

Bloomberg

Notre Dame Says No to 'Made in China' on Fighting Irish Goods

By Mark Drajem - May 17, 2011

The University of Notre Dame's campus [bookstore](#) sells "Fighting Irish" lettermen jackets, "ND" license plate frames and stadium cups picturing the school's leprechaun mascot. Not for sale: anything made in [China](#).

Ten years after adopting the policy, Notre Dame remains the only major U.S. university that forbids license holders such as [Adidas AG \(ADS\)](#) to put the school logo on any product from China, according to groups that track college merchandising.

Notre Dame prohibits the goods because China, the top source of U.S. imports, doesn't permit independent labor unions, according to a college policy document. The ban is attracting fresh attention from Washington lawmakers who say China has begun a renewed crackdown on dissidents.

"What Notre Dame is doing is very, very important," Representative Frank Wolf, a Virginia Republican and chairman of the Appropriations Committee panel that oversees trade, said in an interview. "China is a particularly bad place to do outsourcing, and the American people are totally opposed to it."

Wolf said he will press Virginia universities to impose a similar ban and ask colleagues in Congress to get their constituent groups to follow the lead of [South Bend](#), Indiana-based Notre Dame.

\$4.3 Billion Market

College-branded products are a \$4.3 billion-a-year business, according to [Collegiate Licensing Co.](#), which helps schools manage their trademarks. In its most recent rankings, Notre Dame was 11th in licensing revenue among almost 200 colleges tracked by the Atlanta-based unit of sports agency IMG Worldwide Inc.

The University of [Texas](#) tops the list with \$10.15 million in revenue from licensing in the last fiscal

year. Notre Dame doesn't disclose how much it makes. Among leading suppliers are [Electronic Arts Inc. \(ERTS\)](#), the video-game publisher, and [Nike Inc. \(NKE\)](#), the largest maker of athletic shoes.

Under pressure from students protesting conditions for workers sewing shirts or stitching soccer balls in nations such as [Honduras](#) and the [Dominican Republic](#), about half of major universities in the past decade have adopted codes of conduct for suppliers of companies that license their brands, including Texas and Notre Dame, according to Collegiate Licensing.

"This was galvanized by campus action," Liz Kennedy, vice president of the company, said in an interview. While many institutions have standards for purchases, only Notre Dame has a countrywide boycott, she said.

Consumer Backlash

Chinese-made products dominate U.S. consumer goods such as sports equipment, shoes and clothing. The nation sent \$26.9 billion of toys and sports items, \$16.7 billion of footwear and \$33.5 billion of apparel to the U.S. in 2010, according to Commerce Department data.

Imports from China have prompted a backlash among some consumers and lawmakers worried about job losses in the U.S. and the competitiveness of American-made products.

"The issue that we are dealing with now is: What is not going to be made in China?" Senator Bernie Sanders, a Vermont independent, said at a [hearing](#) Feb. 15.

Notre Dame said its policy on Chinese products is tied to workers' conditions in the world's most populous nation. A standards code adopted by the Catholic university in 1997 requires freedom of association and the "right for workers to organize and form independent labor unions of their own choosing." It implemented the ban on Chinese products four years later.

'Economic Justice'

A human rights [report](#) released by the U.S. State Department in April reinforced the university's position, concluding that Chinese law "does not provide for freedom of association, as workers were not free to organize or join unions of their own choosing."

[Wang Baodong](#), a spokesman for the Chinese embassy in [Washington](#), didn't return telephone calls and e-mail messages seeking comment.

"Our approach has been informed by [Catholic](#) social teaching, particularly the principle related to

economic justice,” Michael Low, Notre Dame’s director of licensing, said in an e-mail.

Some sporting-goods companies have “decided against doing business with the university” after reviewing the policy, Low said. NorthPole LLC, a maker of camping and tailgating supplies, has obtained all its branded portable chairs and canopies in China, and thus couldn’t apply for a license from Notre Dame, said Cheryl Cantwell, a brand development manager for the privately held Washington, Missouri-based company.

“Most of these products are made in China,” she said in an interview. The company is now tapping its tent-making factory in [Bangladesh](#) to come up with canopy samples it can submit to Notre Dame for approval, she said.

Slower, Costlier

Notre Dame’s requirements slow the introduction of products by about a year or result in higher prices because of steeper shipping costs or more convoluted transport channels, said Brian Finegan, manager for licensing and business development at a subsidiary of [Jarden Corp. \(JAH\)](#), a Rye, New York-based company that sells canopies, footballs and other sporting goods under brands such as Coleman and Rawlings.

“We can source products elsewhere, but our sourcing leverage is sometimes limited,” Finegan said in an interview. “Sourcing somewhere else solely for Notre Dame” creates longer lead times, he said.

Adidas signed a 10-year contract with Notre Dame in 2005, which the university said at the time would be valued at more than \$60 million. Adidas, which provides the varsity teams with jerseys and footwear, complies with the prohibition on Chinese-made goods, said Lauren Lamkin, a company spokeswoman.

Collective Pressure

Also among [license](#) holders are [Columbia Sportswear Co. \(COLM\)](#), the JanSport unit of [VF Corp. \(VFC\)](#) and Electronic Arts, according to Notre Dame’s website.

“Fighting Irish” T-shirts sold by Herzogenaurach, Germany-based Adidas on the campus in recent years were made in Honduras, Nicaragua and the U.S., and baseball caps from other companies were made in Haiti and [Vietnam](#).

In addition to China, Notre Dame bars products from countries including [Saudi Arabia](#), [Iran](#), [Laos](#),

Qatar and [Turkmenistan](#). None is a major supplier of sporting goods. Notre Dame is also a member of the Fair Labor Association and the Worker Rights Consortium, groups that monitor specific factories for universities.

While laudable, Notre Dame's policy may not do much to change a country's practices, according to Susan Aaronson, a professor of international trade at George Washington University in Washington. By staking out its own approach, [Notre Dame](#) loses the impact of many universities putting collective pressure on suppliers, she said.

"You have to have enough demanders of good labor protections," Aaronson, who writes about China and labor rights, said in an interview. Notre Dame's ban "is not a mistake, but it is likely to have little impact on behavior in China."

To contact the reporter on this story: Mark Drajem in Washington at mdrajem@bloomberg.net

To contact the editor responsible for this story: Larry Liebert at lliebert@bloomberg.net

©2011 BLOOMBERG L.P. ALL RIGHTS RESERVED.