

AFL-CIO 1990

American Federation of Labor and Congress of Industrial Organizations



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June 1, 1990

Bangladesh
El Salvador
MALAYSIA
SUDAN
Haiti
NEPAL
SYRIA
TURKEY

Mr. Hiram Lawrence
GSP Subcommittee
Office of the U.S. Trade Representative
Room 414
600 17th Street, NW
Washington, DC 20506

Dear Mr. Lawrence:

In keeping with the **Federal Register** notice of April 13, the AFL-CIO is submitting the attached document concerning the GSP annual review.

In its petition, the AFL-CIO urges the U.S. government to remove GSP privileges from the following countries: Bangladesh, Malaysia, El Salvador, Sudan, Turkey, Benin, Haiti, Nepal, and Syria. We believe that these countries have denied their workers the basic worker rights that are to be accorded under Section 502B and C of the Trade Act of 1974 as amended.

Sincerely,

Tom Kahn
Tom Kahn, Director
Department of
International Affairs

Rudy Oswald
Rudy Oswald, Director
Department of Economic
Research

Enclosure
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AFL-CIO Petition on GSP
June 1, 1990

INTRODUCTION

The AFL-CIO herein presents evidence that certain countries now enjoying the privilege of importing goods duty-free into the United States under the Generalized System of Preferences Program (GSP) are serious violators of worker rights. Because of their violations, these countries should lose their GSP privilege. These countries include Bangladesh, Malaysia, El Salvador, Sudan, and Turkey; as well as four other countries previously discussed: Benin, Haiti, Nepal, and Syria. These countries were the subject of previous petitions to the U.S. Trade Representative, who declined to take action pending further review. In the case of Haiti and Syria, the investigations have been ongoing since June 1988, in spite of weighty evidence from a variety of sources that workers rights have been denied.

Under Section 502 (b) and (c) of the Trade Act of 1974, as amended in 1984, countries that are beneficiaries of the U.S. Generalized System of Preferences must observe certain standards with regard to worker rights. As enumerated in the law, these standards include the following five criteria:

- * the right of association;
- * the right to organize and bargain collectively;
- * a prohibition on the use of any form of forced or compulsory labor;
- * a minimum age for the employment of children;
- * acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Bangladesh

The labor laws weaken unions' organizational strength by forcing them to rely on political parties' largesse. The Government of Bangladesh encourages a fragmentation of the labor movement that contributes to low wages, long hours, and lack of guarantees of a safe or healthy working environment. Child workers are the most pathetic victims of misguided government policy toward its own citizens.

Benin

Since the AFL-CIO first petitioned the U.S. Trade Representative to remove Benin from the list of those countries

eligible for GSP privileges, a great number of political and institutional changes have occurred in that country. Nevertheless, the AFL-CIO is reluctant at this point to assume that these changes will automatically result in the recognition by the Government of Benin of the fundamental human and trade union rights of Benin's workers. The country's political institutions are undergoing a profound and radical transformation and it is too soon to predict what the outcome will be. The AFL-CIO will be monitoring closely those developments in Benin which relate to worker rights and will provide detailed assessments as the situation evolves.

Haiti

The status of worker rights has deteriorated further. No system is in place to protect worker rights.

Malaysia

The economic policies of the Malaysian government take precedence over worker rights, particularly in the important electronics industry. Organizational rights are abused by the Registrar of Trade Unions, who at his discretion refuse to grant a union its rightful legal status and thereby prevent it from functioning.

Nepal

Changes in Nepal are not guaranteed by constitutional or other legal remedies.

El Salvador

Workers in war-torn El Salvador suffer from intervention in union affairs by employers, government, and the military. This ranges from intimidation and coercion to disappearances, detentions and killings. It has become clear today that the government is unable or unwilling to change the climate of hostility and disrespect for workers who choose to exercise their rights.

Sudan

A coup d'etat in 1989 abolished trade unions by decree, stripping workers of associational freedoms enjoyed under the democratic tenure of Sadiq al Mahdi.

Syria

The case against Syria began with the AFL-CIO petition of 1988. Since that time we have brought evidence from a wide variety of sources to substantiate our contention that workers have no organizational rights.

Turkey

Teachers in Turkey are proscribed by law from forming and joining trade unions.

BANGLADESH

Bangladesh, one of the poorest countries in the world, has many desperate needs. None of its needs surpasses those of the country's impoverished workers--men, women, and children--whose elementary rights are flagrantly ignored. Unless the government of Bangladesh takes serious steps toward respecting those rights, the country deserve to lose its GSP privileges.

Why Pick On Such A Poor Country?

Because of its serious and widespread labor abuses, Bangladesh obviously fails the worker rights test that developing countries must meet to qualify for GSP privileges under the provisions of the Trade and Tariff Act of 1984. The argument against invoking the sanctions of U.S. law is that Bangladesh is a "basket case," a country so immersed in poverty that it ought not be judged by the usual standards.

That argument is based on false assumptions about U.S. law and about Bangladesh. The 1984 law does not require poor countries to achieve the standards of highly industrialized nations. In fact, it does not set down absolute standards of any sort. Rather, its objectives are modest--it seeks to prod developing countries toward "taking steps to afford international recognized workers rights to workers in the country (including any designated zone in that country)." In other words, no matter how poor a country, it should seek to make some progress in respecting the rights of its workers.

Is the condition of Bangladesh so utterly hopeless that it really cannot meet that minimal requirement? Emphatically not.

On the contrary, to make such a judgment about a poor country is to condemn it to remain on a treadmill of poverty and injustice. The systematic suppression of the rights of its workers is a sure formula for keeping a poor country poor. That is true as much for Bangladesh as it is for Poland or Romania.

Massive infusion of foreign aid has not enabled Bangladesh to get off the poverty treadmill. In fact, according to a Bangladeshi economist, Dr. Rehman Sobhan, former director of the Bangladesh Institute of Development Studies, foreign aid has served to reinforce the status quo and to militate against social change.¹

The hope now is that the expansion of export-oriented industries will spur economic growth in Bangladesh through the creation of new jobs. Here Dr. Rehman also has expressed skepticism. He criticizes the assumption that increased employment necessarily reduces poverty.² The effect of employment on an economy depends less on the quantity than on the quality of the jobs being created. Do the jobs pay below-subsistence wages (as