

## Corporate Predators Michael Eisner vs Vietnamese Laborers

# Michael Eisner vs. Vietnamese Laborers

(Excerpted from the book "Corporate Predators")

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If greed is good, as Michael Douglas infamously stated in the movie Wall Street, then Disney CEO Michael Eisner must be a saint.

Last year, the Disney executive received compensation of more than \$575 million. On top of his \$750,000 salary, Eisner claimed a \$9.9 million bonus and cashed in on \$565 million in stock options.



This is not the first mega-pay haul for Eisner. From 1991 to 1995, he took in \$235 million. A decade ago, in 1988, he collected more than \$40 million—a compensation package which led to shrieks of outrage.

In Eisner's defense, it can be said that giant salary grabs are increasingly the norm among big company CEOs. Among the heads of the largest U.S. corporations, CEO average compensation is \$5.8 million. CEO pay rose 54 percent from 1995 to 1996 (final 1997 figures are not yet in) and have risen almost 500 percent since 1980.

Skyrocketing CEO pay does not represent a massive expansion of the economic pie

from which all corporate stake-holders are benefiting. While executive pay increases partly reflect rising returns to shareholders, workers have received almost none of the benefits showered on those at the top.

Average hourly earnings for working people have actually dropped since 1980, from \$12.70 (in 1996 dollars) in 1980 to \$11.81 in 1996. The ratio of big company CEO pay

to factory workers' wages has ballooned from 44 to-1 in 1965 to more than 200-to-1 today.

There is no sharing of the economic pie here.

Rising executive compensation and flat or declining wages for workers both reflect a single reality: the diminished power of organized labor.

If enough CEOs start taking home Eisner-like wages, then public outrage may work to curb executive compensation. But it is hard to imagine a concerted effort to rectify the imbalance in executive and worker pay in the absence of a resurgent labor movement. There are no signs of self-restraint or enlightened generosity among the employer class.

As severe as the wage disparity is between U.S. executives and U.S. workers, however, the differential between the executives and Third World workers at whose expense they increasingly profit is staggering.

Disney, to its everlasting shame, has in recent years out-sourced production of Disney clothing and toys to sweatshops in Haiti, Burma, Vietnam, China and elsewhere.

Last year, the Asia Monitor Resource Center, a labor monitoring organization based in Hong Kong, reported on the operations of Keyhinge Toys, a factory based in Da Nang City, Vietnam that makes giveaway toys based on characters in Disney films which are distributed with McDonald's Happy Meals. According to the Asia Monitor Resource Center, the approximately 1,000 workers in the Keyhinge factory in Vietnam earn six to eight cents an hour, far below the subsistence wage estimated at 32 cents an hour. The workers-90 percent of them young women 17-to-20-years-old-are required to work mandatory overtime, with 9-to-10 hour shifts required seven days a week. In February 1997, a combination of exposure to toxic solvents, poor ventilation and exhaustion caused 200 workers to fall ill, and 25 to collapse.

On an annual basis, the workers at Keyhinge are making approximately \$250 a year.

Less than one-fifth of Michael Eisner's pay-\$100 million-would be enough to quintuple the wages of each of the 1,000 Keyhinge workers-giving them a still inadequate, but at least living wage-and to pay them for 100 years! That would leave Eisner with \$465 million for 1997 alone.

To call this kind of disparity "Dickensian" is to understate the nature of the problem dramatically. Globalization has wrought unprecedented and unconscionable gaps in income and wealth.

The system is out of whack, and it is going to take more than a little tinkering to set it right.

