

Bangladesh 001-CP-99

American Federation of Labor and Congress of Industrial Organizations



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June 16, 1999

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Mr. H. Jon Rosenbaum, Ph.D.
Assistant U.S. Trade Representative
GSP Subcommittee
Office of the U.S. Trade Representative
600 17th Street, N.W., Suite 518
Washington, DC 20506

Dear Jon:

The AFL-CIO hereby submits petitions to the USTR on the basis of worker rights violations in accordance with Section 502(b)(7) the Trade Act of 1974, as amended. The petitions include information on worker rights violations in Bangladesh and updates on the existing cases on Swaziland and Thailand. These petitions are submitted as required by the notice printed in the Federal Register.

Sincerely,

Barbara Shailor, Director
International Affairs Department

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opeiu#2aflcio

**WORKER RIGHTS
AND THE
GENERALIZED SYSTEM OF
PREFERENCES**

BANGLADESH

**The AFL-CIO Petition to the
Office of the United States Trade
Representative**

June 16, 1999

GSP Petition on Bangladesh June 1999

Introduction

The government of Bangladesh has not kept its 1991 promise to the U.S. Trade Representative to restore freedom of association to the nation's Export Processing Zones (EPZs) by the deadline of 1997. The AFL-CIO is therefore calling for revocation of GSP benefits for Bangladesh.) FOA

The Government of Bangladesh (GoB) passed the Bangladesh Export Processing Zones Authority Act, 1980 (Act No. XXXVI of 1980, dated December 26, 1980), which came into force on April 14, 1981. (See Attachment A) The Act made provisions for the establishment of the Bangladesh Export Processing Zones Authority which governs the conduct of business in the zones. In this Act, the GoB was given the power to exempt, by notification in the official Gazette, the zones from the operation of all or part of various Acts and Ordinances such as the Electricity Act 1910; the Stamp Act 1899; the Foreign Exchange Regulation Act 1947; and 13 other statutes including the Employment of Labour (Standing Orders) Act 1965; the Industrial Relations Ordinance 1969; and the Factories Act 1965.

By gazetting notifications, the application of the latter three labor laws was exempted from the Export Processing Zones (EPZs). As such, there are no procedures established under law governing the formation and registration of labor unions in the EPZs and this void in the industrial relations process leaves no way for workers in the zones to access their right to form and register unions and enter into collective bargaining. To date, there are no labor unions in the zones.)

In the USTR's 1991 GSP Annual Review (Worker Rights Review Summary) of Bangladesh (Case No. 008-CP-91, issued in June 1992), the USTR states that "According to information submitted by the Government, under the authority of Article 38 of the Constitution, Bangladesh has suspended three laws relating to labor practices in the Chittagong EPZ: the Employment of Labour (Standing Orders) Act 1965, the Industrial Relations Ordinance 1969, and the Factories Act 1965." (p. 2) (Emphasis added.))

1991 Commitment

In a 1991 statement, the GoB stated it would end its suspension of labor laws guaranteeing the right of association in Export Processing Zones. In the USTR's 1991 GSP Annual Review of Bangladesh, it was noted (p. 5) that the Government of Bangladesh had "taken a number of positive actions which began to address several of the worker rights problems" including (p. 6):

2. Establishment of an express timetable for the phasing out of labor law suspensions in the Chittagong EPZ. According to the Bangladesh Export Promotion Bureau, the three suspended labor laws will be phased out 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.

Since 1991, Bangladesh has opened another Export Processing Zone, in the Savar area of Dhaka, that operates under the same suspension or exemption from labor laws as the Chittagong EPZ. In its *1998 Country Report on Human Rights Practices*, the U.S. Department of State says about Bangladesh (p.18) that:

The law prohibits professional and industry-based unions in the two export processing zones (EPZs). A small number of workers have skirted the prohibitions on forming unions by setting up associations. The Government has not implemented a 1992 government promise to end labor law restrictions on freedom of association and formation of unions by 1997. In addition to the prohibition on unions, no collective bargaining takes place in the EPZs. Approximately 50,000 persons are employed in EPZs, primarily in the textile and apparel, electronics component, and leather industries.

A third EPZ is currently under construction, and several more are in the planning and design stage.

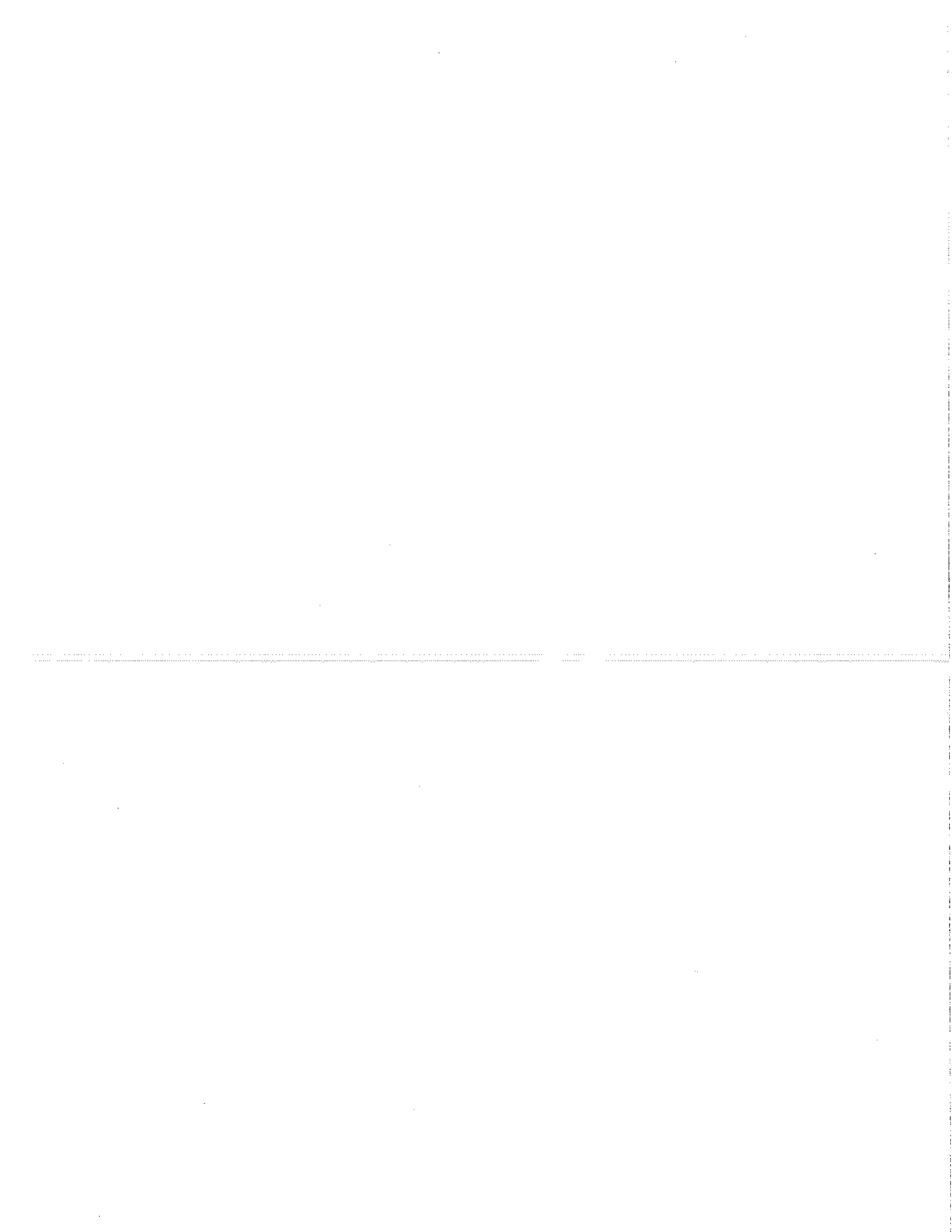
Conclusion

The Government of Bangladesh has utterly failed to meet its commitment to the 1995 and 1997 timetable for restoration of labor laws in EPZs, and there is therefore little reason to believe that the GoB will meet the year 2000 deadline either. There have been no actions of the GoB since its 1991 pledge which can be construed as "positive actions" or "taking steps" leading to the fulfillment of its commitment to a phase-out of the labor law restrictions in EPZs.

In the 1991 GSP Annual Review, the Interagency Subcommittee on GSP stated (p. 8) that one of its continuing concerns with respect to Bangladesh worker rights practices was:

2. That Bangladesh fully adheres to the Government's stated intentions with respect to the phasing out of labor law suspensions in the Chittagong EPZ, and all Bangladeshi labor laws apply to any EPZs established in Bangladesh in the future.

It is clear that Bangladesh has broken its promise to the USTR. It is long past the 1995 and 1997 deadlines for restoring freedom of association to the Export Processing Zones. We believe that the government of Bangladesh should keep its commitment to the USTR, and apply the law to allow freedom of association in all EPZs. If the government of Bangladesh fails to act expeditiously to do so, GSP eligibility for Bangladesh should be revoked.



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BANGLADESH

The worker rights situation in Bangladesh continues to be grim. According to our information, even the new law for so-called "compulsory" education is a misnomer; it is not being implemented, and is not designed to be. The traditional forms of oppression -- particularly against women and children -- are so powerful that significant progress on worker rights is impossible in the absence of meaningful outside pressure such as withdrawal of GSP benefits. It is a grievous failure for the U.S. government to continue to extend GSP trading privileges to the Government of Bangladesh.

