

**Subject: Lance Compa (LC)**  
**Date: October 18, 2011**  
**Interviewer: Milli Lake (ML)**  
**Transcribed: Ryan Jones**  
**Edited by: Alicia Arnold**  
**Duration: Begins at 00:00/Ends at 01:26**

[PART ONE]

ML: Today is the 18<sup>th</sup> of October 2011. It's 4:30. My name is Milli Lake and this interview form is part of the Brand Responsibility Project housed at the University of Washington. So, if I'll just begin by asking you to state your name and title for the record.

LC: Lance Compa, Senior Lecturer, Cornell University School of Industrial and Labor Relations.

ML: Okay, perfect. So I just wanted to start by asking you talk a little about your position here at the university and how you became involved in labor issues.

LC: I am on the faculty here where I teach courses on U.S. Labor Law, strictly domestic U.S. Labor Law, but also International Labor Law. That's become my specialty over the years and so I teach courses titled International Labor Law, another course titled Corporate Social Responsibility. I've taught courses on immigrant workers and labor rights in the United States and other relevant courses. I got involved in labor issues going back to when I first finished law school. I have a law degree and I went to work in the trade union movement as a union side organizer and negotiator and lawyer and did that for many years before I transitioned into the academy where I teach now.

ML: Okay, thank you, and am I right for thinking you are on the board for the licensing oversight committee here at Cornell?

LC: I'm on the Licensing Oversight Committee, there's not a board.

ML: Okay, so if we start with the Nike case. If you could perhaps tell us what the issues were of concern to Cornell and how you first learned of those issues?

LC: The problem was the closure of a Nike factory in Honduras, which was producing Nike products without paying severance pay that was required under the Honduran labor laws and the question was whether Nike had any responsibility to the workers for the severance pay that they did not receive. The complication was that these workers were not employed by Nike. They were employed by the subcontractor of a subcontractor and it's even more complicated than that. It came to my attention because I get alerts from the workers right consortium and United Students Against Sweatshops and I'm on various listserves - internet notification ventures like Labor Start, which is another website that has international labor news. So, I found out about it as soon as it was made publicly known.

ML: Could you talk us through how the process unfolded here at Cornell when it came to your attention, and the university's attention, that there was a problem with Nike? What course of action did you take next?

LC: Cornell participates in both the Workers' Rights Consortium and the Fair Labor Association and the case was quickly brought to the attention of those two multi-stakeholder bodies. United Students Against Sweatshops made it a priority campaign in its work and at Cornell, we have a group called C.O.L.A., Cornell Organization for Labor Action. They are the Cornell USAS-affiliate. As part of their USAS work, the Cornell group made it a priority here and began calling for Cornell to take action against Nike to convince Nike to satisfy the severance pay needs of the affected workers. That took the form of general student activism, demanding meetings with the administration, and there were some demonstrations. There's a public plaza area at the campus where I think demonstrations were held, leaflets were passed out and so on. Two of the workers who had suffered the consequences of this plant closing with no severance pay did a national tour and included Cornell on their tour. They met with our licensing oversight committee in a small meeting and they did a presentation to a bigger group of students.

ML: Were there others actions similar to this previously, that we might not be aware of, that the university was being pressured to take action by the students?

LC: COLA's done a number of actions not always related to sweatshops conditions in Latin America. A few years ago, for example, there were concerns about the treatment of meatpacking workers in the United States and violations of labor standards and labor conditions, so COLA had some meetings with the administration to try ensure that Cornell, which runs its own food services operation; it does not subcontract to some other group, Cornell has its own food services. Students wanted Cornell to make sure that they were sourcing their meat products from places that treated workers well. So yes, there have been other examples but I have to say the Nike and the Russell campaigns probably reached the highest level of activity and outcome.

ML: Could you talk a little bit about the Oversight Committee, your processes and procedures, for when an issue like this comes up?

LC: It's not highly formalized. I've never seen, for example, terms of reference for the committee. I think it's more ad hoc. It's formal in the sense that there is a committee, there are named members of the committee but we usually respond to calls from Mike Powers who's the administration's person and handles those things. We meet and discuss and try to reach a consensus on these issues. It's an oversight committee and it's basically advisory, the committee does not have decision-making powers about these things. It makes recommendations but then it's up to the administration and ultimately the President of the university to actually make the final, hard decision.

ML: Were the majority of the meetings discussions over whether or not you should recommend to the president to allow the contract to expire or were there other kinds of questions that came up as well?

LC: That was the central question. Whether to recommend to Cornell, whatever the technical steps were required to end this contractual relationship. You would get into nuanced questions like do we want to cut off the contract right now or do we say, well we want to see progress, we want to see a solution. Then down the road, part of the problem, if I remember right with Nike, is that we were in the middle of a contract with Nike and there were some contractual obligations that foreclosed the possibility of just stopping it right then and there. But we could say, when the contract expires if this problem is not resolved, then we'll take steps. So, we didn't have more than three or four meetings, to be honest. It's not like we meet on a regular schedule, it's very ad hoc.

ML: And how long of a period was this?

LC: Probably over a three or four month period. When the campaign reached a critical point, when decisions really had to be made.

ML: Would you say there was a lot of consensus on the committee or were people kind of pushing different courses of action?

LC: There were different points of views from people from the athletic department who also participated in the committee. They were concerned about the effect of losing the Nike deal because it was a good deal for them, because they basically get free uniforms and, I don't know exactly what the arrangement is, but it's favorable to them. So, they were somewhat reluctant, or they weren't leading the charge to cut off Nike but they saw the issues in an overall perspective. In the end, there was pretty much a consensus in the group.

ML: What was your position in whether or not to terminate the contract or allow the contract to expire? Did you have personal course of preferred action?

LC: Well, I'm a lawyer so I am not inclined to recommend breaking a contractual obligation because you can suffer some consequences with that. But I was in favor, the strongest possible action that was open to us without violating any other public obligations. So in my personal role, I pushed very hard to tell Nike that you've got to fix this or Cornell is going to end its relationship with Nike at the first opportunity.

ML: And does Cornell have its own Code of Conduct with its licensees or do you rely on the FLA code of conduct?

LC: You know, I should know the answer to that. I think that Cornell relies on the Fair Labor Association and the Workers Rights Consortium's codes as the basis of its code. Cornell might have adopted something that reflects that but the discussions were always about the WRC and the FLA codes. It may be that Cornell has its own code but I don't know for sure. Most of the discussion centered on something that's probably in all three of the codes, which is, you know, the supplier factories to Nike are supposed to obey the laws of the country where they're in business. You know, it's that simple, and usually the reason it gets complicated is that when people wrote that clause they probably weren't thinking about severance pay laws, which runs into huge amounts of money. They were thinking about minimum wage laws or non-

discrimination laws, things that are more bounded and easier to identify problems and correct them. But this is a question of the severance pay of a thousand people. That was a new issue that we had to confront.

ML: Yes, it seems like a majority of discussions at University of Washington committee meetings were on two distinct issues. Whether University of Washington licensed goods had been produced at those factories, which was never entirely clear, and the second issue was disclosure of information by Nike. Nike's ability, or inability, to disclose whether or not that had been the case. That was the ultimate kind of sticking point for the committee. Was that comparable here in the meetings?

LC: I don't think there was, there was a question of how much Nike production had been performed at that factory. Cornell had a relationship with Nike so, you know, that was there. We didn't have to look around for some way to connect Cornell to Nike. Cornell was connected with Nike.

ML: There wasn't so much concern about whether Cornell goods had been in those specific factories, if Nike was responsible?

LC: No there wasn't. Cornell and Nike are in a mutually beneficial relationship but Nike is supposed to abide by these terms.

ML: Okay, that's interesting. So where in these meetings was most of your information coming from? Was it mostly WRC or did you have direct communication with representatives from Nike?

LC: We had information from various sources. The WRC, USAS was putting out information. It wasn't only the WRC, although the WRC was very active in this campaign and getting information about it. Then of course the affected workers came to Cornell and we had direct interchange with them.

ML: So let's just turn to the Russell case briefly. Could you just relay the Russell case in a similar fashion? What were the issues and how did they come to your attention? How did the committee proceed?

LC: Russell closed a factory in Honduras where a union had recently been formed and it was significant at the formation of the union because it was the first or at least the most recent case of a significant factory gaining union representation, or workers gaining union representation. Russell closed the factory and the disputed issue was whether Russell closed it solely because of economic considerations without any anti-union bias or if anti-union bias was actually the motivating factor. The union at the factory and the Workers' Rights Consortium, USAS and the advocacy community, generally made the latter argument. That it was motivated by anti-union bias and Russell defended itself by saying no, it was strictly an economic question, this particular product we make in the factory was not doing well and they had to consolidate operations and so on. People made their arguments and again, the FLA and WRC had various experts look at these questions and come up with findings. The findings themselves were somewhat debatable or in

dispute. It's impossible to prove what's in somebody's heart of hearts. Russell is not going to say 'we closed the factory because we don't want the union'. It's one of those things that's impossible to prove. So basically, it came down to the campaign then, and whether the campaign would be successful in having Russell correct this perceived injustice, regardless of what the motivation was. It came to our attention in the same way generally. The workers and their union, CGT, in Honduras have allies in the United States and in NGOs and in USAS and the WRC. So they turned to them, a general alarm is put out to this advocacy community at large and people start organizing and reacting. Since it implicated universities, again: a big part of Russell's business. This is why there was leverage in the University community because a big part of Russell's business involved university apparel and Russell's selling its goods to universities and in university bookstores.

ML: In both of these cases, it seems that there were a lot of faculty at Cornell who were very active on this. How important do you think student activism was in keeping these issues on the agenda?

LC: On a scale to 100, the student activism is 99% of it. There's only so much we faculty can do. We write our articles and so on, and maybe the article gets published in a year and a half, and then who cares. So, the student activism really was the key. First of all, the organizing and solidarity on the ground in Honduras, that's the genesis of it. And the fact that USAS and the student-affiliate groups at Cornell and other universities took this on as a priority and pushed their administrations to take action. That's really what swung the campaign.

ML: Could I ask you to speculate a little bit? I appreciate that you don't know what was going on specifically with the corporations, but what did you perceive their [Nike and Russell's] primary concerns to be throughout these negotiations?

LC: I never had any direct interchange with Russell's officials at that time. I have since then. But at the time, I wasn't involved so I don't know what was going on between Russell and Cornell or the other Universities.

ML: With Nike, did you have direct conversations with them?

LC: Not during the campaign phase. Later on, after the situation was resolved, they asked me to oversee the payment system for recompensing the workers who did not get their severance pay.

ML: Why were you surprised by the outcomes of these two cases? Did you expect that the cases would be resolved in the way that they were, or not?

LC: Since it was a campaign that developed over time, as the campaign accelerated and escalated, I became more and more convinced that Nike and Russell were going to have to do something about this. Early, when it first started and they were both digging in their heels, I mean Nike first said: 'we have no responsibility for the subcontractor of a subcontractor who didn't pay the severance pay'. Russell said: 'we closed that factory for strictly economic purposes and that factory is gone and stop bothering us'. At that point, I thought well, if they are really digging in then it would be tough to get them to change. But as the campaign got traction

and kept on going, they're going to have to do something. By the time they did something, it was a pleasant surprise but not a shock. If somebody had said when it first started, when they were really digging in their heels, you know actually you're going to win this in the end, I think I would have been surprised.

ML: It's evident USAS has incredible connections, cross-campus connections, across the country. Did you have connections or conversations with representatives from other schools as well?

LC: No. I mean, I know faculty at other universities who are working in this field, it's their area of scholarship and research but it's not like we coordinated, "here's what we're going to tell our administration." There was none of that I am aware of, at least I didn't do any of it.

ML: Could you say something about the role of universities in general in pressuring corporations?

LC: I wouldn't minimize the economic force of the universities relationship to these brand name companies because, taken in the aggregate, it's a multibillion dollar business. You know, less so at Cornell but the thing Cornell brought was the Ivy League brand, compared to some of the big state schools who are the football powerhouses and the basketball powerhouses. I mean, Cornell is not Duke or Notre Dame, or Washington for that matter, when it comes to athletics. But, you know, for all these companies, the brand is their prize. Having a relationship with an Ivy League school reflects well on them and on the brand. That gave Cornell some leverage that maybe wasn't economically as much as Duke or Notre Dame, but in terms of the companies not wanting to have this tarnish their brand because a respected university like Cornell, broke its relationship with them because of this. I think that universities actually have quite a bit of sway in these debates and issues.

ML: Yeah, it's something that has come up. Corporations expect NGO's and student groups to make allegations but there is something very credible about a university formally taking a position that might also influence their behavior.

LC: Yeah, that's right.

ML: Thank you. So, let's talk a little bit about your role in overseeing the distribution. Would you be prepared to talk about what your role?

LC: Yeah. It's very straightforward. This is in the Nike situation, where Nike ultimately agreed to pay the severance that the workers had not received from their primary employer, which was a subcontractor of a subcontractor of Nike. Nike agreed to pay it and Nike and the union and the WRC and the AFL-CIO solidarity center in Central America, were also a part of this mix. They asked me to be a neutral overseer of the payment system and the actual payout to the affected employees and I agreed to do that. The agreement with me called for like an interim report and a final report and I supplied those two reports. I shouldn't think that they're confidential but I would have to get permission if I were to share them. But I don't mind talking about them, it's not like there was a big secret. What I found was that everything was done correctly. I got lists of

employees, copies of bank statements, copies of bank records about the transfer of each individual's payment to that individual's bank account. I was able to verify that (well, because you're talking a thousand people, there's going to be some slippage, you know), but all but a handful of people who couldn't be located for one reason or another, maybe they died for all I know. In a group that large, you're not going to find every individual to give him or her the money, but it's clear that the union extended itself as far as possible to identify people, that people came in and got their money, they signed the papers. Everything was done very properly. It was clearly a really good organizing, bookkeeping job by the union people who administered it on the ground.

ML: Could you give an average of how much each of the employees took home from the settlement? Or is that just too diverse?

LC: It's very diverse because it was based on years of service, so obviously someone with ten years got twice as much as somebody with five years. It was in the order of a few hundred dollars. This is a low wage country, so a few hundred dollars actually goes a long way.

ML: In these reports, have you heard much about what the workers have been doing since, in terms of the Priority Rehiring and Vocation Training Program?

LC: It's not been part of my responsibilities, so I don't know. I think like a long time ago the WRC, which was staying closer to the situation, put out a report about rehiring and whether Nike was doing the best they could, but I really don't know anything about that. That would be pure speculation.

[PART TWO]

LC: Going back to the Russell situation. You know, the Russell situation was resolved favorably from the union and the student's point of view when Russell agreed to reopen the factory, that it had closed and Russell never conceded that it had closed it for anti-union reason but it doesn't really matter because they agreed to reopen the factory, rehire the workers, recognize the union, enter into collective bargaining. This was in a 2009 agreement that I think is on the record, you should be able to get a hold of that, and that agreement called for the creation of what's called an oversight committee, a five person oversight committee, and also the oversight committee would choose an Ombudsperson. It could be Ombudsman, Ombudswoman, in this case it was Ombudsman because I'm the person that they chose to work with the oversight committee helping the two sides to develop a healthy collective bargaining relationship. And they reached a contract agreement in May of this year, so now they're in the stage of administering the agreement and trying to resolve grievances and problems that arise because it's in the nature of work that problems arise and people have grievances. So the oversight committee and I went to Honduras last month for a series of meetings with the management, with the union, with the two parties together, talking about ways to enhance the relationship and make it more productive for both sides. We're still in the early stages of that, this was our first visit in the wake of the May collective bargaining agreement that we're trying to get up and running with the system for continued oversight and helping the parties to have this healthy relationship.

ML: How often do you anticipate going down for the oversight committee?

LC: They asked us, “Can you give us a regularly fixed schedule?”, like once a month, that’s totally impossible, but we didn’t want to lock ourselves into a figure either. One of the things we hammered away while we were there is that “Look, you can’t leave everything up to the oversight committee and the Ombudsman, you’ve got to resolve problems between yourselves. You should only turn to the oversight committee and the Ombudsman after making a really hard effort to resolve a problem.” We can’t. I’m not an arbitrator. It’s not like I can decide things, I can make recommendations and then it’s still up to them to implement the recommendations or not. So, we actually want to resist the idea that we’re going to come down there on a regular basis because then what would happen is they would just say, “Okay, well let’s wait until the Oversight Committee comes down,” instead of working hard to resolve the problem between themselves.

ML: Who are the people you met with other than Evangelina?

LC: It was Evangelina from the CGT and the Executive Committee and we had two meetings with members, two of the union at the factories. The Executive Committee is eight people and Evangelina. There’s a Honduran woman, she’s a women’s rights activist and advocate, a lawyer named Yadira Minero. She’s on the Oversight Committee, named by the union.

ML: Were you, while you were down there also meeting with factory managers and owners as well?

LC: Yes. We also met with locals from the plant manager and all of the top local management. Russell management from the U.S. did not come down for those meetings, but by design because it was the same kind of thing. We don’t want the people at the local level to think that people are going to come down from the United States and solve their problems.

[PART THREE]

LC: I just want to make one observation, I guess, in conclusion. It’s that it’s important to understand it started with the strength and the solidarity and the commitment of the workers and their union representatives in Honduras, in both cases. That’s what kept this thing going, and then the work of the students here and the campaigns. Nike never conceded that it had any legal obligation to pay that severance pay and Russell never conceded that it closed the plant for anti-union motivation and therefore it had to reopen the plant because it had violated some human rights of workers and so on. The argument of the campaign of the students always was, “No, Nike does have an obligation,” the argument I made in our committee work, the Oversight Committee work was that, speaking as a lawyer, I don’t think Nike had a legal obligation strictly speaking under Honduran labor law or even under the code of conduct for the severance pay obligations of a subcontractor of a subcontractor. But I did think, and this is the argument that I stressed, that they had a moral obligation. Because the structure of the international garment manufacturing industry, the supply chain set up where subcontractors and sub-subcontractors are and the way Nike and the big brands built the system, Nike benefits and the other companies benefit from the system they designed, of these multiple layers of subcontracting. Therefore,



even if they didn't have a legal obligation because of what lawyers call "piercing the corporate veil to reach the top." I think they still had a moral obligation and the same goes for Russell, you can go back and forth. Actually, the evidence suggested that the Russell people in Bowling Green, at corporate headquarters who made the decision to close the plant did not do it because of anti-union motivation, they did it for economic considerations. But at the same time, the local plant management and supervisors in the Honduran factory were telling the workers this is what the union gets you. So their motivation, maybe this was the information they were feeding the top management is that "Oh, the union makes things inefficient and we can't operate so you should close this factory." But I do want to credit both corporations and whoever the key decision maker was. I give them [the corporations] credit for rectifying the situation, I think it would be too much to demand that they grovel and say: "we had the obligation and we are finally owning up to our legal obligation" in either case. I think could have dug in and maybe really ridden this out. Losing Cornell's contract with Nike is like a mosquito bite for Nike. So I do give the companies credit for whoever made the decision at the company to fix these situations. They could have dug their heels in, in the long run and you know, students go away after a few years, it's not clear a campaign could have been successful if the companies had really resisted to the hilt. The fact that they didn't resist to the hilt and they saw the nature of the problem, and I think they made a good faith effort to resolve it, is something to their credit. So, I wouldn't want that to be lost in the historical record.

ML: No, that's really important. Given your expertise in this area, I know Nike was careful not to create any legal precedent in the language of the contract to accept responsibility but do you think that these two cases are any kind of moral or ethical precedent or norm among corporations facing this kind of student pressure, or do you think they are one-off?

LC: No, I think they do establish a benchmark and now, in the future, corporations faced with similar situations, if they claim to look at best practices and benchmarking, there's all this corporate speak about social responsibility. We want to benchmark to the highest performers and that sort of thing. These cases set the benchmarks higher in these kind of situations so I think it does create a precedent. Not a precedent in the legally binding sense, like a Supreme Court decision or something, but a precedent that companies should aspire to if they want to hold themselves out as top performers.

ML: Could you say anything about what these kinds of victories represent to the workers on the ground?

LC: Well, obviously they represent material victories in the sense that in the Russell case hundreds of workers regained employment and jobs and sure the job, they're not getting wealthy on these jobs, but in a situation of a poor developing country like Honduras, jobs are really important. In the case of Nike, people got money. I do think that for the more politically conscious leaderships of the unions and the more politically conscious union activists inside the factories, that they actually saw the importance of international labor solidarity and the importance of building these transnational activist networks and having these kinds of networks available to support them. And they can certainly spread the word about that in their country, it just makes it easier the next time to have a positive experience like these.

ML: Thank you very much.

[END TAPE]