

# The New York Times

## Nike Agrees to Help Laid-Off Workers in Honduras

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Published: July 26, 2010

Facing pressure from universities and student groups, [Nike](#) announced an agreement on Monday in which it pledged to pay \$1.54 million to help 1,800 workers in [Honduras](#) who lost their jobs when two subcontractors closed their factories.

Nike agreed to the payment after several universities and a nationwide group, United Students Against Sweatshops, had pressed the company to pay some \$2 million in severance that the two subcontractors had failed to pay.

The [University of Wisconsin](#) at Madison terminated its licensing agreement with Nike over the Honduran dispute, and Cornell warned that it would do the same at the end of the year unless Nike resolved the dispute.

A Nike spokeswoman, Kate Meyers, said the \$1.5 million was for “a worker relief fund” and was not for severance. Nike also agreed to provide vocational training and help finance health coverage for workers laid off by the two Honduran subcontractors.

“This is certainly one of the most significant successes of universities in their labor rights efforts,” said Scott Nova, executive director of the Worker Rights Consortium, a group of 186 universities that monitors factories that make college-logo apparel. “This may be a watershed moment. Up until now, major apparel brands have steadfastly refused to take any direct financial responsibility for the obligation to the workers in their contractors’ factories. Now the most high-profile sports apparel firm has done just that.”

Nike [issued a statement](#) in conjunction with a Honduran labor federation saying it was “concerned for the workers” who lost their jobs and had “reached an agreement to help improve the lives of workers affected.” As part of the deal with the labor group, Nike pledged that other factories it uses in Honduras would give priority to hiring workers laid off by the two subcontractors.

“We were trying genuinely to find a way in which we can help set up a program that would be meaningful to workers on the ground,” Ms. Meyers said.

The dispute began in January 2009, when two subcontractors that made T-shirts and sweatshirts for Nike in Honduras, Hugger and Vision Tex, closed their plants.

After the workers complained, the Workers Rights Consortium prepared a report for more than 100 American universities that found that the subcontractors had failed to pay more than \$2 million in severance owed under Honduran law.

United Students Against Sweatshops geared up a pressure campaign, holding protests at dozens of Niketown stores and Nike retailers. The campaign adopted the slogan, “Just Pay It.”

At Cornell, for instance, 1,100 students signed a petition calling on the university to cut off its contracts with Nike. The student newspaper and the University Assembly also endorsed that idea.

Mr. Nova of the Workers Rights Consortium said Nike at first denied that the two subcontractors were making college-logo apparel. On April 20, Nike issued a statement saying that it was disappointed that the subcontractors had not paid the severance, but added that “it remains Nike’s position that factories which directly employ workers are responsible for ensuring that their employees receive their correct entitlements, and as such Nike will not be paying severance to workers that were employed by Hugger and Vision Tex.”

Alex Bores, president of the United Students Against Sweatshops chapter at Cornell, argued that it was only fair for Nike to make good on its subcontractors’ obligations.

“Nike plays a key role in setting up the worldwide apparel system that its contractors and subcontractors work in,” Mr. Bores said. “Nike plays factory against factory, causing them to shave a penny here and a penny there, creating an ultra-competitive environment that drives down wages and gives factory owner virtually no choice but to disrespect workers’ basic rights.”

United Students Against Sweatshops estimated that Nike’s total payments, including those for health coverage and worker training, would exceed \$2 million.