialized knowledge and insight that Phyllis Wise has to offer to the Nike Corporation is not her research expertise, but rather her knowledge of (and association with) the University. The Provost’s decision may have been reviewed by legal experts and deemed legally permissible, but it is clearly not in accord with established governance mechanisms, nor is it the right thing to do.

AAUP-UW submits that it is not in the interest of the University for its top administrators to offer up knowledge about the institution gained in the course of serving in a leadership position within it, to the Nike Corporation or any other private company in the form of a consultancy or service on a corporate board -- especially when income from that consultancy goes not to the university itself but into the pocket of the administrator. This holds not only for the Provost but for the President as well. The University spends a significant amount of money to pay its top administrators, and it is only fair for the University to expect that the individuals receiving that compensation act on behalf of the University and avoid even the appearance of conflicts. In this respect, the salaries of UW’s top administrators might be understood in terms of the argument made regarding police, legislators, and public servants more generally: that they must be compensated fairly in order to avoid creating conditions conducive to corruption. The obligation that this places upon such public servants is crystal clear: they must not enter into any agreement or accept any position that creates even the appearance of impropriety or conflict of interest.

4. The Public Image of the University

The University of Washington has recently suffered unprecedented cuts in state support, with more soon to come. Never has it been more crucial for the survival of the institution that its leaders have credibility with state legislators in Olympia. In a time of economic hardship, when the citizens of the state that we serve are suffering, the Provost’s decision to accept a position on Nike’s corporate board has drawn unwelcome and harmful public attention to her and to the President, both of whom already earn excessive salaries and, by accepting lucrative positions on corporate boards, seem clearly to be cashing in on their public positions. This kind of attention is directly harmful to the interests of the University. It seriously undermines the President’s ability to advocate on behalf of the institution and its needs. State legislators who read the *Seattle Times* are likely to share the view of the newspaper’s columnist who, in a piece published December 18th, 2009 cited the Provost’s and the President’s high salaries and corporate board positions as

evidence that President Emmert's appeals for more state funding for UW are a case of "crying poor" and "crocodile tears." This is extremely damaging and entirely unnecessary.

In sum, AAUP-UW calls upon Provost Wise to step down from Nike's corporate board. We further call upon the university community as a whole to stand together in defense of academic freedom, the integrity of the university, and the vital interests of this institution.