

**BEFORE THE UNITED STATES  
TRADE REPRESENTATIVE**

**SUPPLEMENT TO PETITION TO REMOVE BANGLADESH  
FROM THE LIST OF BENEFICIARY DEVELOPING COUNTRIES  
UNDER THE GENERALIZED SYSTEM OF PREFERENCES (GSP)**

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**SUBMITTED BY:  
AMERICAN FEDERATION OF LABOR AND CONGRESS OF  
INDUSTRIAL ORGANIZATIONS (AFL-CIO)  
SEPTEMBER 2, 2003**

## **Introduction**

An initial petition was filed by the AFL-CIO in June 1990 calling for revocation of GSP benefits for Bangladesh because Bangladesh, by suspending certain labor laws from being applied to Export Processing Zones (EPZs), thereby effectively denied to EPZ workers their rights of freedom of association and collective bargaining. This complaint was settled in June 1992 (Case No. 008-CP-91) when the Government of Bangladesh (GoB) agreed to phase out the labor law suspensions in EPZs according to the following timetable:

- 1995 – Restoration of the 1965 Employment of Labour (Standing Orders) Act.
- 1997 – Restoration of Section 3 of the 1969 Industrial Relations Ordinance to allow freedom of association and formation of unions.
- 2000 – Restoration of all sections of the 1969 Industrial Relations Ordinance.

A second petition was filed by the AFL-CIO on June 16, 1999 after the GoB failed to meet the 1995 and 1997 deadlines and there was little reason to believe that the 2000 deadline would be met. In response to this second complaint, the GoB gazetted an official notice on January 31, 2001 that said, in part, that all workers in EPZs “will have their legal rights and related rights in the Zones and this will be effective from January 1, 2004”. (Attachment 1).

The AFL-CIO filed a supplement to the June 16, 1999 petition on December 2, 2002, highlighting the position taken by the Bangladesh Export Processing Zones Authority (BEPZA) to review the functioning of the worker welfare committees in the Export Processing Zones as prerequisite for introduction of trade union/collective bargaining rights as inconsistent with the spirit of the Bangladesh Gazette notice of January 31, 2004.

### **Drafting of Instructions for the EPZs and Further Extension of the FOA Ban**

Since the December 2002 supplement was filed, the GoB has given repeated and continuing indications that it does not intend to fulfill its commitment to lift the ban freedom of association in the EPZs.

Firstly, in draft EPZ Instruction 3, received by Nazrul Islam on June 23, 2003, BEPZA outlines regulations proposed to guide future labor relations in the zones, which perpetuate the ongoing suppression of real freedom of association. In order to comply with its commitments, this instruction should reflect statements made by BEPZA to “allow full freedom of association and rights to collective bargaining in the Export Processing Zones over the years in a phased manner” as it stated in its response to the GSP Subcommittee of USTR (Attachment 2). However, the extralegal suspensions, legislated and administrative rules and instructions, and modified application of legal norms and rights affecting workers in the EPZ’s in Bangladesh embodied in draft Instruction 3 indicate the ongoing suspension of freedom of association rights in export processing zones.

For instance, draft Instruction No. 3 violates ILO Convention No. 135 on workers' representative bodies in that it fails to adequately protect worker representatives from adverse action for worker organization-related activities and suppresses trade union rights and functions.

The Instruction's proposed ban on affiliation of workers' welfare committees ["WWC"] with any trade union, political party, or with other WWC's on its face violates the Conventions of the International Labor Organization ("ILO") and applicable human rights conventions, inter alia, the International Covenants on Civil and Political Rights, Article 22, a treaty to which Bangladesh is signatory. The proposed BEPZA Instruction 3 also violates Bangladeshi constitutional and statutory law in Part IV, Para. 14 (i)-(ii).

Moreover, the proposed BEPZA Instruction does not allow for the formation of independent worker associations, but rather promotes joint committees with full management participation in all deliberations. Through simultaneously limiting the eligibility of those who can serve as a worker representative, and leaving vague the definition of "worker," the BEPZA Instruction ensures that the joint committees have no chance of attaining any measure of autonomy from enterprise management. Such committees will never function as mechanisms for worker voice or grievance adjustment, the possibility of which is eliminated by the very design of the committee.

Secondly, news articles have surfaced over the past few months stating that the Government of Bangladesh plans to extend the ban on unions in the EPZs beyond January 1, 2004 for approximately 2-3 more years. (See attachment 3 and 4 – 2 articles from the Bangladeshi Daily Star). The government is said to have formed a 9-member committee designated to hold talks with the US Embassy, representatives of the AFL-CIO, and the ILO "to convince the international pressure groups of a possible negative impact on foreign direct investment (FDI) if union activity is allowed in the EPZs." This, in spite of a June 2003 reminder from the USTR to the GoB of the importance of upholding its promise to allow trade union activities in the EPZs.

## **Conclusion**

This set of events must not become another occasion for the GoB to propose a new timetable for introducing freedom of association to the EPZs. There are a couple of months to go before the GoB must lift the suspension of labor laws from the EPZs. If the GoB fails to do so by January 1, 2004 then GSP benefits for Bangladesh should be terminated.

