

# Dear friends and supporters

AS THE US FINANCIAL CRISIS BECAME A GLOBAL ECONOMIC crisis in early 2009, the potential to make advances for labour and women's rights seemed bleak. The crisis has had a devastating impact on garment producing countries and on garment workers. In Mexico and Central America, the communities in which the majority of our partner groups work were hit by a new wave of factory closures, worker layoffs and production slow-downs. The crisis and its impact on workers, women and communities was a central theme of our work for most of the year.

The June 29 military coup in Honduras had a dramatic impact on our partners in that country and throughout Central America. After the coup, Honduran women's groups, unions and labour rights NGOs had to shift the focus of much of their work to resisting attacks on human rights and civil liberties by the de facto government.

In spite of these economic and political setbacks, our partners continued to organize and, in some cases, achieved significant victories. In Honduras, for example, workers and their international allies won a breakthrough victory when Russell Athletic and the union representing workers who lost their jobs when Russell closed its unionized Jerzees de Honduras factory reached an agreement, providing employment for the 1,200 workers in a new unionized factory. The victory, which is detailed in this report, is a testimony to the resilience and perseverance of the workers, their union and their national and international supporters.

As you'll see from this report, MSN was active on many fronts in 2009. We played an important role in campaigns promoting workers' right to freedom of association in Mexico, Central America and Asia. And we worked with our Canadian and international allies to engage with compa-

nies to take steps to eliminate systemic problems in the global garment industry – poverty wages, precarious employment, the lack of freedom of association and health and safety hazards linked to unrealistic production targets and excessive working hours.

As we look forward to 2010, we want to thank our friends and allies around the world with whom we have worked closely over the past year. And of course, I want to particularly acknowledge the critical role played by the local women's groups, unions and labour rights NGOs that work directly with the young women and men who labour behind the labels in maquila factories and free trade zones. They are the heart and soul of the global labour rights movement.

MSN Executive Director

Remembering Neil Kearney



ON NOVEMBER 19, NEIL KEARNEY, GENERAL SECRETARY OF THE INTERNATIONAL TEXTILE, GARMENT AND LEATHER Workers' Federation (ITGLWF), died in his sleep of a heart attack in Dhaka, Bangladesh. He was 59. For over two decades, Neil championed the rights of workers in the global garment industry. He also played a leadership role in various multi-stakeholder initiatives, including the MFA Forum, the Ethical Trading Initiative and Social Accountability International. It is largely because of Neil's tireless efforts that labour rights have been made a priority for many companies in the sector. Neil was a close friend and colleague of MSN. He is greatly missed.

# How does MSN make change happen?

MSN promotes fair labour practices and respect for labour and women's rights through two interconnected strategies: intensive work with partners in the South; and advocacy, engagement and campaigning at the international level.

#### **Strategic Collaboration with Southern partners**

# **Strengthening Southern Voices**

MSN works with Southern partners to strengthen their capacity to document worker rights abuses and effectively engage with and pressure companies and government to respect workers' rights.

# Facilitating South / South Exchange

MSN promotes exchange and collaboration among our Southern partners (particularly in the Americas, but also between Asia and Latin America) through information exchange, workshops and multi-stakeholder forums.

#### **International Advocacy, Engagement and Campaigning**

## **Advocacy**

MSN facilitates dialogue between our Southern partners and international buyers (retailers and brands) in order to use buyer leverage to help achieve solutions to problems in their supplier factories.

### Engagement

MSN works through multi-stakeholder initiatives (MSIs) at the international level to identify and promote industry-wide solutions to systemic problems and to promote both voluntary and regulatory approaches to reverse the "race to the bottom."

## Campaigning

MSN promotes solidarity with workers in global supply chains struggling to win improved wages and working conditions. We also promote links between ethical consumers and investors, public institutions, trade unions and the workers who make our products.

# STRATEGIC COLLABORATION WITH SOUTHERN PARTNERS

# Strengthening Southern Voices

IN COLLABORATION WITH OUR PARTNERS SEMILLAS AND MUTUAC, MSN convened a series of capacity-building and strategy workshops with a loose network of Mexican local and national labour and women's rights organizations that defend workers' rights in the garment, electronics, autoparts and agro-export sectors. Workshop participants discussed and developed strategies around the economic crisis, labour law reform, precarious employment and freedom of association.

In December, MSN and Semillas convened a training workshop with representatives from three women's labour rights organizations in the state of Coahuila to better document chronic injuries commonly suffered by maquila garment workers.

#### **Investigating labour rights violations**

In response to a request from Colectivo Raiz (CR), a women's labour rights group in Aguascalientes, Mexico with whom

MSN has worked over many years, MSN conducted worker interviews and prepared a report on alleged violations of workers' rights at factories owned by one of Levi Strauss' main suppliers in Aguascalientes. MSN convened and facilitated a meeting between Levi's and Colectivo Raiz at which Levi's committed to several of the report's recommendations, including carrying out an independent investigation of the sub-contractor's four facilities.

#### **Investigating Wal-Mart Mexico**

In 2009, MSN became a member of Red Puentes (RP) Mexico, a civil society network promoting corporate social responsibility (CSR). MSN was asked to take the lead in analyzing the CSR reports of Wal-Mart Mexico (Wal-Mex), the largest private sector employer in the country. In 2010, MSN and RP will attempt to engage with Wal-Mex on the report's findings and recommendations.

#### **Looking beyond garment**

In 2009, MSN began to work more closely with CEREAL, a Jesuit human rights organization in Mexico that promotes respect for workers' rights in the electronics sector. MSN supported CEREAL's campaign against violations at a Nokia facility in Reynosa and facilitated connections with our Nicaraguan partner the Movement of Working and Unemployed Women, Maria Elena Cuadra (MEC). This has set the stage for collaboration in 2010 on two key issues facing workers in both the garment and electronics industries – precarious employment and barriers to freedom of association.



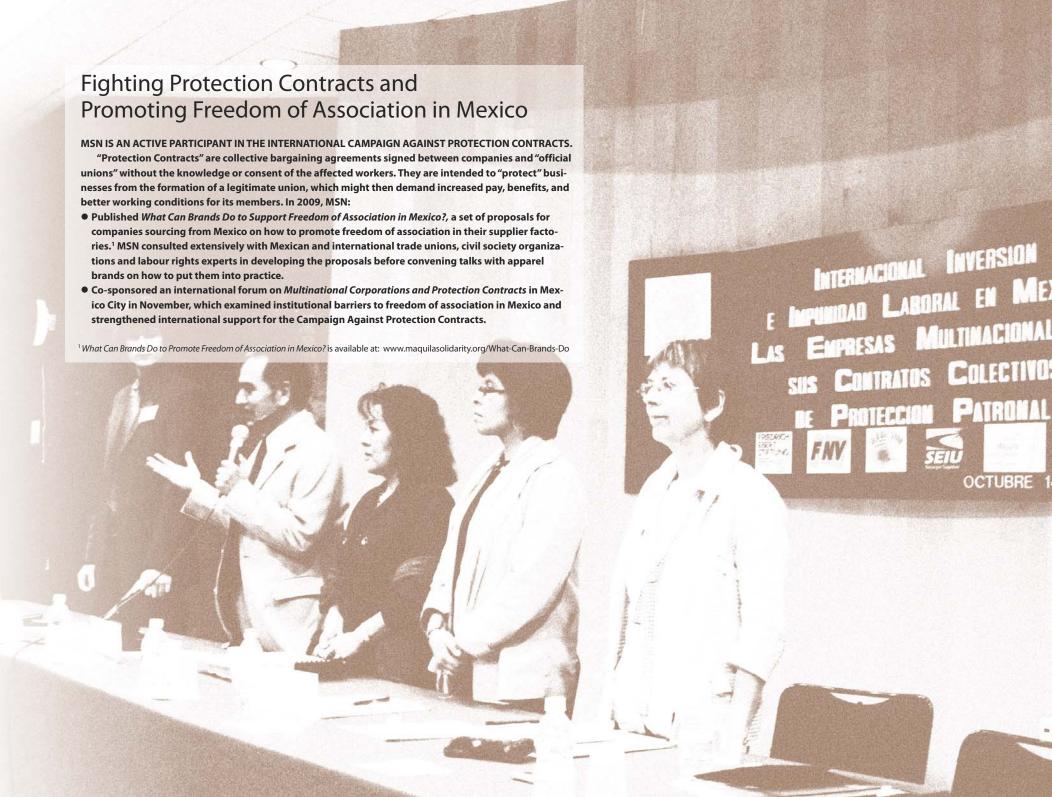




ABOVE: Participants in Espacio workshops, Mexico

NEXT PAGE: International Forum on Multinational Corporations and Protection Contracts, November 2009

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# Facilitating South/South Collaboration

MSN PROMOTES SOUTH/SOUTH EXCHANGES BETWEEN women organizers and labour rights advocates in the Americas, and between Asia and the Americas. Through South-South exchanges, women leaders learn from each other's experiences and explore possibilities for collaboration. In 2009, MSN facilitated a number of exchanges:

- In January, two representatives of the Honduran Independent Monitoring Team (EMIH) participated in a capacity building and strategy workshop with Mexican groups in Mexico City to discuss impacts and responses to the economic crisis:
- In March, representatives of Colectivo Raiz and the Mexican popular theatre group Costureras de Sueños
   (Dream Weavers) took part in the annual MEC colloquium in Nicaragua, which brought together over 1,500 MEC members, most of whom are maquila workers.
   Members of the popular theatre group performed an

- excerpt from their play *The Maquila Monologues*, which received a standing ovation.
- In May, MSN's Mexico staff person and a representative of the Coahuila labour rights group SEDEPAC (Service, Development and Peace) attended a conference in Honduras on the impacts of work in the maquilas on women's health. The conference was organized by the Honduran Women's Collective (CODEMUH) in collaboration with the regional ILO office and the Honduran Ministry of Labour. SEDEPAC's participation in the conference served as an impetus for the December training workshop mentioned on page 4.
- In September, MEC's Executive Director Sandra Ramos, accompanied by MSN's Mexico staff person, attended a conference in Seoul, Korea on innovative strategies for women's organizing.<sup>2</sup> Plans for a follow-up exchange are now underway.

#### **Regional Coalition and Strategy Building**

In late November, MSN co-sponsored a public forum and regional exchange workshop in Mexico City on *Women, Labour Rights and Democracy in a Time of Crisis.*<sup>3</sup> The workshop/exchange brought together women working on labour rights issues in Central America and Mexico. The public forum addressed the impact of the economic crisis on women workers and the political crisis in Honduras. These groups will meet again in 2010.

MSN also maintains ongoing links with Hong Kongbased groups active in China, and with trade union and worker support organizations in Cambodia, Bangladesh, Indonesia, the Philippines, Thailand and elsewhere in Asia.

<sup>2</sup> The conference was hosted by the Korean Women Workers Academy and the Korean Women's Trade Union, one of the only women's unions in Asia. See "Korean women's conference explores innovative organizing strategies" in our December newsletter at:

www.maquilasolidarity.org/sites/maquilasolidarity.org/files

www.maquilasolidarity.org/sites/maquilasolidarity.org/files/2009-12\_MSN\_Update\_14.3.pdf

<sup>3</sup> Both the forum and workshop were co-sponsored with Semillas and the Central American Women's Fund.



"These exchanges are critical. In an era of globalization and particularly in this moment of economic crisis, there is an increasing need for women to share organizing strategies and disseminate best practices." – Sandra Ramos, MEC

LEFT: Sandra Ramos, Executive Director, MEC



MANY PEOPLE ARE AWARE OF MSN'S PUBLIC CAMPAIGNS against specific labour rights abuses and for solutions to tackle systemic problems in global supply chains. However, MSN spends much of its time behind the scenes, lobbying companies and multi-stakeholder initiatives on behalf of our Southern partners.

For example, in 2009 MSN responded to a complaint from the Honduran women's group Colectivo de Mujeres Hondureñas (CODEMUH) regarding health and safety problems and worker injuries related to the pace of production and excessively long workdays at T-shirt manufacturer Gildan Activewear's Honduran facilities. Working

together the Fair Labor Association (FLA) and the Worker Rights Consortium (WRC), we called on Gildan to co-operate with an independent assessment by health and safety experts.

In response to a request from the Worker Support Centre (CAT) to support the struggle of workers at the Johnson Controls auto parts plant in Puebla, Mexico, MSN became active in an international solidarity committee defending their rights. Workers at the factory are fighting for a democratic union and against the unethical use of third-party employment agencies to deny them their legal entitlements.



#### Political Crisis in Honduras

IN RESPONSE TO THE JUNE 28 MILITARY COUP IN HONDURAS and resulting repression against civil society, MSN called on major apparel brands sourcing from the country to break rank with the pro-coup business lobby and speak out in favour of a return to democracy and respect for human and labour rights and civil liberties.

On July 27, a joint Open Letter from Nike, adidas, Gap and Knights Apparel was delivered to US Secretary of State, Hillary Clinton, calling for a return to democracy in Honduras. The brand statement received extensive media coverage in Honduras and internationally.<sup>5</sup>

MSN coordinated with labour rights and women's organizations in Honduras to monitor violations against maquila workers and resistance activists. In Canada, MSN worked with Canadian union and NGO partners to pressure the Canadian government to alter its position on the coup.

**LEFT:** Workers from the Johnson Controls plant in Puebla, Mexico

**ABOVE:** Vanessa Yamileth Zepeda, 27 year old union leader, mother and nurse assassinated in Honduras

<sup>&</sup>lt;sup>4</sup>The committee includes US-LEAP, the AFL-CIO Solidarity Center, United Steelworkers (in Canada and the US), the US and Canadian autoworkers unions, and the International Metal Workers' Federation.

<sup>&</sup>lt;sup>5</sup>The joint brand letter is available at: www.maquilasolidarity.org/node/891



BEFORE LAUNCHING CAMPAIGNS ON WORKER RIGHTS abuses, MSN attempts to engage with companies that own or source from problem factories, urging them to hold their suppliers accountable and remediate worker rights violations.

MSN also engages with companies directly and through multi-stakeholder initiatives (MSIs) concerning industry-wide problems, such as precarious employment, job insecurity, violations of freedom of association, and poverty wages.

MSN believes that MSIs, through which brands, trade unions and NGOs collaborate to seek solutions to problems endemic to global supply chains, can play a critical role in achieving sustainable progress on worker rights. In 2009, we focused our efforts on two MSIs in particular, the Fair Labor Association (FLA) and the MFA Forum (MFAF).

#### **Fair Labor Association**

MSN is an active member of the FLA's NGO Caucus, which gives civil society a voice in the FLA alongside universities and companies. MSN's work within the FLA played a key role in the historic victory achieved by workers at Russell Athletics' Jerzees factory. (See "A Historic Victory for Maquila Workers in Honduras," p. 9.)

Throughout 2009, MSN lobbied for improvements in the FLA Code of Conduct and Benchmarks on hours of work, security of employment, a living wage, and freedom of association. If the NGO Caucus' proposed changes are adopted, the revised FLA Code will raise the bar on labour standards for FLA member companies, which include the largest international sportswear brands.

In October, after consulting with key allies, MSN agreed to become a member of the FLA Board of Directors as an NGO representative.

#### **MFA Forum**

The Multi-Fibre Arrangement Forum (MFAF) is a multistakeholder initiative founded in late 2004. It promotes responsible practices by apparel companies during the transition period following the termination of the international import quota system. MSN is a member of the MFAF Americas Working Group and chairs its Mexico Committee.

In August, MSN took the lead in organizing a MFAF stake-holder forum in Mexico City. Forum participants discussed the impact of the economic crisis on the garment sector in that country and how to best promote a sustainable apparel and footwear industry for the future based on decent work and technical innovation rather than low prices and sweat-shop conditions. The forum was unique in bringing together government, industry, brands, unions and labour rights organizations from Mexico and buyer countries.

#### **Fair Trade Standards**

TransFair USA, a third-party certifier of Fair Trade products in the United States, has been developing standards for certification of "fair trade" garments. In 2009, MSN worked with US counterparts in an attempt to ensure that any standards adopted do not undercut international demands of the anti-sweatshop movement.

**NEXT PAGE:** Unionized workers holding up the first t-shirt at the new Jerzees Nuevo Día factory, Honduras.



MSN played a critical role in a precedent-setting campaign defending the rights of 1,200 Honduran workers who lost their jobs when Russell Athletic closed its Jerzees de Honduras factory during first-contract negotiations with the workers' newly formed union.

MSN joined with the workers' union, the Honduran General Workers Confederation (CGT) and the Clean Clothes Campaign (CCC) in filing a third-party complaint with the Fair Labor Association (FLA). MSN also lobbied Canadian universities and Canadian and US retail buyers of Russell products to cease doing business with the company until it took significant steps to remediate the situation and compensate the workers.

As a result of these efforts, Russell's membership in the FLA was put under review, and the company was instructed to negotiate with the workers' union. On November 14, Russell and the union signed an historic agreement in which the company committed to opening a new unionized factory, rehiring and providing substantial financial assistance to the 1,200 laid-off employees, instituting joint union-management training on freedom of association at its other Honduran facilities, and adopting a position of neutrality with respect to unionization.

This victory was particularly significant given that Russell and its parent company Fruit of the Loom are the largest private employers in Honduras, with over 10,000 workers.<sup>6</sup>

<sup>6</sup>See "Historic victory: Jerzees de Honduras workers win break-through agreement" in our December *Maquila Solidarity Update* at: www.maquilasolidarity.org/sites/maquilasolidarity.org/files/2009-12\_MSN\_Update\_14.3.pdf.





PUBLIC CAMPAIGNS ARE OFTEN NECESSARY TO DRAW attention to workers' struggles for decent wages and working conditions, and to bring pressure on companies and governments to take responsibility for worker rights violations.

During the year, MSN played a critical role in a number of important campaigns, both internationally and in Canada. One of the most successful campaigns focused on Russell Athletic and its parent company Fruit of the Loom (see page 9).

#### **Play Fair at the Olympics**

Throughout 2009, MSN was an active member of the Play Fair Campaign Sportswear Committee, together with the Clean Clothes Campaign (CCC), the International Textile, Garment and Leather Workers Federation (ITGLWF), and Oxfam Australia. The Committee has coordinated follow-

up to the Play Fair Campaign's 2008 *Clearing the Hurdles* report (written by MSN), which indentified four critical issues blocking progress in achieving decent working conditions in the sportswear industry.

In preparation for the February 2010 Vancouver Winter Olympic Games, in 2009 MSN designed a web-based action tool in English, French and Spanish, rating and comparing brand commitments to meeting key labour rights targets set out in the report. The website allows consumers to help push brands to meet the campaign's labour rights targets. Launched in January 2010, the action tool generated thousands of letters to the brands.

MSN also developed a series of short

Clearing the Hurdles video ads for the site, which were re-posted on coalition partner websites throughout Canada and internationally.



<sup>7</sup> See www.clearingthehurdles.org/

#### The Philippines

In response to a request from MSN's Filipino partner the Workers' Assistance Centre (WAC), MSN mobilized Canadian faith, non-governmental and labour organizations to lobby the Philippine government to cease the prosecution of workers and worker rights advocates on trumped up charges. MSN also lobbied in favour of a high-level ILO mission to the country to investigate the situation. The mission took place in September; MSN is awaiting the final report.

#### **No Sweat Campaign: Ethical Purchasing Policies**

In past years, MSN campaigned successfully for the adoption of ethical purchasing policies by municipal and provincial governments, universities and school boards across Canada. In May, MSN met with senior officials of the City of Toronto to advise them on how to effectively implement their ethical purchasing policy. In 2010, MSN will be engaging with representatives of key municipalities to promote Canada-wide collaboration on implementation of their policies.

ABOVE RIGHT: Union leader Jittra Cotchadet fights union-busting by the Triumph International corporation in Thailand RIGHT: Workers at the Golden Will factory, Philippines

#### **Responsible Cotton Campaign**

In 2009, there was growing international pressure on brands to boycott Uzbekistan cotton until the Uzbek government makes a commitment to end state-sponsored child labour. The brands were also lobbied to increase transparency in their supply chains to track cotton production. MSN worked with the Retail Council of Canada and the Shareholder Association for Research and Education to educate Canadian companies and investors about the use of forced child labour in Uzbekistan.

#### **Urgent Actions**

Throughout the year, MSN mobilized participation in urgent action campaigns in support of workers' organizing efforts and for protection of union organizers and human rights activists in Thailand, the Philippines, the Dominican Republic, Honduras, Haiti, Mexico, Costa Rica, Argentina, Bangladesh, and other countries around the world.<sup>8</sup>



<sup>8</sup> MSN's latest urgent action appeals can be found at www.maquilasolidarity.org/actions/urgentaction



## **PUBLICATIONS**

# Publications

What can brands do to support freedom of association in Mexico?

Over the year, MSN published five special reports documenting and assessing the impacts of the global economic crisis on garment workers and the garment industry. MSN publi-

cations on the economic crisis are available in a special section of our website.<sup>12</sup>

A WIDE RANGE OF LABOUR AND WOMEN'S RIGHTS ADVOcates and other stakeholders rely on MSN's analysis and publications. All our resources, including our website, are available in English and Spanish.

In 2009, MSN published three issues of our newsletter, the *Maquila Solidarity Update*, featuring articles on the economic crisis, the political crisis in Honduras, the Asia Floor Wage Campaign, and the Campaign Against Protection Contracts in Mexico. We also began a new series of articles profiling women leaders and their organizations, including Inti Barrios of the popular theatre collective Costureras de Sueños, Cecille Tuico of the Workers Assistance Centre in the Philippines on organizing in the Cavite Free Trade Zone, and MEC's Director Sandra Ramos on the importance of Asia – Latina exchange.<sup>9</sup> Our e-bulletin, *The Wire*, provided links to campaign updates and new resources, and mobilized support for campaigns throughout the year.

As part of our response to the June 29 Honduras coup, MSN developed a special section of our website offering updates and analysis of the coup, with a focus on repression against civil society groups.<sup>10</sup>

MSN also maintained a daily links page on delicious.com to update our network on developments in Honduras.

#### **Thematic publications:**

In January 2009, MSN published an extensive report on our November 2008 regional forum in Honduras, entitled *MFA+3: Labour Rights in a Changing Industry*. Available on our website, the report shares analytical powerpoint presentations on the garment industry and brand leverage strategies as well as assessments by leaders of women's and labour rights organizations in the Americas on priorities for action in the coming years.<sup>11</sup>

MSN's publication What Can Brands Do to Support Freedom of Association in Mexico? is being used to guide extensive engagement with companies on concrete actions they can take to improve respect for freedom of association in Mexico.<sup>13</sup>

#### MSN in the Media in 2009

MSN's work received extensive media coverage in Canada and internationally. MSN also expanded its communications focus to target non-traditional media such as blogs and e-zines, resulting in wider broadcasting of MSN news and statements.

**LEFT:** Union leader Moises Montoya shares MSN's newsletter at a workers' assembly, Honduras



<sup>&</sup>lt;sup>10</sup> Visit: www.maquilasolidarity.org/honduran\_coup



<sup>&</sup>lt;sup>11</sup> The full report, including an extensive selection of resources materials and presentations from the seminar, is available on our website, at: www.maquilasolidarity.org/mfa3/report/

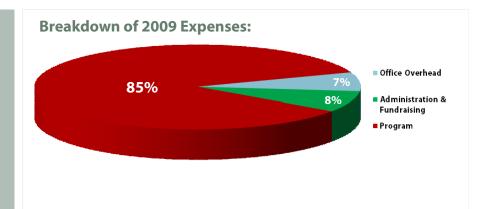
<sup>&</sup>lt;sup>12</sup> Visit: www.maquilasolidarity.org/issues/economiccrisis

<sup>&</sup>lt;sup>13</sup> Available at: www.maquilasolidarity.org/node/882

# Finances

Year ended December 31, 2009

Revenue		
	2009	2008
Grants		
Churches	\$31,027	\$38,900
Non-governmental organizations	\$9,565	\$47,684
European and U.S. foundations	\$389,348	\$337,269
Canadian labour funds	\$75,500	\$91,500
Membership Donations		
Individual	\$14,313	\$13,565
Organizational	\$12,598	\$13,371
Publication Sales & Forums	\$781	\$6,562
Consultancies	\$5,833	\$21,724
Interest and foreign exchange	\$6,139	\$10,055
Total	CE 45 104	¢500 630
Total	\$545,104	\$580,630
Total	\$545,104	\$580,630
	\$545,104	\$580,630
Total Expenses	\$545,104	\$580,630
Expenses		. ,
Expenses Office overhead	\$38,392	\$35,759
Expenses  Office overhead Administration and fundraising	\$38,392 \$42,519	\$35,759 \$43,562
Expenses  Office overhead Administration and fundraising Southern Program	\$38,392 \$42,519 \$214,946	\$35,759 \$43,562 \$270,194
Expenses  Office overhead Administration and fundraising Southern Program Policy, Research and Analysis	\$38,392 \$42,519 \$214,946 \$141,551	\$35,759 \$43,562 \$270,194 \$144,133
Expenses  Office overhead Administration and fundraising Southern Program	\$38,392 \$42,519 \$214,946	\$35,759 \$43,562 \$270,194
Expenses  Office overhead Administration and fundraising Southern Program Policy, Research and Analysis Education and communication	\$38,392 \$42,519 \$214,946 \$141,551 \$92,912	\$35,759 \$43,562 \$270,194 \$144,133 \$81,832
Expenses  Office overhead Administration and fundraising Southern Program Policy, Research and Analysis	\$38,392 \$42,519 \$214,946 \$141,551	\$35,759 \$43,562 \$270,194 \$144,133



# STAFF CHANGES

At the end of March, Bob Jeffcott, a founder and long-time policy analyst with MSN, ended fulltime employment in order to spend more time writing and to pursue other interests. Bob has continued to work with MSN on a volunteer basis. Alda Escareño left MSN in early 2009 in order to pursue her passion for art. Aylwin Lo, our Communications Coordinator, returned to school for advanced studies in New Media. In late 2008 and early 2009, MSN hired two new staff – Fernando Cabrera, Communications Coordinator, and Elsa Arismendi, Latin America Program Officer.

# **BOARD OF DIRECTORS**

David Mackenzie, President Moira Hutchinson, Vice President Musonda Kidd, Secretary Denny Young, Treasurer Melanie Oliviero Ann Weston Suzanne Rumsey

# STAFF

Lynda Yanz, Executive Director
Kevin Thomas, Director of Advocacy
Ana Enriquez, Education and Outreach Officer (Mexico)
Anamika Mujoo Girottee, Executive Assistant
Fernando Cabrera, Communications Coordinator
Elsa Arismendi, Latin America Program Officer
Anibal Viton, Translation (Argentina)

# www.maquilasolidarity.org

**ABOVE:** Participants in the regional exchange workshop in Mexico City on *Women, Labour Rights and Democracy in a Time of Crisis,* November 2009 **FRONT:** Jerzees de Honduras workers vote in favour of a precedent-setting agreement, November 2009 (PHOTO: JEREMY BLASI)

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