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**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)**

**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).

## **Three-year Transition Period**

The Bangladesh Gazette notice meant that there would be an interval of nearly three years from the date of the Gazette notice to the effective date of January 1, 2004. During this transition period, the GoB pledged to mandate the formation of a Workers Welfare Committee at each industrial unit in the EPZs, and a tripartite Tribunal to resolve unsettled grievances brought to it by the Workers Welfare Committees.

The Bangladesh Export Processing Zones Authority (BEPZA) response to the GSP Subcommittee of USTR said that “Bangladesh is a signatory to the International Labor Organization conventions and the Government of Bangladesh is agreed in principle to allow full freedom of association and rights to collective bargaining in the Export Processing Zones over the years in a phased manner.” (Attachment 2).

It is clear, however, that the Worker Welfare Committees are not trade unions in any sense whatsoever, and that such Committees are not an acceptable functional substitute for trade unions. The existence of Worker Welfare Committees in the EPZs does not meet the recognized international standard of freedom of association. In his August 24, 2000 letter to Jon Rosenbaum of USTR, the Bangladesh embassy commercial counselor Md. Ghulam Hussain said that the Worker Welfare Committees “will not be permitted to affiliate with each other within the Export Processing Zones and/or with other organizations outside the Export Processing Zones.” (Attachment 3). The Worker Welfare Committees are supposed to be composed of five workers from an EPZ

industrial unit, although the process of selection of the members of the Committees has not always been transparent.

Of particular concern is the statement of Md. Ghulam Hussain in the above-mentioned letter to USTR, that “Bangladesh Export Processing Zones Authority (BEPZA) will review the activities of the Welfare Committee[s] and that of the Tribunal after three years, i.e. August 2003. Considering the performance of the Welfare Committee[s] and Tribunal and overall situation of the country prevailing at that time, a definite time frame for introduction of trade union/collective bargaining in the zones **may** [emphasis added] be worked out.” This statement is at odds with that of Bangladesh Gazette notice of January 31, 2001 that states unequivocally that all workers in EPZs “will have their legal rights and other related rights in the Zones and this will be effective from January 1, 2004.” In short, a definitive time frame already exists.

### **Conclusion**

It has been well over a decade since the first AFL-CIO petition was submitted and there has as yet been no remedy to this original complaint. Bangladesh should abolish its prohibitions against trade unions in export processing zones.

The August 2003 review by BEPZA must not become another occasion for the GoB to set a new timetable for introducing freedom of association to the EPZs. The USTR should continue the existing GSP case against Bangladesh until full freedom of association has been introduced into the EPZs. The GoB should be reminded that there is little more than one year to go before it must lift the suspension of labor laws from the EPZs, and advised that if the GoB fails to do so by January 1, 2004 then GSP benefits for Bangladesh will be ended.

