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MEDIA NOTE

STATEMENT BY THE U.S. GOVERNMENT ON LABOR RIGHTS AND FACTORY SAFETY IN BANGLADESH

DHAKA, JULY 19, 2013 – The following is a joint statement by the Department of State, the Department of Labor, and the Office of the United States Trade Representative:

Today, the United States is outlining next steps in a longstanding effort to address in a meaningful way worker safety problems in Bangladesh – the severity of which were exemplified in the tragedies of the November 2012 Tazreen Fashions factory fire and the April 2013 Rana Plaza building collapse – and, more broadly, the ability of Bangladeshi workers to exercise their full range of labor rights.

On June 27, 2013, President Obama announced his decision to suspend Bangladesh’s trade benefits under the Generalized System of Preferences (GSP) in view of insufficient progress by the Government of Bangladesh in affording Bangladeshi workers internationally recognized worker rights. That decision followed an extensive, interagency review under the GSP program of worker rights and worker safety in Bangladesh during which the U.S. Government encouraged the Government of Bangladesh to implement needed reforms. At the time of the announcement, the Administration provided the Government of Bangladesh with an action plan which, if implemented, could provide a basis for the President to consider the reinstatement of GSP trade benefits.

Today, the Administration is making this action plan public as a means to reinforce and support the efforts of all international stakeholders to promote improved worker rights and worker safety in Bangladesh. On the basis of this action plan, the United States looks forward to continuing to work with Bangladesh on the actions it needs to take in relation to potential reinstatement of GSP benefits.

The United States is also pleased to associate itself with the July 8, 2013 European Union (EU)-Bangladesh-International Labor Organization (ILO) *Sustainability Compact for Continuous Improvements in Labour Rights and Factory Safety in the Ready-made Garment and Knitwear Industry in Bangladesh* (Compact). The United States looks forward to working as a full partner with the EU, Bangladesh, and the ILO to implement the goals of the Compact, many of which are broadly consistent with the GSP action plan we are releasing today. At the same time, the United States will pursue additional concrete actions required under the GSP action plan, such as increasing sanctions for labor violations sufficient to deter future misconduct, publicly reporting on the outcome of union registration applications, establishing an effective complaint mechanism for labor violations, and ending violence and harassment of labor activists and unions.

In addition to these complementary, government-to-government efforts, the Administration recognizes the importance of efforts by retailers and brands to ensure that the factories from

which they source are compliant with all fire and safety standards in Bangladesh. We urge the retailers and brands to take steps needed to help advance changes in the Bangladeshi garment sector and to work together and with other stakeholders to ensure that their efforts are coordinated and sustained.

The Administration looks forward to continuing its engagement with the Government of Bangladesh and all stakeholders in order to effect positive change for Bangladeshi workers and to help ensure that the recent tragedies we have witnessed do not recur.

BANGLADESH ACTION PLAN 2013

The United States Government encourages the Government of Bangladesh (GOB) to take significant actions to provide a basis for reinstating Bangladesh's Generalized System of Preferences (GSP) benefits, including by implementing commitments under the "National Tripartite Plan of Action on Fire Safety and Structural Integrity" and taking the following actions:

Government Inspections for Labor, Fire and Building Standards

- Develop, in consultation with the International Labor Organization (ILO), and implement in line with already agreed targets, a plan to increase the number of government labor, fire and building inspectors, improve their training, establish clear procedures for independent and credible inspections, and expand the resources at their disposal to conduct effective inspections in the readymade garment (RMG), knitwear, and shrimp sectors, including within Export Processing Zones (EPZs).
- Increase fines and other sanctions, including loss of import and export licenses, applied for failure to comply with labor, fire, or building standards to levels sufficient to deter future violations.
- Develop, in consultation with the ILO, and implement in line with already agreed targets, a plan to assess the structural building and fire safety of all active RMG/knitwear factories and initiate remedial actions, close or relocate inadequate factories, where appropriate.
- Create a publicly accessible database/matrix of all RMG/knitwear factories as a platform for reporting labor, fire, and building inspections, including information on the factories and locations, violations identified, fines and sanctions administered, factories closed or relocated, violations remediated, and the names of the lead inspectors.
- Establish directly or in consultation with civil society an effective complaint mechanism, including a hotline, for workers to confidentially and anonymously report fire, building safety, and worker rights violations.

Ready Made Garments (RMG)/Knitwear Sector

- Enact and implement, in consultation with the ILO, labor law reforms to address key concerns related to freedom of association and collective bargaining.

- Continue to expeditiously register unions that present applications that meet administrative requirements, and ensure protection of unions and their members from anti-union discrimination and reprisal.
- Publicly report information on the status and final outcomes of individual union registration applications, including the time taken to process the applications and the basis for denial if relevant, and information on collective bargaining agreements concluded.
- Register non-governmental labor organizations that meet administrative requirements, including the Bangladesh Center for Worker Solidarity (BCWS) and Social Activities for the Environment (SAFE). Drop or expeditiously resolve pending criminal charges against labor activists to ensure workers and their supporters do not face harassment or intimidation. Advance a transparent investigation into the murder of Aminul Islam and report on the findings of this investigation.
- Publicly report on the database/matrix identified above on anti-union discrimination or other unfair labor practice complaints received and labor inspections completed, including information on factories and locations, status of investigations, violations identified, fines and sanctions levied, remediation of violations, and the names of the lead inspectors.
- Develop and implement mechanisms, including a training program for industrial police officers who oversee the RMG sector on workers' freedom of association and assembly, in coordination with the ILO, to prevent harassment, intimidation and violence against labor activists and unions.

Export Processing Zones

- Repeal or commit to a timeline for expeditiously bringing the EPZ law into conformity with international standards so that workers within EPZ factories enjoy the same freedom of association and collective bargaining rights as other workers in the country. Create a government-working group and begin the repeal or overhaul of the EPZ law, in coordination with the ILO.
- Issue regulations that, until the EPZ law has been repealed or overhauled, will ensure the protection of EPZ workers' freedom of association, including by prohibiting "blacklisting" and other forms of exclusion from the zones for labor activities.
- Issue regulations that, until the EPZ law is repealed or overhauled, will ensure transparency in the enforcement of the existing EPZ law and that require the same inspection standards and procedures as in the rest of the RMG sector.

Shrimp Processing Sector

- Actively support ILO and other worker-employer initiatives in the shrimp sector, such as the March 2013 Memorandum of Agreement, to ensure the strengthening of freedom of association, including addressing anti-union discrimination and unfair labor practices.

Publicly report on anti-union discrimination or other unfair labor practice complaints received and labor inspections completed, including information on factories and locations,

status of investigations, violations identified, fines and sanctions levied, remediation of violations, and the names of the lead inspectors.

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