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**KEY NOTE REMARKS**  
**BY**  
**U.S. AMBASSADOR TO BANGLADESH DAN MOZENA**  
**“MENDING THE FABRIC OF THE BANGLADESH APPAREL**  
**SECTOR”**  
**INTERNATIONAL CONFERENCE ON GLOBALIZATION AND**  
**SUSTAINABILITY OF THE BANGLADESH GARMENT**  
**SECTOR**  
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**CAMBRIDGE, MASSACHUSETTS**  
**JUNE 14, 2014**

I pleaded with her ... son to mother.

“Mom,” I said, “you have to come to Boston ... I need your help to give a speech.”

“Danny,” came the terse reply, “I ain’t going to any Boston.”

“Why not?” I queried.

“Because I am 93 years old and I’m not traipsing halfway across the country to give a speech.”

“So what if you are 93... Boston likes old ladies.”

“I’m not coming.”

The empty space beside me makes clear who won this discussion.

So, in Mom’s absence, let me deliver her message:

“The darkest clouds of life often have silver linings.”

I was raised on that philosophy ... that something good can come out of something bad.

I believe life’s darkest tragedies can have silver linings.

I believe such is the case with the horrible tragedies of Rana Plaza and Tasreen Fashions fire.

I believe the silver lining of these tragedies is the reformation, the transformation of Bangladesh's apparel sector as Bangladesh brings its RMG sector to international standards in terms of fire safety, factory structural soundness, and respect for workers' rights to freely associate and organize, as will be explored in depth in later sessions of this conference.

I believe Bangladesh is making history as it creates new standards for the apparel industry globally.

Let me explain my perspective of the transformation underway in Bangladesh's apparel sector.

President Obama's determination last June to suspend Bangladesh's GSP privileges in America is a driving force of change. He gave the Bangladesh government an Action Plan for restoring these benefits that is a roadmap for transforming the apparel sector. We should hear in coming weeks the outcome of the latest review for restoration of these privileges.

Much of that roadmap was incorporated into the Sustainability Compact that Bangladesh accepted last July in Geneva in association with the U.S., the EU and the ILO. The unprecedented Compact is Bangladesh's commitment to effect fundamental change in the sector ... history is being made.

The brands ... the buyers ... for the first time ever have set aside their competitiveness and forged two groupings ... the Alliance and the Accord...that commit nearly 200 buyers to help Bangladesh bring the apparel sector to international standards. These companies have put around \$100 million on the table to fund safety inspections of their over 2000 source factories ... these inspections are now underway to generally agreed safety standards ... history is being made.

Thanks to generous contributions from Canada, the UK and the Netherlands, the ILO is funded to undertake inspections in the remaining factories, thus ensuring that 100% of the factories are inspected ... this is so critical: all factories/all factories must be part of the solution ... indeed, history is being made.

The ILO has also launched the largest Better Work program in its history with the goal of helping up to 800 factories come to standard ...more history being written.

Buyers, the IFC, the Japanese development agency, the Bangladesh Central Bank and others are making available hundreds of millions of dollars at concessional interest rates to enable owners to finance factory renovations needed to bring their facilities up to standard ... another first.

Workers are key to the transformation. In the past 18 months about 150 unions ... real unions ...have been registered ... a stark contrast to the previous three years when a total of two unions were recognized by the government. The nascent unions are the first steps in giving workers an effective say in regard to their safety and respect for their rights. These, too, are important firsts for workers in the RMG sector. I am pleased that America has played a key role in supporting this union growth and helping to write this encouraging part of history.

Some factory owners are fully committed to bringing their individual factory and the sector as a whole up to international standards as they understand that this is the only way to ensure no more Rana Plazas, no more Tazreen Fashions fires ... the only way to ensure Bangladesh's continued global leadership in apparel.

America and other friends of Bangladesh are also supporting transformation of the RMG sector. I am proud that America through USAID and the Department of Labor is helping in making the sector a safer place to work ... we and other partners are helping to write history.

Most importantly, the Government of Bangladesh is showing good leadership to transforming the sector. In a process called "3+5," the secretaries of commerce, labor and foreign affairs partner with 5 key ambassadors (U.S., EU, the Dutch as chairman of the Local Consultative Group on Private Sector Development, Canada and a rotating EU seat) to review progress on the GSP Action Plan and the Sustainability Compact. This monthly meeting further drives the transformation process. The government's leadership heretofore is most impressive.

As I review the progress over the months since Rana Plaza, I see much important history being written, such as achieving generally agreed safety and labor rights standards, engaging buyers and ILO in undertaking to inspect all factories, making inspection results public, registering more unions than ever and more. These achievements are noteworthy and make clear how far the sector has come since Rana Plaza.

I think you can appreciate that this alignment of forces to transform forever the apparel sector in Bangladesh is historic.

Nonetheless, significant obstacles remain and much more needs to be done to realize this transformation.

Some owners ignore the need to change; they assert that they continue to get orders and make money so why should they undertake safety changes ... why should they tolerate unions. They choose to ignore the devastating costs to the industry when the next Rana Plaza or Tasreen Fashions disaster strikes, which will be inevitable if the industry does nothing to prevent such recurrences. These owners focus on maximizing profits today, and they will mount ever greater pressure on the government to stymie transformation. I believe no owner has the right to enrich himself by putting at risk the lives and well-being of his or her workers. I believe all owners must be part of the transformation of bringing the apparel sector to international standards in terms of safety and labor rights. Some owners may need to close or consolidate with others. Those owners who insist on pursuing profits at the risk of their workers cannot remain in business ... they simply do not have the right to jeopardize their workers' lives so they can make money.

Another major challenge is the active and often violent opposition by some owners to workers' attempt to organize themselves, which is their right by Bangladeshi law. Such crackdowns on labor activists simply are not acceptable and must stop immediately. I give credit to the government and some leaders of BGMEA for their efforts to resolve these disputes peacefully. I

urge the government to move expeditiously to establish an Alternative Dispute Resolution Mechanism as Commerce Minister Tofail suggested some months back. This would provide real-time relief to organizing problems.

Other challenges remain as well. The government is yet to make good on its earlier commitment to hire 200 inspectors; the publicly accessible database is now online, but it is empty ... no data has been entered, as required by the Sustainability Compact; the implementing rules for Labor Act reforms of 2006 and 2013 are yet to promulgated, though now a draft is in circulation; the law has yet to be amended to bring the Export Processing Zones into conformity with Bangladesh's national labor law and international commitments, though a draft amendment now exists.

There are other challenges as well, but I think I have made point: Bangladesh has made important progress along the path of bringing its apparel sector to international standards, but it has far to go to cross the finish line.

As for me, I believe Bangladesh will seize this moment to transform the apparel sector.

I believe Bangladesh will become the new global norm for apparel production and export.

I believe Bangladesh will set the new global standard for providing safe working conditions and respecting workers' rights.

I believe Brand Bangladesh will become a Preferred Brand, a Premium Brand in the global apparel marketplace.

I believe Bangladesh can be/should be/will be the largest apparel exporter in the world.

That is the challenge ... Bangladesh ... the largest apparel exporter in the world ... I believe Bangladesh will triumph in achieving this goal, though the path to success will not be easy.

Thank you.

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*\*As prepared for delivery*