



South Korean Production

In the 1980s, South Korean workers made many of the world's sneakers. They worked for low wages and were very productive. However, wages went up over time. South Korean companies moved production to countries where pay was still low. Now they "offshore" their work the same way American companies do.

Moving Offshore

This map shows how sneaker production has moved over time. In the 1970s, it went from the United States and Europe to South Korea, Taiwan, and Japan. By the 1990s, production shifted to China and Southeast Asia. Lower labor costs have been the reason for these moves. Sneaker production may move again, perhaps to low-wage Africa.

32.5 Manufacturing the Global Sneaker

By now you know that sneakers are not simple shoes. A lot of labor goes into creating their designs and materials. But that's not all. Manufacturing sneakers is also a complex job. A single sneaker may have more than 50 pieces. It can require the work of 120 people to put together one pair of shoes.

What Happened to "Made in U.S.A."? Most sneakers used to be made in the countries where they were sold. In the 1960s, simple canvas and rubber sneakers were still being produced in the United States, Britain, and Germany.

In the 1970s, however, sneakers became more complicated. The number of styles increased, and the designs became more complex. As a result, more labor was needed to assemble these shoes, and production costs began to rise. Eventually it became too expensive to make shoes in high-wage countries like the United States.

Production Moves to Low-Wage Countries Faced with high costs, sneaker companies began to move production offshore, or to other countries. At first, sneaker production moved mainly to South Korea, which offered a number of advantages. This country had a large pool of low-wage workers, and it had factories that could be used to make shoes. In addition, South Korea had ports for shipping raw materials into the country and finished sneakers out.

Over time, however, wages in South Korea rose. As a result, manufacturing shoes there became less profitable. In the 1990s, production shifted again, this time to China, Indonesia, and Vietnam. All three of these countries offered the same advantages that were once found in South Korea.

In fact, many of the sneaker factories in these countries were set up and run by South Korean shoe companies. Rising labor costs at home had led the South Korean companies to move their production offshore. This was just what American and European companies had done 20 years earlier—and for the same reasons.

Where Sneakers Are Manufactured

