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AMERICA'S UNIONS

**American Federation
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815 16th St., NW
Washington, DC 20006
202-637-5000
aflcio.org

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Erland Herfindahl

Deputy Assistant United States Trade Representative for the Generalized System of Preferences and Chair of the Generalized Systems of Preferences Subcommittee of the Trade Policy Staff Committee Office
United States Trade Representative
erland_herfindahl@ustr.eop.gov

September 12, 2017

Dear Mr. Herfindahl,

In June 2013, following a series of highly publicized building disasters, including the Tazreen fire that claimed at least 117 lives and the collapse of the Rana Plaza building which killed over 1,100 workers and injured another 2,500, the United States government (USG) suspended Bangladesh's trade benefits under the Generalized System of Preferences (GSP).

Unfortunately, over the last four years the Government of Bangladesh has failed to take steps to afford internationally recognized worker rights, including the right to freedom of association, the right to organize and collectively bargain, and the right to acceptable conditions of work (19 U.S.C. § 2462(c)(7)). The AFL-CIO filed petitions to this effect in 2007, 2011, 2012 and 2014. The International Labour Organization (ILO) has published increasingly critical reports regarding Bangladesh's failure to afford worker rights,¹ and included the country in a special paragraph in 2016, which indicates a serious breach of legal obligations with respect to the rights to associate and bargain collectively.² The ILO also sent a High Level Mission in April 2016, which corroborated the issues raised by the trade unions.³ As these reports indicate, labor rights in the country have not improved but instead are further eroding. We urge the United States government to engage with the government of Bangladesh to address this troubling situation.

¹ The most recent reports of the ILO Committee of Experts concerning Bangladesh are available at the ILO Normlex Bangladesh country page *available at*

http://www.ilo.org/dyn/normlex/en/f?p=1000:11110:0::NO:11110:P11110_COUNTRY_ID:103500

² See International Labour Organisation, Committee on the Application of Standards, Part II, 105th Session (Geneva, 2016), p. 28, *available at* http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_489124.pdf.

³ International Labour Organisation, Report of the ILO High Level Tripartite Mission (Dhaka, 17–20 April 2016), *available at* http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_488339.pdf

The government's continued hostility to labor rights is due to several factors. First, the garment industry accounts for 82 per cent of the country's export earnings and thus any effort to organize is seen as a 'threat' to the sector's profitability and treated severely.⁴ Further, the government is racked by high levels of public corruption⁵ and corporate capture by the garment industry. As the *New York Times* reported, "Business interests dominate Bangladesh's Parliament. Of its 300 members, an estimated 60 percent are involved in industry or business. Analysts say 31 members, or 10 percent of the country's national legislators, directly own garment factories, while others have indirect financial interests in the industry."⁶

Despite years of scrutiny, workers who attempt to exercise their rights face retaliation, intimidation and physical violence, with impunity for employers and sometimes participation by government officials. Union leaders have been brutally beaten and hospitalized. Entire executive boards have been sacked. In some cases police have intimidated and harassed trade unionists, at the apparent behest of factory management. Responses by the labor inspectorate are extremely slow and inadequate. The vast majority of workers fired for trade union activity are not reinstated, nor are employers punished for egregious violations. Police routinely fail to carry out credible investigations in cases of anti-union violence, if they conduct investigations at all.

Below, we highlight two recent crackdowns, in Ashulia and Chittagong, that demonstrate that the Government of Bangladesh is not just failing to afford internationally recognized worker rights, but is an active partner in suppressing those rights.

a. Ashulia

In December 2016, a wave of repression was unleashed on garment workers following peaceful demonstrations for higher wages that started on December 11 in Ashulia, an area near Dhaka.⁷ The minimum wage for garment workers remains a mere 5,300 taka per month (roughly \$67), below the World Bank poverty line⁸ and well below neighbouring garment-producing nations

⁴ World Bank Helps Bangladesh Diversify Exports and Create 90,000 New Jobs, World Bank (June 1, 2017) available at <http://www.worldbank.org/en/news/press-release/2017/06/01/world-bank-helps-bangladesh-diversify-exports-and-create-90000-new-jobs>

⁵ According to Transparency International, "Politics in Bangladesh can be characterised as a battle between established elites over state resources ...political parties and parliament are increasingly being taken over by powerful business interests." See https://www.transparency.org/whatwedo/answer/overview_of_corruption_and_anti_corruption_in_bangladesh1

⁶ Jim Yardley, *Garment Trade Wields Power in Bangladesh*, NY Times, July 24, 2013, available online at <http://www.nytimes.com/2013/07/25/world/asia/garment-trade-wields-power-in-bangladesh.html> See also Reuters, *Special Report: How Textile Kings Weave a Hold on Bangladesh*, May 2, 2013, available at <http://www.reuters.com/article/us-bangladesh-garments-special-report-idUSBRE9411CX20130502> ("More than 30 garment industry bosses are members of parliament, accounting for about 10 percent of its lawmakers.")

⁷ The epicentre of the strike was *Windy Apparels Ltd*, where workers began to demand a rise in wages. The strike was ignited two months after a young woman worker died on the factory floor after repeatedly being denied medical leave by her supervisor. Her body was simply discarded by management on the street outside the factory gates for her family to pick up. An account of her tragic death at 23 years old was reported in Slate. See Anjali Kamat, *Bangladesh's Apparel Factories Still Have Appalling Worker Conditions*, Slate, 15 Dec 2016, available at http://www.slate.com/articles/business/the_grind/2016/12/bangladesh_s_apparel_factories_still_have_appalling_worker_conditions.html.

⁸ Fair Labor Association, *Toward Fair Compensation in Global Supply Chains: Factory Pay Assessments in 21 Countries*, August 2016, available at http://www.fairlabor.org/sites/default/files/documents/reports/toward_fair_compensation_in_global_supply_chains_2016_report_only_0.pdf ("The FLA found that for factories assessed in Bangladesh the

such as Cambodia.⁹ Police rounded up at least 34 union leaders and organisers, many of whom were not even in Ashulia during the demonstrations. Several were charged under a provision of the Special Powers Act barring the commission of ‘prejudicial acts’ that was repealed in the 1990s.¹⁰ Garment manufacturers filed additional claims alleging property damage, though no evidence to support these claims has yet been produced. The Bangladesh Garment Manufacturers and Employers Association (BGMEA), one of the most powerful organizations in the country, appears to have organized factory managers to suspend, dismiss or force to resign well over 1,600 workers in a coordinated closure of roughly 60 garment factories.¹¹ Police raided the offices of over two dozen trade unions and worker rights NGOs, disrupting their legitimate activities and forcing their doors closed.

In 2017, the government-sponsored repression continued. Police disrupted an ILO-funded health and safety training convened by the Bangladesh Independent Garment Workers Union Federation (BIGUF) on January 20. Police told the participants, falsely, that such training required a police permit. The lead inspector told workers not to associate with the union and threatened to drown the Vice President of the union in a ditch if he found him. Police demanded personal information from the participants, including information about their family members, and confiscated program materials. Police then padlocked the doors and closed the office.¹²

On February 25, BGMEA was set to host the Dhaka Apparel Summit, a major industry event including international brands and multi-stakeholder initiatives. Following an international campaign, many brands decided not to attend because of the crackdown in Ashulia.¹³ As a result, BGMEA and government officials reached an agreement with the IndustriALL Bangladesh Council, a coalition of local garment union federations, on February 23.¹⁴ Subsequently, all detained workers and organizers were released on bail, though the criminal charges lodged by the government remain pending. Workers at six factories producing for H&M were provided severance following intervention by IndustriALL, but dismissed workers elsewhere have been provided no remedy of any kind. Trade union and NGO offices were re-opened, but police surveillance and harassment continues to this day. Notably, none of the progress in this case came about because of the government but rather through campaigning and the intervention of global unions and brands.

purchasing power of average compensation — a measure that includes base pay, and some benefits and incentives, but excludes overtime — fell below the World Bank poverty line.”)

⁹ Through strikes and demonstrations, the minimum wage in the garment industry in Cambodia rose in recent years from \$60 in 2013 to \$153 per month in 2017.

¹⁰ See, e.g. Human Rights Watch, *Bangladesh: Stop Persecuting Unions, Garment Workers: Brands Should Make Binding Commitments to Protect Freedom of Association*, Feb 15, 2017, available at <https://www.hrw.org/news/2017/02/15/bangladesh-stop-persecuting-unions-garment-workers>.

¹¹ *Ibid.* See also, Michael Safi, *Bangladesh Garment Factories Sack Hundreds After Pay Protests*, *The Guardian*, Dec 27, 2016, available at <https://www.theguardian.com/world/2016/dec/27/bangladesh-garment-factories-sack-hundreds-after-pay-protests>.

¹² This information is based on interviews by the Solidarity Center with participants in the training immediately after the events occurred.

¹³ See, e.g. *Top Fashion Brands to Boycott Bangladesh Garment Summit*, *Dhaka Tribune*, 23 Feb 2017, available at <http://www.dhakatribune.com/business/2017/02/23/top-brands-boycott-bangladesh-garment-summit/>

¹⁴ See IndustriALL Press Release, *Breakthrough in Bangladesh as unionists and garment workers are freed following international pressure*, 23 Feb 2017, available at <http://www.industriall-union.org/bangladeshi-unionists-and-garment-workers-freed-following-international-pressure>

b. Chittagong

Worker organizing in the port city of Chittagong has been stifled through violence and intimidation. Unions affiliated with the Bangladesh Independent Garment Workers Union Federation (BIGUF), the biggest and most active federation in the area, have been unable to successfully register in Chittagong since 2014. In the first eight months of 2017, the Joint Director of Labor (JDL) in Chittagong rejected over 70% of the total union applications for registrations (15 out of 21 known applications), many for unfair and arbitrary reasons.

Workers at the Savar Factory and Orchid Garment, both owned by the influential and notoriously anti-union Azim Group, began organizing with the BIGUF in early 2016. Workers have tried to unsuccessfully register unions with the JDL multiple times. In March 2017, the latest applications was rejected for arbitrary and inaccurate reasons. For example, the government stated the BIGUF failed to obtain the 30% worker support required for registration, but in fact BIGUF could demonstrate support from over 65% of the workers.

On May 27, 70 workers and union leaders from Orchid Sweaters were threatened and physically assaulted by a group of unidentified men acting on behalf of management outside of the factory gate. The following day, union supporters were again attacked and management then proceeded to eject dozens of union leaders and supporters from the factories.

On May 29, management filed criminal charges against 61 union members, charging them with instigating the violence on May 27. On June 11, 60 of the accused workers surrendered themselves to the Metropolitan Magistrate Court in Chittagong and filed a petition for bail. The court granted bail for 38 workers, and rejected 22 petitions outright, jailing those workers for several days before they were eventually released.

These cases are indicative of widespread anti-union behavior on the part of both employers and the government. The situation for workers in Bangladesh remains dire. The Government of Bangladesh does not afford internationally recognized worker rights as required by 19 U.S.C. § 2462(c)(7). We urge the United States government to take all necessary measures to pressure the Government of Bangladesh to address the situation.

Sincerely,



Cathy Feingold
Director, International Department
AFL-CIO