



INTERNATIONAL LABOR RIGHTS FUND

“Building a just world for workers”

2006 annual report



a note from the director:



The war in Iraq, global warming, Darfur . . . what did the efforts of a small handful of people to promote labor rights really mean in 2006, given the overwhelming global issues at stake? Do worker rights matter in a world where changing climates will devastate poor farmers in many countries, where terrorist acts leave citizens everywhere less safe, where the lack of coherent global peacekeeping means many of the world's poorest citizens cannot even enjoy the security to practice any livelihood at all?

The past year was a year of reflection for the International Labor Rights Fund for many reasons. We celebrated the 20th anniversary of our founding, changed our leadership as Terry Collingsworth stepped down to found his own organization, and I took the reins, and convened our Board of Directors for a planning retreat in mid-June to answer the fundamental question of whether our not our mission, conceived in 1986, was still relevant in 2006.

What did the world look like in 1986? Civil wars raged in Central America; the world confronted apartheid in South Africa; the final years of the Cold War and the constant overhanging threat of nuclear war overshadowed other security concerns. Terrorism was alive and well in the mid-1980s, as well, with dramatic bombings of passenger jets and Marine barracks. Yet even in an insecure climate, corporations thrived and capital investment in poor developing countries expanded dramatically. Indeed one of the challenges we confronted in those days was precisely the Reagan Administration's vision of promoting global capitalism, ostensibly as the means to conquer the Soviet Union.

We were founded to address the fundamental human rights abuses that unfettered capitalism may bring in its wake. Our friends and allies in Mexico, South Korea, Malaysia and elsewhere brought forward example after example of basic violations of workers' rights, making the case that global corporations in developing countries respected neither local laws nor international norms. We at ILRF in turn made the case that global regulation to protect those workers was needed. Since our earliest days we have pioneered efforts to provide workers with meaningful legal protection for their rights, and worked in solidarity with those workers to campaign for enforcement of those protections.

Is the project still necessary? Unfortunately our recent analysis suggests that while we have achieved some small gains, there is much more work to do. The current US Administration continues to push investors' rights and corporate protections in a host of new free trade agreements, while weakening the labor rights guarantees that we had previously won. Global corporations hire military or paramilitary forces to terrorize workers and prevent the formation of unions in countries like Colombia, the Philippines and Guatemala. Despite the security challenges, it is business as usual for global corporations even in countries on the brink of civil strife, such as Cote d'Ivoire and Pakistan, whose economies thrive even as their citizens are under daily threat. Should we, then, sit back and claim the challenges are too great?

The task of bringing about full accountability of all those who violate workers' rights is more critical than ever. New industries pose new challenges that someone must address. Biofuels, for instance, have been much heralded as a possible 'green' answer to the energy crisis. Swathes of land throughout Latin America and sub-Saharan Africa have been taken over by global corporations such as Cargill and British Petroleum to make way for sugarcane and other commodity crops that can be converted to biofuels. In the process, our partners have documented the extensive use of forced labor, child labor, and other labor rights abuses in sugarcane planting. Who will tell the corporations and governments, and what response will we demand?

Our mission remains a vital and important one and we look forward to meeting the challenges of this new century.

about:

The International Labor Rights Forum

We believe that all workers have the right to a safe working environment where they are treated with dignity and respect, and where they can organize freely to defend and promote their rights and interests. We have been at the forefront of organizations working to develop practical and effective new tools to assist workers in winning enforcement of protections for their basic rights.

Through a dynamic and experienced staff and strategic partnerships with non-governmental organizations (NGOs) throughout the world, we seek to redress the imbalance between corporate influence over trade and foreign policy by strengthening the voice of workers in the debate. ILRF has emerged as one of the most effective organizations to stimulate creative solutions to labor rights abuses and to raise public awareness among US consumers of their global connections to workers around the world.

ILRF has **pioneered** successful efforts to use litigation to hold corporations accountable for human rights violations. Since reaching the landmark settlement in the UNOCAL case in December 2004 - a major step forward in holding US corporations accountable for human rights issues abroad - ILRF has made significant advances through its legal advocacy and associated campaigns against corporations operating in Argentina, Colombia, Ecuador, Guatemala, Indonesia, and Turkey.

ILRF advanced several high-profile legal cases in 2006, all with the potential for setting important legal precedents:

Wal-Mart:

In its most comprehensive legal campaign yet, ILRF filed suit in fall 2006 on behalf of workers from four continents for massive and systematic wage and hour violations. Workers from China, Bangladesh, Indonesia, Swaziland, and Nicaragua joined together to press their common class claims that Wal-Mart knowingly uses suppliers that systematically deprive workers of the basic provisions of Wal-Mart's code of conduct, including fundamental protections of the labor laws in the countries where the workers reside.

Bridgestone-Firestone:

ILRF's 2005 lawsuit on behalf of adults and children who work and live on the Firestone Plantation in Liberia charges that Bridgestone Firestone North American Tire, LLC and several affiliated companies forced workers to meet impossible quotas and benefited from the widespread use of unlawful child labor. In conjunction with the lawsuit, ILRF has joined forces with the a wide range of US-based organizations to demand that Bridgestone-Firestone to take responsibility for their actions and follow the law accordingly.

Coca-Cola:

In 2006, ILRF continued to advance the legal efforts it began with the United Steelworkers Union in 2001 to hold Coca-Cola accountable for the murder and torture of trade union leaders in Colombia. In conjunction with ILRF's legal action against Coca-Cola, program staff participated in a major student-led campaign against the company for its treatment of workers worldwide. The campaign attracted widespread interest on campuses, with several major universities deciding to suspend sales of Coca-Cola on campus.

Based on this widespread and unprecedented success, ILRF announced the creation of a new legal defense fund in late 2006 dedicated to the expansion of its litigation activities. ILRF's legal team, led by Executive Director Emeritus Terry Collingsworth, began to transition its efforts to the new **legal defense fund** in Fall 2006, and will continue to build its infrastructure in 2007.

Under the vibrant leadership of Executive Director Bama Athreya, ILRF's structure, by-laws, and board of directors will remain the same, and ILRF will continue to focus on policy and campaign strategies to advance ILRF's mission.

The following pages list ILRF's achievements in 2006 for each of its major program areas: Campaign to Stop Child Labor, Rights for Working Women, Ending Violence Against Trade Unions and Creating a SweatFree World



www.laborrights.org

One of the most disturbing forms of labor abuse is the use of child labor. In fields and factories throughout the developing world, children are bonded to their employers and forced against their will to work in hazardous and heartbreaking conditions. They are denied the access to basic education, to medical care, or in some cases, even to the comfort and reassurance of their own families. In 2006, ILRF targeted its efforts to ending the horrific practice of child labor in the cocoa, cotton, and rubber industries.

cocoa: ILRF is one of the only organizations in the world actively pressuring multinational giants in the chocolate industry to end forced and trafficked labor in cocoa harvesting. The global chocolate industry put forward a promise in late 2001 to eliminate child labor in its global supply chain. ILRF has been in the forefront of US organizations working to hold the chocolate industry accountable to this promise, through continued campaign, media and investigative work.

In addition, ILRF has been working with key allies in the fair trade movement to promote alternative sources of “clean” cocoa to the companies in this trade and to the consumer public. ILRF is using public education, mobilization and direct action to make a difference, including targeted public campaigns during Valentine’s Day and Halloween to emphasize the relationship between children consuming chocolate in the US and children producing that chocolate in countries overseas. ILRF’s 2005 lawsuit against Nestlé, Cargill and Archer Daniels Midland also garnered national attention in 2006, when ILRF conducted a major media and outreach campaign to coincide with the first court hearing one week before Valentine’s Day.

cotton: The world’s cotton supply chain is rife with bonded child labor. Instances of forced child labor have been exposed in virtually all of the world’s major cotton producing countries, including India, China, Pakistan, Uzbekistan, Brazil, and Egypt. ILRF is working with dedicated local partners on innovative projects to research labor rights violations in cotton production and advocate for better labor rights protections in this sector. Activities in 2006 included educating farmers and rehabilitating child laborers in Tajikistan and India, and supporting groundbreaking research on cottonseed pricing practices by multinational corporations in India. ILRF also engaged with organic and fair trade cotton producers and with companies seeking ‘clean’ sources of cotton in 2006 to develop new social standards for cotton production.



rubber:

Bridgestone Firestone has a long and infamous history in Liberia of forcing workers to bring their children to work to meet impossible quotas on its rubber plantations. In 2006, ILRF launched a Stop Firestone Campaign, which mobilized a unique coalition of environmental, civil rights, labor rights organizations, and trade unions from around the world. The coalition works closely with an inspiring array of human rights and environmental activists within Liberia.



Women workers typically bear a disproportionately heavy burden, facing low wages, job insecurity, poor conditions, isolation, illiteracy, and limited access to health and legal services, all while remaining the primary caregivers for family members. ILRF's Rights for Working Women Campaign (RWW) has led a global initiative to stop the practice of sexual violence against women in the workplace since 2001, with targeted initiatives in Kenya, Thailand, Mexico, and Dominican Republic. In 2006, ILRF continued to expand its efforts to combat sexual harassment and workplace violence through research in new target regions and raising awareness among US consumers and retailers, and building coalitions.



workplace sexual harassment and violence:

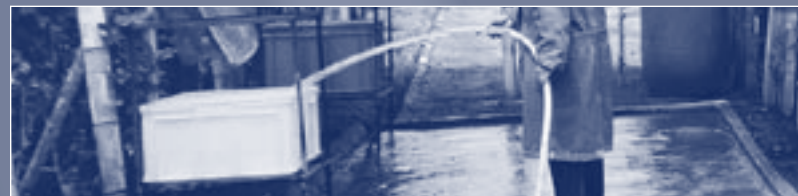
ILRF initiated a small grants program in 2006 to provide financial support to local grassroots non-governmental organizations (NGOs) for projects addressing workplace sexual harassment and violence in global export industries in Central and South America, Africa, and Asia.

In 2006, ILRF also continued to conduct investigative research and legal assessments on the extent of sexual harassment and violence in developing countries throughout the world, and supported local NGOs to initiate grassroots efforts to address the findings. With partners in Mexico, ILRF produced "*Sexual Harassment, A Maquila Reality*," a documentary film exploring women workers' experiences in dealing with workplace sexual violence in Mexico's maquila sector. ILRF facilitated screenings of the film throughout the US and Mexico in 2006, including a screening at a US congressional panel briefing.



fairness in flowers:

In 2006, ILRF continued to promote improved working conditions and health protections for the women employed in the cut flower industries through the Fairness in Flowers campaign. Initially focused on the cut flower industry in Latin America, in 2006 ILRF began to expand the reach of the campaign to Ethiopia, where the cut flower industry has grown rapidly in the past few years. ILRF staff also participated in an international flower meeting in the Netherlands in June 2006, where representatives from NGOs and trade unions based in Europe, Africa, India, and Latin America discussed working conditions in the flower industry and European certification initiatives that are being designed to address labor rights violations. ILRF also brought media attention in 2006 to Dole Food Company's Colombian plant closure suspiciously following recent advancement in the formation of an independent union.



Around the world, members of trade unions are targets of government and paramilitary violence. Under the threat of violence, it is impossible for workers to exercise their rights to organize for better working conditions. The International Confederation of Free Trade Unions reported in their 2006 Annual Survey that 115 trade unionists were murdered for defending their rights as workers in 2005. While trade unions face violence and repression all over the world, some countries are especially brutal in their attacks. ILRF seeks to work in solidarity with labor rights activists in countries where the problem of violent repression is severe, to raise awareness of the abuses and to seek changes in government and corporate practices.



Colombia: The most dangerous country in the world for union organizing continued to be Colombia in 2006. ILRF carried on a range of activities to support Colombian workers this year. We brought flower workers producing for Dole and workers from a Nestle bottling facility to the US to share their stories with Congress as well as the general public. We joined allies throughout the US and Colombia in calling for a stop to a new US-Colombia Free Trade Agreement and participated in actions calling for the protection of workers during President Uribe's visits to the US.

Most importantly, we continued to support workers at the Coca-Cola bottling plant in Colombia. The campaign to hold Coke accountable for labor abuses in Colombia continued to pick up steam in 2006. Another US multinational, the Drummond Coal Company, was also complicit in violence against trade unions in Colombia. ILRF's legal team continued to collect evidence in a lawsuit against Drummond and the case has received considerable press coverage both in the US and Colombia. ILRF's focus on these specific companies has helped us to increase awareness about the issue of trade union violence and the complicity of multinational corporations in repression of workers' right to organize.

Philippines:

This year was a particularly difficult year for trade unionists in the Philippines, the second most dangerous country in the world for labor organizing. In 2006, Philippine trade unionists and labor activists experienced 110 assaults on picket lines, 102 physical assaults and injuries, 41 instances of torture, 33 killings, 40 abductions, 748 instances of intimidation, 946 "grave threats," 159 illegal arrests or detentions, and 1,097 instances of blocking, breaking up or violently dispersing demonstrations.

ILRF has been working closely with labor groups in the Philippines to fight for their protection. In 2006 we investigated the murder of Diosdado "Ka Fort" Fortuna, a leader in a union representing Nestle workers. ILRF also worked in solidarity with workers at the Chong Won factory. These workers, who produce products for Wal-Mart, went on strike against management's refusal to negotiate a first collective bargaining agreement. ILRF mobilized people from across the country to deliver letters of protest in support of the workers to Wal-Mart stores.

ILRF also participated in two actions outside the Philippines Embassy in Washington, DC in coordination with international days of action to stop the killings in the Philippines. We will build on these successful collaborations in the coming year.



American consumers have a long history of acting in support of the rights of workers who produce the goods they wear and consume. Efforts dating since the turn of the 20th century to develop a union label for consumers, through the organized student anti-sweatshop movement of the 1990's, have laid the critical groundwork for advancing ethical consumerism efforts in the 21st century. ILRF's activities to promote a "sweatfree world" in 2006 included convening a workshop of garment trade unionists in southern Africa, promoting sweatfree apparel in the US, working with schools and states to identify sweatfree apparel options, and facilitating speaker tours of abused Wal-Mart sweatshop workers from the US and developing countries.

Ethical Consumerism in the African Apparel Industry:

Women workers in Namibia, Swaziland, Lesotho, and South Africa have expressed grave concerns that the phase out of the Multi-Fiber Arrangement (MFA) has already resulted, and will continue to result, in significant dislocations of workers in the apparel sector. A workshop convened by ILRF in South Africa in July 2006 allowed garment trade union representatives in Kenya, Lesotho, South Africa, Swaziland, and Namibia express their concerns, and to share thoughts on the development of campaign work to promote ethical or designated supplier programs to US consumers.

Shop with a Conscience:

ILRF continues to serve as a leader in the anti-sweatshop movement, seeking to educate and mobilize consumers to push for better conditions for workers in garment factories around the world. ILRF works closely with United Students Against Sweatshops (USAS), the Worker Rights Consortium (WRC) and the SweatFree Communities (SFC) on advocacy directed at universities, states and municipalities. Together with several organizations, ILRF sponsored a Shop with a Conscience Consumer Guide for the second year in a row to encourage consumers to support companies that are 100% sweatfree.



A New Strategy: Government Procurement:

ILRF has been supportive of various initiatives to leverage government buying power as a way to secure living wages, freedom of association, and acceptable working conditions among garment workers around the world. In 2006, ILRF made headway in an initiative to achieve sweatfree procurement policies for DC public school uniforms by establishing contacts in the DC school community, researching DC public school uniform procurement practices, and raising awareness in the schools and local community.



Walmart Supplier Worker Speaking Tours:

In January 2006, ILRF organized a tour in the Northeastern US of workers from Wal-Mart supplier facilities in the Philippines, Nicaragua, and Colombia to share their experiences working for the retail giant. Workers recounted their firsthand experiences with unsafe working conditions, unpaid overtime, discrimination, and anti-union retaliation at universities and public events in Washington, DC, Worcester and Amherst, MA, Hartford and New Haven, CT, Providence, RI, and New York City. A second worker tour followed in October 2006, this time featuring workers from Wal-Mart supplier facilities in China, Colombia, and Swaziland. The workers traveled around the Southern US, speaking to university students, union members, and community leaders about their personal experiences working in Wal-Mart supplier factories. The incredible story of Kate Chen, a young and dynamic worker from China, helped give a personal face to the stories of abuse so frequent in Wal-Mart factories around the world.



Chong Won Fashions, Inc (Cavite, Philippines)

In September 2006, Florie Arevalo, one of the workers that had participated in the January 2006 Wal-Mart speaking tour, and her co-workers went on strike from Chong Won Fashions, Inc. Chong Won Fashions is located in Cavite, Philippines and has long sourced for Wal-Mart and many other major brands. Florie and her co-workers formed a union years ago but yet the factory management had refused to negotiate with the independent union which is a clear violation of Wal-Mart's code of conduct. ILRF together with several other organizations like Maquila Solidarity Network and Clean Clothes Campaign developed a several month campaign to pressure Wal-Mart to enforce its code. On December 13, 2006, ILRF organized a day of action where over 100 Wal-Mart stores across the US and Canada received letters from community members demanding that Wal-Mart take responsibility for the unfortunate situation of the Chong Won workers and work to resolve the problems. Unfortunately the strike escalated into violence leaving workers wounded and blacklisted from future work in the garment industry. The strike and campaign continued into 2007 with Wal-Mart making some improvements though the factory management continued to delay each step of the way. ILRF has continued to communicate with the Chong Won Fashion workers as they continue their strike.

| NET ASSETS | 2005 | 2006 |
|--|--------------------|--------------------|
| Revenue | | |
| Churches | \$882 | \$2000 |
| Foundations | \$535,383 | \$202,550 |
| Other institutions | \$232,447 | \$4,450 |
| Individuals | \$45,802 | \$43,273 |
| Trade unions | \$700 | — |
| Government | \$592,296 | \$147,802 |
| Honoraria | \$3,317 | — |
| Event, net | \$4,738 | — |
| Interest | \$4,481 | \$7,508 |
| Reimbursements | \$785,048 | \$173,160 |
| Service fees | — | \$8,651 |
| Other | — | \$47 |
| In-Kind contributions | \$20,000 | \$155,000 |
| Unrealized gain or loss on investments | (\$1,433) | \$1,487 |
| Total Revenue | \$2,223,661 | \$745,928 |
| Expenses | | |
| Program services | \$1,413,393 | \$1,168,876 |
| Supporting services (Management and general) | \$300,214 | \$257,326 |
| Depreciation | \$4,809 | \$4,281 |
| Fundraising | \$3,882 | \$13,147 |
| Total Expenses | \$1,722,298 | \$1,443,630 |
| Change in Net Assets | \$501,363 | (\$697,702) |
| Net Assets at Beginning of Year | \$287,637 | \$789,000 |
| Net Assets at End of Year | \$789,000 | \$91,298 |



Our work would not be possible without the contributions of our dedicated supporters who share our commitment to making social and economic justice a reality for millions of workers worldwide. We would like to express our deepest gratitude to the following institutions and individuals for their generous support in 2006.

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