

PROSPECTS FOR DEMOCRATIC RECONCILIATION AND WORKERS RIGHTS IN BANGLADESH

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

FEBURARY 11, 2014

Printed for the use of the Committee on Foreign Relations



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PUBLISHING OFFICE

93-686 PDF

WASHINGTON : 2015

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
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PROSPECTS FOR DEMOCRATIC RECONCILIATION AND WORKERS' RIGHTS IN BANGLADESH

TUESDAY, FEBRUARY 11, 2014

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:02 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Robert Menendez (chairman of the committee) presiding.

Present: Senators Menendez, Cardin, Durbin, and Risch.

OPENING STATEMENT OF HON. ROBERT MENENDEZ, U.S. SENATOR FROM NEW JERSEY

The CHAIRMAN. Good morning. This hearing of the Senate Foreign Relations Committee will come to order. I would like to welcome our panelists and guests.

We meet, this morning, to discuss United States policy in Bangladesh, following the controversial January election that ensured a political stalemate. We also meet for a status update on the rights of Bangladesh's garment workers, following the fire at Tazreen Fashions in November 2012 and the collapse of Rana Plaza in April 2013, which, together, killed more than 1,200 workers.

This committee met last June to highlight the challenges faced by workers in Bangladesh, and by meeting here again today, I hope that all those involved—the retailers, the factory owners, the Bangladeshi Government and workers—understand that this committee remains sharply focused on this issue and will continue to do so until we see real and measurable progress.

We have joining us today the first survivor of the Rana Plaza tragedy to visit the United States. She is 19-year-old Reba Sikdar, who was trapped for 2 days in a tiny space with 30 others. Only 6 of the 30 survived, and we are pleased that she is here today for this hearing. The tragic details of her story, which, without objection, I would like to enter into the record, are exactly why we will continue to pursue workers' rights with the Bangladeshi Government.

In my view, if the workers of Tazreen Fashions and Rana Plaza had been able to organize and represent their interests, they would still be alive today. Simply put, workers are the best guarantors of their own safety, when given the right and the ability to organize.

In June of last year, this committee met to discuss efforts to improve labor conditions in Bangladesh. In November, to mark the 1-year anniversary of the Tazreen Fashions fire, the committee produced a report recommending that the U.S. Government expand programs in Bangladesh that improve workers' ability to organize and engage in collective bargaining; that United States brands and retailers would ensure their suppliers in Bangladesh comply with laws allowing workers to organize unions and educate workers in their factories in Bangladesh on their rights of association, organization, and collective bargaining; and that the Government of Bangladesh should crack down on factory owners who engage in anti-union activity, and reform all labor laws to meet international standards.

And parenthetically, I would add that, while we are focused on Bangladesh, particularly because of the history and the challenges, I do not want those who think that going to another country is going to solve their problems—the thinking that going, for example, to Vietnam is going to allow them to avoid the standards that we are trying to raise in Bangladesh. Our goal is to create a universal set of standards for workers' rights and safety and health beyond Bangladesh. And so, those who think that leaving Bangladesh and going to someplace else is going to have them avoid all of that are sadly mistaken. We are going to follow this issue wherever it takes us.

So, I look forward to hearing from our witnesses on whether there has been progress on any of these recommendations.

We are also well aware that any progress we make on labor issues is taking place in a very tenuous political environment. Bangladesh's main opposition group, led by the Bangladesh Nationalist Party, boycotted January's election, and, as a result, the Parliament does not include one of Bangladesh's largest political parties.

In December, this committee passed a resolution that emphasized the critical need for political dialogue in Bangladesh. Led by Senator Durbin, the resolution sent the right message at the right time. Unfortunately, the leaders of the two main parties have still not agreed on a path forward towards democratic reconciliation.

Last month, I sent letters to Bangladesh's political leaders, telling them that the political deadlock will further weaken the confidence of international investors, and strongly urged that they begin negotiations on new elections that are free, fair, peaceful, and inclusive. The people of Bangladesh deserve no less.

I look forward to hearing what political progress, if any, is being made.

I know that Senator Corker was called back to Tennessee, and Senator Risch will be sitting in as the ranking member for today's hearing when he gets here. I know he is delayed in business, but when he gets here, we will certainly recognize him for any comments he may have.

With that, let me begin to introduce our first panel. Our first panel is Nisha Desai Biswal, the Assistant Secretary of State for South and Central Asian Affairs; Eric Biel, the Acting Associate Deputy Under Secretary for International Affairs for the Bureau of International Affairs at the Department of Labor; and Mr. Lewis

Karesh, the Assistant U.S. Trade Representative for the Labor Office of the U.S. Trade Representative.

Thank you all for being here. Your full statements will be included in the record, without objection. I would ask you to try to synthesize or summarize those statements at about 5 minutes so we can get into Q&A.

And, with that, Madam Secretary, you are recognized.

STATEMENT OF HON. NISHA DESAI BISWAL, ASSISTANT SECRETARY OF STATE FOR SOUTH AND CENTRAL ASIAN AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC

Ms. BISWAL. Mr. Chairman, thank you very much for convening this important hearing today. And I will make just brief comments in the opening so that we can save more time for the questions.

I want to again reiterate the importance of this hearing and the important role that this committee has played in continuing to shine the light on the political, economic, and labor situation in Bangladesh, and particularly your leadership and Ranking Member Corker's leadership with the committee's November 2013 report. And the hearing that you chaired last summer has helped to focus national and global attention on the importance of worker safety worldwide, and particularly on Bangladesh.

Mr. Chairman, Bangladesh is clearly a country of strategic importance to the United States. It is the seventh-largest country by population and the third-largest Muslim majority nation. It is a moderate, secular democracy, one that we value and that we support.

With an annual growth rate of about 6 percent per year, Bangladesh is an economic and development success story. And important help from USAID and other development partners has helped Bangladesh to be on target to reach many of its millennium development goals. The United States and Bangladesh cooperate closely on security issues, including counterterrorism, combating trafficking in persons, narcotics, arms, as well as ensuring maritime security and mitigating natural disasters.

Yet, in spite of these gains, Bangladesh faces a worrisome political situation, as you noted. On January 5, the government held a deeply flawed election in which one of two major political parties did not participate and the election did not credibly express the will of the Bangladeshi people.

For months leading up to and following the elections, the United States and many others have voiced our strong concerns. During my first trip to the region as Assistant Secretary, I urged Prime Minister Sheikh Hasina and the opposition leader, Begam Khaleda Zia, to find a way forward to hold inclusive elections. We also supported the efforts of the United Nations to facilitate dialogue between the political parties. Immediately after the election, we called for a resumption of dialogue to agree upon new elections as soon as possible.

Mr. Chairman, I want to state very clearly that our interest in holding new elections is to ensure a free and fair and inclusive process. The United States has not taken sides or played favorites in who should lead the country. That decision should be left to the

Bangladeshi people, whose voices were not fairly heard on January 5.

We have consistently delivered one other message, as well, and that is that violence is unacceptable and has no part in a democratic process. We are disturbed by opposition parties' use of violence and violence against minority communities. But, the stifling of dissent also undermines Bangladesh's vibrant civil society and long-term stability. We have, thus, called upon the country's leadership to provide space that enables peaceful expression of political views. And we are concerned by recent reports of extrajudicial killings and disappearances allegedly committed by security forces.

But, we remain steadfast in working with the Bangladeshi people and the Bangladesh Government in strengthening their respect for labor rights, for improving workplace safety in Bangladesh. Indeed, that is one of my top priorities with respect to engaging in Bangladesh, and my November trip included extensive conversations and meetings with labor unions, with industry representatives, and with the government, and with our international partners.

We have been working closely with USAID, the Department of Labor, and USTR to ensure that we have the right strategy and adequate resources to improve worker rights and safety in Bangladesh. Our assistance promotes internationally recognized worker rights and strengthens the capacity of independent worker organizations to recruit members and form legally registered unions, engage in collective bargaining and advocacy for members. And there has been some incremental progress. Nearly 100 unions, 95 of which we see as credible, legitimate unions, have been registered in 2013. And the number of inspections has increased of factories in Bangladesh.

But, clearly there is a long way to go, Mr. Chairman. Of the 3 million workers in Bangladesh, we estimate that less than 40,000 currently are represented by unions. And of the—sorry—of the 3 million workers—and of the 3,000 export-oriented factories, just a fraction, right now, have been inspected. So, there is a long ways to go, Mr. Chairman, and lots of work to be done ahead.

Thank you.

[The prepared statement of Ms. Biswal follows:]

PREPARED STATEMENT OF HON. NISHA D. BISWAL

Chairman Menendez, Ranking Member Corker, and members of the committee, thank you for holding this important hearing today to discuss the current political and economic situation in Bangladesh. The country is at a critical juncture, so today's hearing is particularly timely and sends a powerful message that the U.S. Congress is concerned about where Bangladesh is headed. Before I begin, Mr. Chairman, let me particularly thank you and Ranking Member Corker for this committee's ongoing leadership on Bangladesh. The Senate Foreign Relations Committee's November 2013 report, which was released on the 1-year anniversary of the tragic Tazreen Fashions fire, and the hearing you chaired last summer, helped focus national and global attention on the importance of worker safety worldwide. So your leadership has had a tremendous positive impact.

Mr. Chairman, Bangladesh is a country of strategic importance to the United States. As the seventh-largest country by population and third-largest Muslim-majority nation, its moderate, secular, democracy is one that we value and support. With nearly 8,000 forces in U.N. peacekeeping operations, Bangladesh is one of the largest contributors to such missions, including the one in South Sudan, where Bangladesh is contributing aircraft and police units.

With an annual growth rate of about 6 percent each year, Bangladesh is an economic success story and an increasingly important trading partner and destination for U.S. investment. The United States is the biggest investor in Bangladesh and the largest single country destination for Bangladeshi apparel, the country's largest export. Through November 2013, U.S. exports to Bangladesh were up over 44 percent from the same period last year, to \$665 million, while our total bilateral trade increased by 12 percent to \$5.7 billion.

Bangladesh is also a development success story. It is a focus country for all three of the President's key development efforts: Global Health, Global Climate Change, and Feed the Future. With important help from USAID and other development partners, Bangladesh is on target to reach many of its Millennium Development Goals. Since 1990, USAID has helped Bangladesh reduce maternal and child mortality by more than 60 percent; in that same time, female literacy has doubled. In addition, for the first time in decades, Bangladesh now produces enough of its daily staple, rice, to feed the entire population, an impressive achievement in one of the world's most densely populated countries.

The United States and Bangladesh also cooperate closely on security issues, including counterterrorism; combating trafficking in persons, drugs, and arms; maritime security; and the mitigation of natural disasters. We discuss these issues in our annual Security Dialogue as well as our annual military-to-military dialogue. In addition, last year we held our second annual Partnership Dialogue, which provides an excellent platform to deepen our bilateral ties.

In spite of these gains in economic growth, development, and regional stability, Bangladesh faces a worrisome political situation. On January 5, the government held a deeply flawed election in which one of the two major political parties did not participate. As a result, over half of the 300 members of parliament were elected unopposed, and most of the rest faced only token opposition. The election did not credibly express the will of the Bangladeshi people. This could have serious ramifications for stability in Bangladesh and the region.

For months leading up to and following the elections, the United States and many others have voiced our strong concerns, through public statements and private conversations with government officials and opposition leaders. In November, during my first trip to the region as Assistant Secretary, I urged Prime Minister Sheikh Hasina and opposition leader Khaleda Zia to find a credible way forward toward participatory elections. We also supported the efforts of the United Nations to facilitate dialogue between the parties, which regrettably did not succeed. Immediately after the election, we issued a strong statement noting that the election was not a credible reflection of the will of the people and called for immediate dialogue to agree on new elections as soon as possible.

Mr. Chairman, I want to state very clearly that our interest in holding new elections is to ensure a free and fair process. The United States has not taken sides or played favorites in who should lead the country. That decision should be left to the Bangladeshi people, whose voices were not fairly heard on January 5.

Bangladesh still has an opportunity to demonstrate its commitment to democracy. We welcome the efforts by many in the international community, including the United Nations, who have sent the same message, and who are prepared to help the parties engage in constructive dialogue so they can find a way forward.

We have consistently delivered one other message as well: violence is unacceptable and not part of the democratic process. We are disturbed by political parties' use of violence, inflammatory rhetoric, and intimidation, and by violence against minority communities. In the days leading up to the election and on election day itself, over 100 people were killed in election-related violence and scores more injured. We are also concerned by recent reports of continuing extrajudicial killings and disappearances allegedly committed by security forces. These abuses must stop immediately. We condemn violence from all quarters in the strongest terms. These tactics have no place in a democracy.

We have also worked to ensure the safety of our staff. Our Embassy in Dhaka has worked closely with law-enforcement and security counterparts to ensure protection of personnel and facilities. Embassy security staff closely monitor events as they unfold and limit staff movements when necessary. They maintain active and frequent contact with American citizens throughout the country, warning of potential threats as they occur. We have repeatedly and forcefully conveyed to all political leaders the importance of the safety of our citizens and staff. I am glad to say that the government and other leaders have been responsive to our security needs and have taken action when warranted. I want to emphasize as well that the violence to date has not targeted Americans or American interests. We are nevertheless continuing to monitor the situation very closely.

The political violence poses the greatest threat to the Bangladeshi people themselves. It not only puts ordinary people at daily risk of harm, but it also paralyzes the economy, threatening to undo the country's achievements in development. Bangladesh's turmoil has created uncertainty with foreign investors and impacted economic growth. While estimates vary, one source estimates the economic cost of the general strikes called by the opposition at approximately \$200 million per day. Stifling of dissent also undermines Bangladesh's vibrant civil society and long-term stability. We thus call upon the country's leadership to provide space that enables peaceful expression of political views. At the same time, we call upon the opposition to use such space responsibly.

We will continue to engage with the Bangladeshi Government and opposition to encourage policies and actions that protect and advance democratic values, including respect for human rights, space for civil society to flourish, rule of law and an independent judiciary, mutual respect for Bangladeshis of all religions and of all ethnicities, and space for the free and peaceful discussion of political differences unmarred by violence.

Mr. Chairman, I also want to assure members of the committee we remain steadfast in our commitment to strengthening respect for labor rights and improving workplace safety in Bangladesh. Indeed, this is one of my top priorities. Tragedies like the Tazreen fire or Rana Plaza building collapse should never happen again.

After these tragedies, President Obama made the decision in June 2013 to suspend Generalized System of Preferences (GSP) benefits to Bangladesh. Following this suspension, we presented an action plan to improve labor, fire, and building structural soundness standards; remove obstacles to workers' freedom of association and collective bargaining; and reform labor laws, including in the Export Processing Zones, to address the underlying concerns that led to suspension of GSP. In addition, we worked with Bangladesh, the European Union, and the International Labor Organization (ILO) to develop a "Sustainability Compact," which commits Bangladesh to improving worker rights and safety along the lines laid out in the GSP Action Plan.

We are also working with American, European, and other apparel brands and retailers, especially those with significant operations in Bangladesh, to make sure they are aware of our significant labor concerns and the strict conditions in the action plan. Our teams in Dhaka and Washington meet regularly with American companies to coordinate efforts to advance workplace safety standards and worker rights.

Across the U.S. Government, we are working closely with USAID, the Department of Labor, and USTR to make sure we have the right strategy and resources to improve workers' rights and safety in Bangladesh. Our assistance promotes internationally recognized workers' rights; strengthens the capacity of independent worker organizations to recruit members, form legally registered unions, and engage in collective bargaining; assists women to be active organizers and leaders of the workers' organizations; and teaches worker representatives and leaders how to advocate for their members. In particular, we have expanded our support (over \$4 million since 2011) for the Solidarity Center to work with Bangladeshi labor to strengthen workers' ability to organize and address workplace safety issues.

There has been some incremental progress in the ready-made garment sector in the past year. Nearly 100 unions were registered in 2013, compared to one in each of the 2 years preceding. The courts have dropped all but one criminal case against labor activists, permitted the registration of labor rights NGOs, and started the trial for a suspect in the 2012 murder of labor activist Aminul Islam in absentia. The government has completed over 200 structural soundness and 120 fire safety inspections, filled 42 vacant inspector positions, and is recruiting new inspectors.

However, there is still much to be done and Bangladesh still has not fulfilled the many commitments it made to improve working conditions. Plans to hire more inspectors and carry out more labor, fire, and building inspections are lagging. The majority of inspections and remediation efforts are occurring under the direction of private sector initiatives. Gaps remain between national law and international standards, no action has been taken to bring Export Processing Zones into conformity with international standards, and concerns remain over harassment of labor activists and the investigation of the murder of Aminul Islam.

Mr. Chairman, we will continue to push for urgent reforms to improve worker rights and worker safety in Bangladesh. We very much appreciated the committee's excellent report and are closely following many of its recommendations. Thank you for your leadership on these important issues.

In closing, I want to publicly thank Ambassador Mozena and his team for their relentless efforts to promote democracy and improve labor conditions in Bangladesh. We hope that Bangladesh's political and economic leaders will take the right steps

to support democratic values, foreign direct investment, and a growing economy. Bangladesh has come too far and has too much to lose.

The CHAIRMAN. Thank you.
Mr. Biel.

**STATEMENT OF ERIC BIEL, ACTING ASSOCIATE DEPUTY
UNDER SECRETARY FOR INTERNATIONAL AFFAIRS, U.S. DE-
PARTMENT OF LABOR, WASHINGTON, DC**

Mr. BIEL. Good morning, Mr. Chairman. Thanks very much for the invitation to the Department of Labor to participate in this important hearing concerning workers' rights in Bangladesh. We appreciate the interest of this committee and the staff, and your continued oversight concerning the issues we are discussing this morning.

I am pleased to join Assistant Secretary of State Biswal and Assistant U.S. Trade Representative Karesh, and, again, look forward to discussing just a few of the elements of worker rights in my remarks and then having an opportunity to answer any questions you may have.

As Assistant USTR Karesh will also discuss, on June 27, 2013, just 3 weeks after this committee's earlier hearing on Bangladesh, President Obama suspended Bangladesh's trade benefits under the Generalized System of Preferences, or GSP, based on Bangladesh's failure to meet the GSP statute's labor-related eligibility criteria. That decision was accompanied by transmittal of an action plan that laid out both the shortcomings on worker rights that had led to that suspension and on worker safety—workplace safety, but, in addition, the steps needed to provide a basis for, hopefully, at some point reinstating benefits.

Last month, the U.S. Government, through an interagency process led by the Office of the U.S. Trade Representative, informed the Government of Bangladesh that it had not yet made sufficient progress under the action plan to warrant reinstatement of those trade benefits.

Now, to be sure, there has been some progress in some areas of the action plan, including, as Assistant Secretary Biswal noted, the registration of new trade unions, most of which, based on an assessment of the Solidarity Center and others, do appear to be credible and independent; the dropping of charges against leaders of the Bangladesh Center for Worker Solidarity, Kalpona Akter, one of those leaders who will be testifying on the second panel; support for programs in the shrimp sector, including on involving the Solidarity Center, the other involving the International Labor Organization; and a commitment to increase resources on fire and building safety. But, clearly, as Assistant Secretary Biswal noted, much more is needed on some of the most important elements of the action plan.

The progress, to date, in hiring and training inspectors has been slow. Labor law amendments enacted last July, roughly a month after this committee's previous hearing, do not address some of the most fundamental concerns, including severe restrictions on the right to strike. Action on the 2012 murder of labor organizer Aminul Islam remains inadequate, to date. And export processing zones, or EPZs, are still governed by an entirely separate labor law

and labor law regime. Unions are still prohibited in the EPZs, and the EPZ governing authority retains nearly complete discretion with respect to critical labor management relations.

In addition, updated reports that we have received just in the last few days, and I believe the committee staff has also seen, of union organizers being harassed and factories registering some employer-organized unions, do remind us that higher union registration numbers alone are not sufficient to show progress on freedom of association and ultimately to address the core issue, that you noted in your opening statement, Mr. Chairman, of whether or not workers are being adequately empowered in Bangladesh.

Let me quickly, in the remaining time, just highlight a few other areas of our engagement over the last few months.

Department of Labor has awarded \$1.5 million to the International Labor Organization and \$1 million to the Solidarity Center. We did so at the end of September, and the program is moving forward—the programs are moving forward.

The ILO Project is focused in improving government enforcement of fire and building safety standards, while the Solidarity Center Project is designed to increase worker organizations' ability to monitor for violations and to seek abatement of hazards.

We are in regular contact with the ILO, the International Labor Organization, as it works with the Government of Bangladesh and with international donors and coordinates global support on fire and building safety in the ready-made garment sector and as it and its partner, the International Finance Corporation, move forward with the new Better Work Program that is tied to continued progress on labor administration and industrial relations issues. And we can talk more about that if you or other members are interested, in the question-and-answer period.

And, while our focus has been, and must be, on the Government of Bangladesh, we also do see a critical role for the private sector. We welcome the approach and the historic significance of the Accord on Fire and Building Safety in Bangladesh, which has brought businesses and global unions together. And we also welcome the recent 6-month report of the Alliance for Bangladesh Worker Safety. We know you will be hearing more on both of those initiatives from representatives on the second panel, as well as from Kalpona Akter.

Finally, we, at the Department of Labor, want to thank you, Mr. Chairman, for your leadership in advocating for a full-time labor attaché in our Embassy in Dhaka, including through your communications with the Secretary of State. We are working actively with Ambassador Dan Mozena and his excellent staff in Dhaka to make good on that as quickly as possible.

Thank you again for convening this hearing. We look forward to working closely with the committee to strengthen worker rights and workplace safety in Bangladesh as the best path forward, not just for the workers of Bangladesh, but also for the businesses who are dependent on the United States export market.

And, after Mr. Karesh's testimony, I look forward to being part of the questions you may have.

Thank you very much.

[The prepared statement of Mr. Biel follows:]

PREPARED STATEMENT OF ERIC R. BIEL

Good morning, Chairman Menendez, Ranking Member Corker, and members of the committee, thank you for inviting the Department of Labor to participate in this important hearing concerning labor issues in Bangladesh.

I am honored to join my colleagues from the Department of State, Assistant Secretary Nisha Biswal, and from the Office of the U.S. Trade Representative (USTR), Assistant USTR for Labor Lewis Karesh, in appearing before you this morning. I know that Assistant Secretary Biswal will also be prepared to address broader issues in the U.S.-Bangladesh bilateral relationship, including in the wake of last month's elections. The focus of both this written testimony and my remarks at the hearing will be on the critical workers' rights and workplace safety issues in Bangladesh.

My colleagues and I look forward to this opportunity to update you on our work on Bangladesh, building on the regular meetings we have had with your staffs over the past several months. Since I last appeared before this committee 8 months ago, the Department of Labor, through our Bureau of International Labor Affairs (ILAB), along with the Department of State and USTR, has been actively engaged with the Government of Bangladesh, workers' and other civil society organizations in Bangladesh, U.S. buyers and retailers, and other stakeholders in the United States and Bangladesh in efforts to address legal and policy issues concerning workers' rights and workplace safety. Our efforts have focused on the ready-made garment sector, as well as the shrimp processing sector, and broader concerns relating to Bangladesh's labor law regime, including the separate laws and governance structure for Bangladesh's Export Processing Zones (EPZs).

Much of this work has come under the framework of the "action plan" developed in the context of the Generalized System of Preferences (GSP) trade preference program. As you are aware, on June 27, 2013, 3 weeks after this committee's previous hearing, President Obama suspended Bangladesh's trade benefits under GSP based on Bangladesh's failure to meet the GSP statute's labor-related eligibility criteria. That decision, which followed a multiyear review that received increased attention in the wake of the Tazreen fire in November 2012 and Rana Plaza building collapse in April 2013, was accompanied by the transmittal to the Government of Bangladesh of an laying out both the shortcomings on workers' rights and workplace safety that formed the foundation for withdrawal of GSP benefits and the specific steps needed to provide a basis for reinstatement of those benefits.

Shortly after that, the U.S. Government associated itself with a just-concluded "Sustainability Compact" negotiated among the European Union, Government of Bangladesh, and International Labor Organization (ILO) that closely tracks the key elements of the action plan and establishes a broader consultative framework for addressing the fundamental labor problems highlighted in that Plan. In recent months, there has been a regular process for consultations between senior diplomats based in Dhaka and officials from the Government of Bangladesh in which our Ambassador, Dan Mozena, has played a leading part.

The action plan includes elements centered on improving labor, fire, and building safety inspections; increasing fines for noncompliance with labor, fire, and building safety standards; expeditiously registering unions and protecting unions from discrimination and reprisal; resolving longstanding concerns about harassment and legal actions against labor activists and nongovernmental labor organizations; reforming labor laws to address key concerns articulated for many years by ILO expert bodies, including reforming the EPZ law to effectively protect EPZ workers' right to organize and bargain collectively; and strengthening freedom of association in the shrimp processing sector.

Since the action plan was issued, ILAB has been a key participant in a regular interagency process, headed by USTR, for monitoring and evaluating the status of Bangladesh's efforts to address the specific elements of the action plan. That process has included extensive engagement with the Government of Bangladesh both here and in Dhaka, including a lengthy meeting with senior Bangladeshi officials in November in Washington following the signing of the Trade and Investment Cooperation Forum Agreement (TICFA).

The process has also included careful review of written submissions from the Government of Bangladesh as well as the AFL-CIO, which submitted the petition that initiated the GSP review. ILAB and others involved in this review have also benefited from the report issued by the majority staff of this committee on November 22 concerning workers' rights and workplace safety in Bangladesh's ready-made garment sector, including the recommendations with respect to implementation of the GSP Action Plan.

Late last month, the U.S. Government conveyed to the Government of Bangladesh its conclusion that Bangladesh had not made sufficient progress to date under the action plan to warrant reinstatement of GSP benefits. There have been indications of progress in some areas of the action plan, including the registration of new trade unions, the dropping of dubious criminal charges against leaders of the Bangladesh Center for Workers Solidarity (BCWS), the registration of the BCWS, and the Government of Bangladesh's commitment to fund programs through the ILO and the American Center for International Labor Solidarity (Solidarity Center) in the shrimp processing sector. There have also been steps taken with the ILO and other stakeholders to develop a plan for many more, and better trained, labor and fire and building safety inspectors.

However, as has been conveyed with specificity to the Government of Bangladesh, a great deal remains to be done to implement some of the most important elements of the action plan. The plans for a larger, well-trained force of labor and fire and building safety inspectors are still in their initial stages, and the number of inspectors hired to date is relatively small. Labor law amendments enacted in July 2013 do not address the concerns raised in the action plan, including severe restrictions on collective bargaining, in particular at the industry and sector levels, nor inadequate protections against employer interference in union activity. There also has not been enough progress in achieving justice for the 2012 murder of labor organizer, Aminul Islam.

In addition, EPZs remain governed by a separate labor law providing inferior protections for workers in those zones about which both we and the ILO have long expressed deep concerns. Today, factories in EPZs remain outside the reach of labor and safety inspectors who cover the rest of the country; unions are still barred; and the EPZ governing authority retains nearly complete discretion with respect to labor-management relations.

Concerns also persist with respect to other elements of the action plan focused on improving procedures for responding to complaints alleging violations of fire and building safety standards and unfair labor practices. Recent reports of union organizers being harassed and factories registering employer-organized unions are reminders that increased union registration numbers alone are not an adequate measurement of progress on freedom of association.

While fulfilling the GSP Action Plan conditions will require political will and a seriousness of purpose by the Government of Bangladesh, the action plan lays out a clear path for the Government of Bangladesh to follow that is practical and relevant to address the most serious and longstanding labor concerns.

Furthermore, we see this as every bit as much an opportunity as a challenge for Bangladesh. Our goal, and that of the European Union under the framework of the Sustainability Compact, is not to undermine Bangladesh's growth and development, including in the ready-made garment sector. It is, instead, to work with the Government, industry, workers' and other civil society groups, and other stakeholders to ensure that economic growth and the gains from trade go hand in hand with greater respect for workers' rights and improved workplace safety.

Put another way, the action plan reflects our Government's view that greater adherence to internationally recognized labor standards is an essential part of the trade and investment relationship between Bangladesh and the United States. That is the best path not only for the workers of Bangladesh but also for the businesses that are dependent on the U.S. export market.

Beyond the parameters of the action plan and the Sustainability Compact, we also continue to work closely with the ILO independently on a number of fronts in Bangladesh. The ILO has assumed the leading role in implementation of Bangladesh's March 2013 National Tripartite Plan of Action on fire and building safety in the RMG sector, as well as in coordinating the activities of different international donors.

In addition, last September the ILO and the International Finance Corporation (IFC) launched a Better Work Program in Bangladesh after concluding that the Government had addressed certain labor-related preconditions transmitted in fall 2012—including a condition to more expeditiously register unions. The Better Work management team has provided the Government with a "roadmap" laying out a strategy "to secure structural, sustainable change in labor administration, industrial relations and social dialogue systems." Better Work has explicitly conditioned the continuation of its program in Bangladesh on the Government making progress in implementing specific activities in each of these areas, and has set out a detailed process for monitoring that implementation.

We at the Department of Labor remain committed to playing a meaningful role in helping build greater capacity for both the Government of Bangladesh and workers' organizations to address the shortcomings that culminated in the Tazreen fire

and Rana Plaza collapse. In late September, we completed a process of soliciting and evaluating technical assistance proposals and awarded \$2.5 million in project assistance—\$1.5 million to the ILO and \$1 million to the Solidarity Center—to work with partners on the ground in Bangladesh. The project being implemented by the ILO will focus on improving government enforcement of fire and general building safety standards, while the Solidarity Center project is designed to increase worker organizations' ability to effectively monitor for violations of fire and general building safety standards and seek abatement of such hazards. ILAB staff traveled to Dhaka in December to work with the grantees in moving forward with project implementation.

While the bulk of our focus has been, and must be, on the roles and responsibilities of the Government of Bangladesh to address the labor-related shortcomings that triggered the suspension of GSP benefits, there is also a critical role for the private sector to play in improving workers' rights and workplace safety on the ground in Bangladesh.

As you are aware, leading brands and retailers from the United States and Europe are actively engaged in initiatives toward this end in the ready-made garment sector. While the challenges are substantial, we are encouraged by reports of progress in recent months.

What is particularly notable in this regard is the fact that one of these initiatives, the Accord on Fire and Building Safety in Bangladesh, represents a historic break from past approaches because it brings together major buyers and global labor unions in an agreement that includes clear financial obligations and a sustained commitment to continued apparel sourcing from Bangladesh. This is an exciting step forward for responsible sourcing and supply chain management that we see as holding great promise.

The second private sector initiative, the Alliance for Bangladesh Worker Safety, has also made progress, as detailed in its recently issued first semiannual report. I understand that the committee will be receiving more detailed updates on these efforts from the second panel at this hearing.

Finally, the Department of Labor is committed to even greater engagement on workers' rights and workplace safety in Bangladesh in the coming months and years. As a part of that effort, we are working actively to establish a full-time labor attache in our Embassy in Dhaka. Mr. Chairman, your letter of November 7 to Secretary of State Kerry provided the critical impetus for this effort. We at the Department of Labor have been in regular contact in the past 3 months with Ambassador Mozena and his team, and others at the State Department, on the steps needed to establish this permanent labor attache position. Later this month, ILAB staff will be in Dhaka for detailed discussions on the process and logistics involved.

We are committed to making this happen as quickly as possible and of course will keep you and your staff fully apprised as we move forward with this important effort. We see this as an essential element in any long-term strategy to improve respect for workers' rights and workplace safety in Bangladesh; indeed, it is part of a broader ILAB effort to put "boots on the ground" in a few priority countries where being based in country will help us develop the close relationships with critical stakeholders and the in-depth knowledge and understanding of labor-related laws, regulations, policies, programs, and practices that are needed to most effectively advance workers' rights and workplace safety.

Thank you again for convening this hearing and for the ongoing interest and focus of the committee on workers' rights and workplace safety issues in Bangladesh. We intend to continue to make this a priority of the Department of Labor and look forward to a continued close working relationship with our colleagues at the State Department and USTR as well as members and staff of this committee.

I appreciate having this opportunity to testify and would be pleased to take your questions.

The CHAIRMAN. Mr. Karesh.

STATEMENT OF LEWIS KARESH, ASSISTANT U.S. TRADE REPRESENTATIVE FOR LABOR, OFFICE OF THE U.S. TRADE REPRESENTATIVE, WASHINGTON, DC

Mr. KARESH. Good morning, Chairman Menendez. Thank you very much for the opportunity to testify, before this committee, on labor issues in Bangladesh.

This committee's interest in holding another hearing on Bangladesh sends a strong signal to the Government of Bangladesh

and the international community about the importance of continuing to focus on worker rights and safe workplaces in Bangladesh.

On June 27, 2013, President Obama took the extraordinary step of suspending Bangladesh's GSP trade benefits. The decision was based on Bangladesh's failure to meet the GSP criterion of taking steps to afford internationally recognized worker rights.

Just a few weeks prior to that decision, we discussed before this committee the administration's ongoing GSP review and our growing concern that Bangladesh was moving backward in respect for worker rights. The unfortunate tragedies that you mentioned in your remarks with regard to the Tazreen fire and the Rana Plaza building collapse emphasize the extent of the problem in Bangladesh and further focused international attention on worker rights and workplace safety issues, particularly in the ready-made garment sector.

The purpose in suspending trade benefits was not to penalize Bangladesh, but rather to ensure that beneficiary countries are meeting the worker-rights standard of GSP, and improving respect for worker rights and improving workplace conditions. Thus, at the time of the President's decision, we also provided the Government of Bangladesh with an action plan containing specific actions that the government should take to provide a basis for reinstatement of GSP benefits. These included improving labor, fire, and building standards, removing obstacles to freedom of association and collective bargaining, and undertaking additional labor reform. This action plan has proved to be an extremely useful tool around which to focus engagement with Bangladesh. And in order to encourage Bangladesh to take quick and immediate action, we told the Bangladeshi officials, at the time we delivered the action plan, that we would review progress again late in 2013.

This past December, after reviewing information from the Government of Bangladesh, from the AFL, which had been the original filer of the GSP petition, as well as other information that we gathered, we informed the Government of Bangladesh that, although it had made some progress on implementing the action plan, further action was needed to justify reinstatement.

The Government of Bangladesh has taken some action. It has facilitated registration of new trade unions—that was already mentioned—and has dropped questionable criminal charges against two labor activists, and it has removed obstacles to two labor-focused NGOs reinstating their registrations. In addition, the Government has been working with the ILO to develop a plan for increasing labor, fire, and building inspections. This is important progress.

However, significant work remains, as you heard from my colleagues. For example, the safety inspection plans need to be implemented, and we need to see that they are actually effective. Additional labor reform is needed to address shortcomings related to the right to strike and requirements regarding union formation. And action must be taken to bring the export processing-zone law into conformity with international standards.

We recognize that these are significant undertakings, but ones which are essential to addressing the serious and, in some cases, life-threatening challenges that remain in Bangladesh. We have

communicated our conclusions to the Government of Bangladesh, and we will further review GSP in May 2014.

In addition to the GSP Action Plan, I would like to highlight another important mechanism that we recently put in place with Bangladesh that will help provide an ongoing forum to address labor concerns. The United States-Bangladesh Trade and Investment Cooperation Forum Agreement, or as we refer to as TICFA, was signed in November 2013 and entered into force on January 30, 2014. Under the TICFA, one of the things we have agreed to do is to form a permanent committee on labor issues. We expect this committee to begin meeting at the first TICFA meeting, in April of this year. The administration is focused on ensuring that our trade partners meet their obligations, including their labor obligations, under our trade agreements and our preference programs. We believe this TICFA labor committee is one additional tool that we can use to ensure that.

So, allow me to conclude with a few points.

There has been tremendous effort, among all stakeholders, to develop concrete and sustainable solutions. Particularly on the ground in Dhaka, there has been immense coordination among the various entities and initiatives that are underway. I would like to recognize, in particular, the exceptional work of Ambassador Dan Mozena and his team, at our Embassy in Dhaka, who have worked very hard on these issues.

The United States, along with the EU, the ILO, private brands and retailers, local and international unions, NGOs, and, of course, the Government of Bangladesh, have worked together in unprecedented ways to tackle the many challenges. But, ultimately, it will be up to the Government of Bangladesh to directly address and solve the remaining challenges. We are committed to work with Bangladesh to see that it undertakes the worker rights and safety reforms that are set out in the action plan. And we will work with all stakeholders to help ensure that the benefits of trade and development can be widely shared in Bangladesh.

Lastly, Mr. Chairman, I should also note that legal authorization for the GSP program expired in July 2013. As long as the program is without authorization, we will not be in a position to recommend to the President any changes to country eligibility, including for Bangladesh. The administration, of course, supports renewal of the program and wants to work with Congress to accomplish this.

Thank you again for the opportunity to testify, and I look forward to your questions.

[The prepared statement of Mr. Karesh follows:]

PREPARED STATEMENT OF LEWIS KARESH

Good morning, Chairman Menendez, Ranking Member Corker, and members of the committee, thank you for another opportunity to testify before this committee concerning labor issues in Bangladesh. Since your last hearing on Bangladesh in June 2013, President Obama, the Government of Bangladesh, and various stakeholders have taken several important actions related to worker rights and safety in Bangladesh. I would like to discuss these developments with you this morning.

As we discussed last June, the November 2012 Tazreen Fashions garment factory fire and the April 2013 Rana Plaza building collapse resulted in nearly 1,300 deaths. These tragedies focused international attention on worker rights and safety in Bangladesh's ready-made garment sector—concerns that the United States Government had already been raising with Bangladesh in the context of a country prac-

tice review of worker rights in Bangladesh under the Generalized System of Preferences (GSP) program.

GSP is a U.S. trade preference program under which beneficiary developing countries are afforded duty-free access to the U.S. market for thousands of products. The statute governing the GSP program lists several criteria, including some related to worker rights,¹ which beneficiary countries must meet in order to maintain eligibility for benefits.

The GSP review of Bangladesh was initiated based on a petition that the AFL-CIO submitted alleging serious shortcomings in the Government of Bangladesh's recognition of worker rights. The AFL-CIO petition described a wide array of worker rights issues in Bangladesh, including serious obstacles to freedom of association and collective bargaining, especially in Export Processing Zones (EPZs), the ready-made garment and the shrimp processing sectors. The petition and subsequent updates also alleged a pattern of harassment and violence against trade unionists and nongovernmental organizations (NGOs) working on labor rights issues, and a neglect of worker protections in the areas of fire safety and health.

The administration engaged intensively with the Government of Bangladesh, the AFL-CIO as the petitioner, and other stakeholders to examine the range of worker rights issues addressed in the petition. Beginning in late 2012, USTR, in consultation with the other agencies in the GSP Subcommittee, including the Departments of State and Labor, grew increasingly concerned that the overall worker rights situation in Bangladesh was deteriorating. The GSP Subcommittee concluded that the situation warranted consideration of possible withdrawal, suspension, or limitation of Bangladesh's trade benefits under GSP. To inform the public and stakeholders of the GSP Subcommittee's assessment, USTR issued a Federal Register notice requesting comments from the public and held a public hearing in March 2013 in which both the Government of Bangladesh and the AFL-CIO participated. The Rana Plaza building collapse just 1 month later, in April 2013, demonstrated the deadly implications of the failure to address the underlying issues of worker safety and worker rights, especially in the garment sector.

On June 27, 2013, President Obama issued a proclamation suspending Bangladesh's GSP trade benefits based on the Bangladesh Government's failure to meet the GSP statutory eligibility criterion of "taking steps to afford internationally recognized worker rights to workers in the country." At the time of the President's decision, the United States provided the Government of Bangladesh with a GSP "action plan" listing specific actions that Bangladesh should take to provide a basis for reinstatement of GSP benefits. The action plan specifically calls for improving labor, fire, and building standards, removing obstacles to freedom of association and collective bargaining, and reforming labor laws.

As my colleagues on the panel note in their testimony, following the President's decision on GSP and the release of the action plan, the administration worked closely with the European Union (EU), other key stakeholders, including the International Labor Organization (ILO), major international garment brands and retailers, unions, NGOs and the international donor community to ensure a coordinated and comprehensive effort to press for and support reforms by the Government of Bangladesh. For example, we worked closely with the EU, the ILO, and the Government of Bangladesh on a "Sustainability Compact," that complements the GSP action plan in many key areas. The Sustainability Compact is an important public commitment by the Government of Bangladesh to undertake specific reforms and actions—with support from the U.S., EU, and ILO—to improve worker rights and safety.

We told Bangladeshi officials that we would review their progress in addressing the action plan in late 2013. Since then, USTR, the Department of State, including the U.S. Embassy in Dhaka, and the Department of Labor, and have engaged intensively with the Government of Bangladesh and other stakeholders to press for progress on the action plan. In November 2013, the Government of Bangladesh submitted a paper summarizing its actions to date. The AFL-CIO also submitted a paper with its assessment of progress on the action plan. Both documents are available for public viewing via the www.regulations.gov Web site.

¹ Section 502(b)(2)(G) of the Trade Act of 1974, as amended, ("the Trade Act") provides that the President "shall not designate any country a beneficiary developing country" under GSP if "such country has not taken or is not taking steps to afford internationally recognized worker rights in the country (including any designated zone in that country)." Section 507(4) of the Trade Act provides a definition of "internationally recognized worker rights," which includes "the right of association," "the right to organize and bargain collectively," and "acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health."

The administration concluded its review of these submissions in late 2013 and recently conveyed its conclusions to the Government of Bangladesh. In sum, we found that while Bangladesh has made some progress on implementing the action plan, further action is needed.

On the positive side, we noted the following progress:

- The Government of Bangladesh has worked closely with the ILO and others to develop a plan for substantially increasing the number and quality of labor, fire, and building inspections, especially in the ready-made garment sector;
- The Government of Bangladesh has facilitated registration of new trade unions, dropped questionable criminal charges against two labor activists, removed obstacles to the operation of two prominent labor-focused nongovernmental organizations, and is working with the ILO to improve transparency regarding inspections, union registrations, and the handling of unfair labor practice cases;
- The Government of Bangladesh also has committed to fund two programs to improve industrial relations and raise awareness of workers' rights in the shrimp processing sector.

Areas where additional work is needed:

- Implementation of the plans to improve labor, fire, and building inspections which have only just begun. It remains to be seen how effective those inspections will be in identifying and addressing problems such as those that caused the April 2013 Rana Plaza factory collapse and the November 2012 Tazreen factory fire.
- Making significant changes to the labor law to address shortcomings related to the right to strike and requirements for union formation. In addition, no action has been taken to date to bring the EPZ law into conformity with international standards, which has been an issue of concern in GSP reviews dating back to the early 1990s.
- Additional actions to establish that harassment and intimidation of labor activists has ended, to implement a system to respond effectively to complaints of unfair labor practices, to implement fines and penalties, and to establish and maintain a public database and hotline.

My colleague, Eric Biel, from the Department of Labor will address some of the substance of the GSP Subcommittee's assessment in more detail in his testimony.

In late January, we communicated to the Government of Bangladesh our conclusion that Bangladesh has not made sufficient progress on the GSP Action Plan to warrant reinstatement of GSP benefits at that time and that we intend to conduct the next such review in May 2014.

Mr. Chairman, I should also note at this point that legal authorization for the GSP program expired on July 31, 2013. As long as the program is without authorization we will not be in a position to recommend to the President any changes to country eligibility for the program. The GSP program is an important tool in the U.S. Government's efforts to help developing countries to use trade to overcome poverty and advance economic development. GSP also supports U.S. jobs by lowering costs for U.S. businesses that use GSP imports as inputs in manufacturing. The administration supports renewal of the program and wants to work with Congress to accomplish this.

In terms of our broader economic engagement with Bangladesh, in late January, the United States-Bangladesh Trade and Investment Cooperation Forum Agreement (TICFA) entered into force. We envision the TICFA as the key coordinating mechanism for bilateral, government-to-government efforts on the GSP Action Plan. As agreed by the Government of Bangladesh in the meeting following the TICFA signing in late November 2013, we plan to create a TICFA Working Group on GSP/Labor Affairs to provide an ongoing, formal mechanism for our two countries to address labor concerns. We plan to hold the first TICFA Council meeting in Dhaka later this spring.

In conclusion, we are committed to encouraging Bangladesh to make the reforms on worker rights and safety that are set out in the GSP Action Plan to provide a basis for reinstatement of GSP benefits. We will continue to work closely with the Government of Bangladesh, the EU, the ILO, the private sector, workers, NGOs, and others to ensure that the benefits of trade and development are widely shared in Bangladesh. Many of the issues Bangladesh faces will require sustained and focused support from a variety of actors. However, if Bangladesh succeeds in addressing these issues and creates a more sustainable industry that affords basic worker rights and protects workers' safety, it will greatly enhance its economic development and can stand as a model for other countries facing similar challenges.

The CHAIRMAN. Thank you all for your testimony.

Madam Secretary, let me just start off with the political environment in Bangladesh. I listened to your statement. I know what we are saying to the Bangladeshi Government, but what is their response? Where are we headed, here, from your perspective?

Ms. BISWAL. Well, it is unclear, Mr. Chairman, where we are headed. We continue to work very closely with our colleagues in the international community and with the U.N. to continue to press upon the government that there needs to be dialogue and a new process that is credible. Thus far, I would not say that we have had tremendous positive traction on those statements. We are continuing to press them, not only on the democratic governance issues, but also continuing to press on human rights and space for civil society. At the same time, we are continuing to work aggressively with the people of Bangladesh across the front of issues on the economic/development arena, where we have seen some tremendous progress with working with civil society in Bangladesh.

The CHAIRMAN. Well, is it time to intensify international efforts toward a resolution? I understand that the Secretary General's Office of the United Nations has already sent a Deputy Secretary General. Is it time for the U.N. to appoint a special set of envoys? Is it time for concerned countries to send their own high-level envoys to press upon the Bangladeshi Government the need to find a political solution to the conflict that exists?

Ms. BISWAL. I think, certainly international pressure is warranted. Ultimately, this is going to be an issue that gets resolved from within, and the political will of the Bangladeshi people is going to be the largest and most forceful determinant of the course forward for that country. And so, we are trying to ensure that the focus here does not go outside of Bangladesh, and stays within Bangladesh, and calibrating our pressure to maintain that.

The CHAIRMAN. Well, it is very difficult to be able—with all the shortcomings that still exist in the whole labor standards—to get a government who is in the midst of its own crisis and to focus on what they need to do. And so, this has multiple consequences to it.

Let me just say that 40,000 individuals unionized, out of 3 million, is less than 2 percent. So, I keep hearing about progress, but I guess progress is relative. To listen to “3,000 factories,” but knowing that only a small fraction of them inspected.

So, Mr. Biel, I strongly believe that workers are best placed to ensure their own safety. How would you assess the worker empowerment mechanisms of the two different private-sector safety initiatives—the Alliance and the Accord—in their ability to help workers ensure their own safety?

Mr. BIEL. Thank you, Mr. Chairman.

On the issue of the numbers, by the way, I think, from all we have heard, including in conversations with the International Labor Organization, the Solidarity Center representatives, both there and here, we are at a very early stage on that front. The numbers, as we have noted, of new unions registered is a positive development. But, in terms of what is actually happening on the ground, and their ability to get traction, it is still at a very early stage. The next months and the next year will be critical.

On the issue of the two initiatives, you will hear more details on what the two initiatives have done, thus far, on the second panel.

I would say that we are always encouraged when there is the ability of different stakeholders, including business and unions, to work together. We have seen progress in that front in other places. You noted, in your opening statement, that we have to look beyond just Bangladesh, in terms of many of these international worker-rights issues. And, for instance, when business and labor have spoken with a unified voice, for example, on the issue of forced—on child labor in the cotton sector in Uzbekistan, it has made a real difference. When business and unions have jointly written concerning the current troublesome situation in Cambodia, working from a common set of understandings, it makes a difference. So, certainly, in terms of structure, we see a lot of promise in the Accord. You will be hearing more on that from Mr. Nova.

We do want to recognize, at the same time, the Alliance has issued a 6-month report laying out accomplishments to date, and there is certainly hope on the ground that the two initiatives can coordinate with respect to common safety standards, with respect to not having duplicative and overlapping inspections in factories that—from which both Alliance and Accord members source—

The CHAIRMAN. Let me interrupt you for a moment, because you—

Mr. BIEL. Sure.

The CHAIRMAN [continuing]. You have perfected the ability of members of the Senate to filibuster. So, let me—

Mr. BIEL. Sure.

The CHAIRMAN. I know that is not your intention, but—

Mr. BIEL. Oh, no, no. No, I was—

The CHAIRMAN. The—

Mr. BIE [continuing]. I am happy to stop with that.

The CHAIRMAN. The core question is—it seems to me that the Accord's agreements are more forward-leaning, in terms of worker empowerment, than the Alliance is. Is that a fair statement?

Mr. BIEL. The Accord structure does create some clearer financial obligations of the participating brands. It does create a greater degree of certainty, in terms of sustainable sourcing from that country. There also are a lot of common elements between the two, in terms of the commitments to develop better inspection procedures and, indeed, go beyond some of the requirements of the government. So, I think it is a case of—there are some stronger points of the Accord, there are some areas of common area.

The CHAIRMAN. Here is the problem. So—in your own testimony, you have a very slow, low rate of inspectors being trained. So, right now, if I am in Bangladesh, if I am a factory garment worker, I look at a series of circumstances as I enter that building and say, “Wow, my life is really at risk here.” And, unless I have the ability to be able to say, “There is a problem here,” and go to the owners and say, “There is a problem” and not feel that there is going to be consequences to my job or my safety—personal safety, we have trouble.

And it seems to me that some of the private sector—which I applaud for moving forward—wants to deal only with the safety elements, in the hope that inspectors would deal with that, but they do not understand that a critical element, even with inspectors, is

to be able to have an individual say, "This is a challenge to me." So, I am concerned about that.

Mr. Karesh, let me ask you. It appears as though the Government of Bangladesh has only addressed what I would consider the low-hanging fruit in GSP's action plan, and it still has a very long way to go in reforming their labor law and ending the harassment of labor activists. Do you think that the government has the political will and the capacity to credibly address these remaining and significant gaps?

And I am concerned that we not look at reinstating GSP unless, in fact, we have the type of significant action, because it is not, as I said, only about Bangladesh. If we do not send a message that, in fact, you cannot get trade preferences when you have the conditions such as exist in Bangladesh, then it will just migrate to other places. So, sending the right message, here, is not only sending the right message to Bangladesh, but to a more global industry.

Mr. KARESH. Thank you, Mr. Chairman.

We recognize, as the Assistant Secretary talked about, that the current political situation in the elections obviously complicate the situation and engagement with the government. But, at this time, on these issues, we believe the government remains committed to working with us and private business and the stakeholders and the ILO, and others, to continue to advance the effort on worker rights. I think you are accurate in saying that progress has not been as fast as we would have liked. We believe there has been some progress. We believe there are very significant actions that continue to be needed in order for the administration to consider a possibility of GSP reinstatement.

But, at this time, we do remain engaged. We continue to work with them, we continue to work with the ILO and others to move the issues forward. And so, we still remain optimistic that we will continue to make progress in Bangladesh.

The CHAIRMAN. Well, I have other questions for you, but let me turn to Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

You know, as we go forward here, I think—after the tragedy happened and Americans became aware of what was happening in Bangladesh, I think everyone was aghast. And the difficulty, here in America, is, is we do not really have a comprehension on what the rest of the world is like. Bangladesh is not America. It is not going to be America. It is never going to have the conditions that we have here. And, as a result of that, I think it is—everyone is of the frame of mind that any way that we can bring pressure to attempt to change conduct is a good thing.

One of the difficulties is, How do you do that? And I think the chairman has made remarks about the difficulty in the democratic process in Bangladesh. Certainly, they have made real progress, in recent years, in the democratic process. But, I think the January 5th elections probably were a step backward. And again, comparing it to the American system is not a good thing, because they are not anywhere even near the same ball park.

Having said that, Mr. Karesh, the question I would have for you is—the President's decision to change the Generalized System of Preferences—that was obviously put in place to attempt to convince

people to change conduct. I have trouble tying that to bringing public officials in Bangladesh to change their minds about conduct. It seems to me—and, as I understand it, the schedule—when that was removed, that there would be a tariff of about 16 percent on the goods that were brought into the United States. Am I right on that? Approximately?

Mr. KARESH. I am sorry, Senator, I do not know the actual tariff number. I can get that for you, but I do not know.

Senator RISCH. When the tariff went up, tell me—being in the position you are in, the Trade Representative Officer, what effect has that had on Bangladesh workers, American businesses, American consumers, and, finally, on elected officials in Bangladesh that we are trying to convince they should change their conduct? Tell me how this worked.

Mr. KARESH. Well, I think it is quite clear that the GSP, along with, you know, other factors that have been mentioned that brought attention on the working conditions in Bangladesh, crystalized a number of things. It crystalized, within the Government of Bangladesh, the need to address the issue. It also crystalized, among the international community, including the brands and the retailers and others who do business there, that there were serious problems in Bangladesh with regard to worker rights and workplace safety. And it brought, not only the governments together, but international organizations, brands, retailers, NGOs, labor unions, to focus on the issues.

Admittedly, suspending GSP—apparel and textile, of course, do not come in under GSP, so there is no direct effect on apparel products, in particular. But, the notion of losing GSP and what comes with it, because the failure to protect worker rights matters to governments, matters to the Government of Bangladesh, and gets attention within the government, and a recognition of a need to address the issues. And that is why we say we believe there have been some efforts underway to address the concerns, but there is still a great deal more that would need to be done.

The standard under GSP is taking steps to afford internationally recognized worker rights. And that is what we are working to ensure occurs within Bangladesh to a sufficient degree.

Senator RISCH. Has the President's action, in that suspension, in any way changed the amount of product that has been shipped to the United States?

Mr. KARESH. There have been some changes in the imports from Bangladesh. And I do not believe those are necessarily attributed to the decision on GSP. There are other economic factors that might affect that. The largest amount of imports from Bangladesh to the United States is comprised of apparel. And, as I expressed, there is not actually a direct effect with regard to GSP on that.

I think the latest numbers we have, from 2013, are about \$5.3 billion worth of goods imports from Bangladesh to the United States; about \$4.9 billion of that is apparel.

Senator RISCH. How about on employment in Bangladesh, on the people who work in these factories? Has it had an effect on them?

Mr. KARESH. I do not have any numbers particularly on employment levels within Bangladesh. Obviously, that is affected by the amount of orders and products that are being produced. And the

orders go up and they go down. But, I do know that our interest, obviously, is ensuring that there are good working conditions that, over the long-term—a strongly held belief that, if you improve working conditions, you improve respect for worker rights, which goes along with rule of law and good governance, that that creates the atmosphere that, in the long run, will increase economic development and will increase employment.

Senator RISCH. My time is pretty limited. Thank you for those answers.

Let me ask each of the panel briefly to address, hopefully, a brief question, and that is, How do you see this playing out, as far as the Accord and the Alliance? How will this—how will those two interests eventually come together and finish out, in a brief sort of way? Could you answer that for me?

Mr. KARESH. I do not know if I can give a definitive answer. What I would say with regard to that is that our interest is in seeing that there be a variety of stakeholders working on these issues, and that it is important that the Accord and the Alliance, and the companies that are involved in those, coordinate their efforts, harmonize the standards that they are utilizing, in order to make the most progress. I think, at this time, it is very difficult to determine what the ultimate outcome would be.

Senator RISCH. And would you agree with me that, ultimately, the biggest stick in this whole thing is held by those companies that are the purchasers of those products? Am I right or am I wrong on that?

Mr. KARESH. I believe all the stakeholders have a role to play here and—

Senator RISCH. I understand that.

Mr. KARESH [continuing]. Can help assist it, but I do not know who has the largest stick. I would say that, ultimately, the most important actor is the Government of Bangladesh.

Mr. BIEL. I would echo that. I think, you know, the private initiatives, the Accord and the Alliance, have critical roles to play. You will hear more, on the second panel, about the number of factories combined that they can reach. And it is a pretty sizable number. But, it is important this is all coordinated. There is already a structure in place: the Better Work Bangladesh Programme, over the next 3 years, can reach about 300 factories. That is another piece of the puzzle. The ILO is committed, in terms of implementing the National Tripartite Plan of Action, to ensure that all the factories in the sector ultimately are addressed. There are also challenges with the informal sector, and some that kind of are under the radar screen.

But, I would say this will only work if all the parties, including the brands and retailers that are part of the Accord and the Alliance, step up, continue to push upward with regard to common standards, and that we continue to hold the Government of Bangladesh's feet to the fire, not just through the leverage we have with GSP, but also through our work with EU and the ILO and the Government of Bangladesh under the Sustainability Compact that was entered into just a few weeks after this committee's last hearing, last July, that we are now part of, as well. Initially, it was the

EU and ILO and Bangladesh, and then we joined that, subsequently.

All those different tools and all of the donor programs—\$26.5 million in funding, including from other governments around the world—together, needs to be as harmonized as possible, in terms of pushing forward on the common goal of helping empower the workers of Bangladesh in a way they have not been, to date.

Senator RISCH. Ms. Biswal, your thoughts on the issue?

Ms. BISWAL. Yes. Thank you, Senator.

I would say that there is a natural sequencing here, in that, initially, because of lack of capacity, it is going to require a very concerted effort by industry to help Bangladesh. But, ultimately, it will not be industry and international pressure as much as it will be political will within Bangladesh to conform to international standards on worker safety. And that is going to require a very robust and engaged labor and civil society. And therefore, it is important that we continue to press on all sides and on all stakeholders, even though, in the immediate term, you may see much greater action coming out of industry, in terms of addressing the immediate problems. The longer term requires labor and civil society to have a robust capacity to continue this.

Senator RISCH. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Cardin.

Senator CARDIN. Well, thank you all very much. And I certainly agree that Bangladesh is an important strategic partner of the United States. We have a longstanding friendship.

But, let me just follow up on Senator Risch's point. Yes, political will is needed to make these changes. But, political will can be helped by the international community. And I think harmonizing all the tools that are available is critically important. But, we start with the realities. And the realities—Mr. Karesh, according to your testimony, is that there is still substantial progress that needs to be made in order to comply with our action plan. The implementation of plans to improve labor, fire, and building inspections have only just begun. Significant changes to the labor law to address shortcomings relating to right of strike and requirements for union formation still needs to be done. There is still harassment and intimidation of labor activists. So, there is still a significant progress that we expect to be made if, in fact, Bangladesh is going to meet certain basic standards for human rights, labor rights, and worker safety.

So, how do we harmonize, in a way, all these tools that we have available? We do provide a great deal of assistance. We are—they are major players and major U.S. initiatives. There is the international community. Why have we not been more successful, particularly with highly visible episodes occurring in Bangladesh—why have we not been able to coordinate better—what do we need to do to coordinate better all the tools that are available?

Mr. KARESH. Thank you, Senator.

Well, there are a variety of things, and I think many of them are underway. We have been working under GSP, obviously very closely with the government and a lot of other actors. We have—

Senator CARDIN. Does the government take us seriously on GSP? As we said, it does not apply to a lot of their imports. So, is this an effective tool?

Mr. KARESH. Our view is that this has been extremely helpful, extremely useful in——

Senator CARDIN. But, from Bangladesh's——

Mr. KARESH [continuing]. Focusing the government——

Senator CARDIN [continuing]. Point of view, Do we have their attention on this?

Mr. KARESH. Yes, I believe that we do, sir. Yes, sir. And that is based on the action and the engagement we have had with the government, both here, working through the agencies here, as well as our Embassy in Bangladesh, as well as working, as mentioned by my colleagues, with the EU, with the Netherlands, with the U.K., with Canada, and with the ILO and others. We have worked with the ILO, who is starting a Better Work Program in Bangladesh which required certain reforms to be undertaken by the Bangladeshi Government before the ILO would come in and run that program. They met those standards. There is more that needs to be done, but at least they met some minimal actions taken for the ILO to feel as though it was beneficial to go in. And you have heard my colleagues talk about other programs and actions that are underway, working between the governments, working with the international community, international organizations, NGOs, and others.

Senator CARDIN. But, is there——Madam Secretary, is there a clear message, when we still participate in so many of our programs and yet the pace of progress has not been acceptable to us? Should we be tougher?

Ms. BISWAL. Well, we are being very tough, Mr. Senator.

To kind of look at the pace, you have to look at where they are coming from and where they are going. In the two prior years prior to this engagement, there were approximately 1 or 2 unions formed per year, to this year we have seen 100 unions formed, 95 of which we think are strong and credible, 5 of which we think are industry-sponsored.

It is clearly not enough, but there is positive momentum, and transformation is not going to happen immediately and overnight. It is going to be a long haul to get Bangladesh to where it needs to be to meet international standards. And we have got to be with them for that long haul, continuing the pressure, but also providing the tools and the assistance. And with the leadership of this committee, I would say that we are providing tools and assistance. Nine million dollars of U.S. Government funding has been committed over the past year, specifically on issues of labor and worker safety, between the Department of Labor, the Department of State, and USAID, working with——

Senator CARDIN. How much of your time is also spent on good-governance issues, on dealing with free and fair elections, dealing with the basic problems of corruption within Bangladesh? Is that part of the equation that is——

Ms. BISWAL. Absolutely.

Senator CARDIN. Yes, we want to make sure workers are safe; yes, we want them to have the right to organize. But, without good governance, a lot of that is going to be somewhat meaningless.

Ms. BISWAL. It is all part and parcel of the same thing. It is all interrelated and interconnected. And we want to see a strong and vibrant Bangladesh that continues to prosper and that requires addressing issues of strengthening democratic processes, addressing issues of corruption. And we are working with the Anti-Corruption Commission in Bangladesh, working on issues of transparency, as well as issues of capacity.

Senator CARDIN. Could you provide for us the expectations on progress on those fronts, give us some timeframe as to how we think—no, I understand you—it is hard to predict, it does depend upon, as you put it, the political will of the government and the people, but it—there are so many areas of concern that we pointed out. And yes, the international community was shocked with the visible signs of failure within Bangladesh, but the elections are critically important, democratic institutions are critically important, following through on the—on their plans to deal with corruption are vitally important. And it is not just—not just the trade issues that have been mentioned. These other issues must be done also if we are going to have a reliable country that we can—

Ms. BISWAL. Right.

Senator CARDIN [continuing]. Have confidence that our partnerships will result in a better way of life for the people. But, without the foundations, there is a question as to whether we should be continuing some of these partnerships.

Ms. BISWAL. Well, I would draw upon my prior experience at USAID as we look at Bangladesh and we see it is a very mixed picture and a complicated picture. Because, on the one hand, we have seen tremendous gains on lifting people out of poverty, on improving the health conditions, on working with and strengthening civil society organizations to be able to provide services as a supplement to the government, where government fails to meet those needs. And so, you have seen improvements in food security, you have seen reductions in poverty level, you have seen reductions in maternal deaths and child deaths, and Bangladesh is well on its way to meeting many of the Millennium Development Goals.

At the same time, that progress can easily be reversed if the democratic processes and institutions are not strengthened. And therefore, there is a great deal of focus right now on ensuring that the democratic institutions in Bangladesh do not slide back. And there is concern. There is real concern. Not enough to warrant pulling back or disengaging, but it does require us to redouble our efforts and continue to maintain pressure on that country and that government so that the Bangladeshi people have the best shot at a more stable and prosperous future.

Senator CARDIN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Durbin.

Senator DURBIN. Mr. Chairman, thank you. And thanks for the kind remarks in your opening.

It was over 20 years ago that I made my first trip to Bangladesh. And I have been back several times. I was amazed by what I found. And one of the most amazing things that happened was, I met a man who became a close friend of mine and one of the most inspiring people I have ever met. And I am speaking of Muhammad Yunus, the founder of Grameen Bank. Microcredit was not his original idea, but he took this notion of loaning money to the poorest of the poor to a level that no one in the world had ever seen. He has received the Nobel Peace Prize for his efforts, and I was happy to lead a bipartisan effort in the House and Senate to give him the Congressional Medal of Freedom. I believe he may have been the first Muslim to receive that award. There was a huge hall packed with his supporters from all different backgrounds and religious faith. He is and was so extraordinary so as to deserve these singular awards.

And so, it troubles me greatly when I see what has happened to Grameen Bank. When I consider the impact of the government's decision in removing him from the leadership of that bank and then basically subsuming this bank into the Central Bank of Bangladesh, it strikes me that it is a crass political move to punish him in some way, but, sadly, to punish millions of innocent people who depend on that bank to survive.

I will just tell you that my trips to Bangladesh, meeting with those who count on the Grameen Bank, are some of the life experiences I will never forget. In the poorest villages of one of the poorest nations on Earth, the Grameen Bank has given these—primarily women, but not exclusively—given these women hope.

And so, I guess I would like to ask, if I could, first of the Assistant Secretary of State, here. We know what this government has done to Muhammad Yunus, and what it has done to Grameen Bank. What is it we can do to convince the Prime Minister that this is wrong—wrong for her nation, unfair to this man, and inconsistent with a good relationship between the United States and Bangladesh?

Ms. BISWAL. Well, thank you, Senator. And let me just echo the sentiments that you so eloquently put forward.

Professor Yunus, every time that I have had the occasion and the opportunity to meet with him, is a deeply inspiring figure. His humility is buttressed by his creativity, his intellect, and his insight, and his commitment to humanity, which extends far beyond the borders of Bangladesh.

The United States has engaged aggressively on the issue of the Grameen Bank, and the viability and the sustainability of the Grameen Bank. It is one of Bangladesh's proudest and most crowning achievements. And yet, it is under threat within Bangladesh.

The United States and USAID have partnered with Professor Yunus to ensure that Grameen's global reach continues to be strengthened. And when I was at AID, prior to this position, I had the pleasure of being able to work with Dr. Yunus in supporting and strengthening Grameen's social businesses and their ability to reach millions of women around the world. So, I think that the Grameen institution, globally, is one that is strong and that we are continuing to work with and partner with and support.

What I think is under threat is Grameen's ability to operate and support millions of Bangladeshi women and Bangladeshi families. And that is a deep shame and travesty. And we continue to press the government—in my recent visit, in November, I raised this directly with the Prime Minister. I had an opportunity to meet with Professor Yunus while I was in Dhaka. And we continue to press, at every opportunity, that this is not in the interest of Bangladesh and that this undermines the Prime Minister's own economic development objectives for her country and for her people.

Senator DURBIN. I want to salute my colleague Senator Boxer, who circulated a letter signed by a number of the women Senators, because this is—Microcredit and Grameen are important issues for women around the world. I hope that we will continue to press on this. It is just such a cruel irony that the country, the nation that gave birth to this notion of expanding Microcredit beyond what was a pretty limited application, is now seeing that effort thwarted, subjugated by its current government.

Let me address a second issue which has come up here, and that is the issue about the disastrous fire that killed so many Bangladeshi garment workers in 2012. Since then, more than 100 apparel corporations from 19 countries have signed on the Accord for Fire and Building Safety. I would like to ask if anyone on the panel—Mr. Biel, Mr. Karesh, or the Secretary—would like to comment on this Accord. And I would like to add one postscript to it.

In what was left of these buildings after the fire, it was discovered that there were some products that were being made for the United States Marine Corps. And the Marine Corps made it clear, from that point forward, that they were not going to do business with companies out of Bangladesh that did not sign on to the Accords. I want to expand that beyond the Marine Corps. And I think it should be expanded across the board to all government agencies, that we will continue to work with those companies that are providing a safe work environment for those workers, but we will not, by our government funds, subsidize those that exploit workers or expose them to this sort of danger.

And I would like to ask Mr. Karesh, Mr. Biel, if they could comment.

Mr. BIEL. Sure. Thank you for that important comment, both with regard to the general situation, in terms of factory conditions, and what you mentioned concerning the Marine Corps.

We had an opportunity, at Department of Labor, International Labor Affairs Bureau, to meet, just last week, with a group from the U.S. Marine Corps to talk a little bit about what they are doing with regard to broader government procurement issues, in light of some of the concerns that have been raised when some T-shirts with their logos were found in the aftermath of the Tazreen fire. They are taking some very proactive steps.

There was a conference convened, about a month ago, by the Democracy, Human Rights, and Labor Bureau at the Department of State, in which we participated and others participated, to talk about, more broadly, the ability to use government procurement as a lever for improved working conditions. And I am sure my colleagues at State, as well as we at the Labor Department, and oth-

ers, would be pleased to talk further about ways we can work together on that, not just in the context of Bangladesh, but globally.

With regard to the specific things you mentioned concerning the Accord, you will be hearing more on the second panel, in terms of the details of what the Accord is doing. I think one thing I neglected to say earlier—when the chairman was asking about the Accord and the Alliance—is one thing we should all dispel is the notion that one is somehow a European initiative and one is a U.S. initiative. In fact, as you will hear more on the second panel, the Accord—the cornerstone member of the Accord was PVH, which includes well-known brands like Calvin Klein and Tommy Hilfiger, and so forth. And there are a number of other U.S. retailers that have joined the Accord; most recently, Fruit of the Loom, which is also actually a member of the Alliance.

And so, there really is an opportunity to move forward with these initiatives as a key part of the overall set of solutions for improving workplace safety and worker rights in Bangladesh. And we are happy to talk further with you and your staffs about how those fit into the work we do on a government-to-government basis. But, I know you will be hearing a lot more from the second panel on the specifics of the Accord and the Alliance.

Senator DURBIN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Durbin.

I just have a few other questions before we excuse you. And I think Senator Risch may have some, as well.

Madam Secretary, I see, in the Bangladeshi press this morning, reports that USAID will refocus its democracy and governance programs away from the capacity development of members of the Bangladeshi Parliament. What are our future plans of democracy and governance programming in the country as we move through this uncertain period? And where are we moving to, in terms of our USAID program?

Ms. BISWAL. Thank you, Mr. Chairman.

We are taking a more comprehensive review of our democracy and governance programming. I will note that it is a fairly limited amount of resources; and therefore, we want to make sure that we are making very effective and impactful use of those resources, including supporting and strengthening labor and worker safety issues, including addressing issues of judicial strengthening and judicial capacity. We are taking a very hard look at the parliamentary strengthening programs, and particularly are curtailing any programs that are providing any direct benefit to members of Parliament, are looking at broader programs of institutional strengthening to see whether they are the best use of resources.

As we manage in a constrained budget environment, the fact that, across the board, more needs to be done to strengthen democratic institutions and processes and political parties, et cetera, it is going to be a little bit of a struggle to determine exactly how to make that scarce dollar stretch as much as possible, and have as great an impact as possible. But, we are committed to doing that, because, really, none of the economic gains or development gains in Bangladesh can be sustained if there is not the transparent, accountable institutions to form the bedrock to continue forward.

The CHAIRMAN. What I am trying to determine, then—first of all, is—are those press reports correct?

Ms. BISWAL. We are curtailing some aspects of the parliamentary programs—

The CHAIRMAN. Okay.

Ms. BISWAL [continuing]. Particularly those that are focused on individual members of Parliament.

The CHAIRMAN. I see. And we have yet to determine where we are moving those resources to?

Ms. BISWAL. That is right.

The CHAIRMAN. All right. Well, the committee would be interested in what is USAID's, State Department's, focus on where you are going to be using those moneys.

Mr. Biel, let me ask you, What role can the very powerful garment industry association in Bangladesh, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), play in promoting the rights of workers, ending anti-union activity in member factories, and facilitating the successful negotiation of collective bargaining agreements in member factories?

Mr. BIEL. There are a number of roles BGMEA and other industry associations can and must play. BGMEA is actually—their chairman is part of the board of the Alliance. And so, there is an opportunity, through the Alliance, for them to be directly working with their members to deal with the fact that there are some factory owners still in Bangladesh who do not appear to be receptive to the initiatives that these brands and retailers are undertaking to try to move forward with inspections and to deal with worker rights and workplace safety.

The other thing is, BGMEA, working closely with the government, with the Ministry of Labor and other parts of Bangladesh Government, need to be a voice for continued progress on the implementation of labor law reforms, not just on the ones that were included in the July 2013 package, but concerning other areas where our hope is—and this will take some time—that brand Bangladesh can be a model, not for what we have seen in the past 2 or 3 years and even further back, in terms of well-publicized disasters like Tazreen and Rana Plaza, but can be a model for improvements. And that will only happen if powerful industry associations convince their members to move forward, to be more transparent, to have state-of-the-art compliance programs. Again, it is a continuum of work from the private sector and the government, and BGMEA does have a tremendous political presence in Bangladesh, including in terms of representation in the Parliament. And so, they are clearly a critical actor—

The CHAIRMAN. What is their incentive? Since apparel is obviously not part of the GSP, it has no direct effect. What is their incentive?

Mr. BIEL. I think the—well, one of their incentives is, we certainly, as all of us have said, do not want any of this to result in a loss of jobs in Bangladesh, but, ultimately, buyers around the world will make a determination, based on their own concerns, their own reputation, on where they are going to continue to source from. It is a very competitive global market. And I think one of their incentives is, Bangladesh has grown by leaps and bounds, in

terms of—the ready-made garment sector is now second in the world, maybe first, based on current trends—and their incentive is, they do not want to lose the business to other markets, based on a sense that this is not a stable environment, and it is one in which the buyers cannot count on the kind of practices that will enhance their own reputation.

So, I think, even though GSP is a lever, it has limited commercial impact, tied to the sustainability compact and tied to what the private sector initiatives can do, factory owners and the trade associations, Bangladesh, do have a strong incentive to step up their game.

The CHAIRMAN. Well, I hope the factory owners understand that it would be very difficult for international brands to sell clothing made in Bangladesh if it is on the blood of workers. And if they do not understand that, they will come to that understanding when it is way too late.

Mr. KARESH, last question. What is it that we are going to need—I see the EU is in the midst of conducting a review of Bangladesh's status with their GSP program, which, unlike ours, includes apparel products. Do you have any sense of what factors the EU is going to be looking for? And what are we going to ultimately look for in restoring GSP? Because, while, you know, these do not have a direct effect on apparel, obviously a country wants GSP, because there is—the very name implies there is a preference. And so, if you want that preference, you have to live up to a certain standard. So, do you have any insight into the EU? And lastly, what do we expect—what will we need to see before we consider restoring GSP?

Mr. KARESH. Thank you, Mr. Chairman.

I am not fully versed in the GSP program in the EU, but, as I understand it, they have requirements for their GSP-Plus program which are similar to ours with regard to—making sure there is respect for ILO fundamental labor rights. And I presume that they will be looking at those issues. But, as I understand it, it is a much longer, more involved process that could take quite a bit of time if they are actually going to move forward and consider Bangladesh's eligibility under that program. I think it is one of the reasons why they have engaged, along with us and others, to try to focus the Bangladesh Government on addressing the concerns and improving the conditions there.

As far as our GSP review, we have discussed some of the factors that we have looked at. We have laid out a very specific action plan. And our view is, those are the minimum actions that we need to see in order to come out with a positive view on reinstatement of GSP benefits. We believe there has been some progress on those issues, we believe these are very reasonable, doable things that would show a change in political will, would show that there is ability for workers to assert their rights and to empower them to a degree to ensure that there can be safer workplaces and that they can protect those rights and that they have a voice.

As we have said, there are a lot of factors involved here. Our view is, ultimately, it comes down to determination of the Government of Bangladesh. But the other stakeholders obviously can play a role in improving conditions, but what we will need to see is—and we have a—

The CHAIRMAN. So, at a minimum, you are talking about the fulfillment of the action plan.

Mr. KARESH. That is correct, sir. Yes.

The CHAIRMAN. Senator Risch.

Senator RISCH. Thank you, Mr. Chairman.

First of all, let me say, Ms. Biswal, I really appreciated your response to Senator Cardin and Senator Durbin's really focused questions about the institutions. Without institutions that are stable and that represent the will of the Bangladesh people, we are all beating our head against the wall, here. You need that before you have anything else. So, I appreciate your clear vision in that regard, and also your initiatives in that regard.

Let me close with just this focus for a minute. All three of you, I think, have said that what is going on right now is, all the stakeholders, the people who own the tools in the toolbox, are trying to work together to reach the same objective. Now, they may have different strategies of how to get there and what have you. But, that—and I tried, and others tried, to ask, How long is this going to take? And, appreciate that the answers there are not as clear as we would like, nor does anyone know.

Having said that, it appears to me that we have got quite a ways to go yet, as far as this negotiation process is concerned, as far as the give-and-take is concerned. We have had some attempts in Congress to put in some legislation, the—either it favors the Accord or it favors the Alliance. And it is also my impression that, at this point in time, for the Congress to get involved in this, as far as taking one side or the other, probably is counterproductive. And Congress is not very good at many things, and on something with as many moving parts as this, and is—as not being very far along the road to maturity that the agreement needs, it would seem to me to be greatly premature for Congress to wade in, here.

I would like to get your thoughts, briefly, all three of you, in that regard.

Mr. Karesh, start with you, please.

Mr. KARESH. Thank you, Senator.

Well, our view is that we need attention from a variety of the stakeholders here. And, ultimately, the Government of Bangladesh has to do what it needs to do to ensure there is full respect for rights. But, when you talk about, very specifically, on the shop floor, in the factories, improving safety, the buyers, whether they are in the Accord, in the Alliance—I think as long as those efforts are coordinated and they are focused, they can do a lot of good in the near future to improve working conditions where they are doing business.

Senator RISCH. You think they are making progress in that regard?

Mr. KARESH. I think there is a lot of effort underway by a lot of people. And it is hard, sometimes, to measure that progress, but there clearly is attention to the issues.

Senator RISCH. Ms. Biswal, I am going to go to you next, in case I run out of time.

Ms. BISWAL. Well, thank you, Senator.

We believe that there is room and space for all actors to work together, and it is going to require all actors to work together. And

so, while we have not preferenced Alliance versus Accord, there is an important role for industry, for labor, for government, for civil society, and for the international community to play. And we are focused on trying to harmonize those efforts so that we can have as strong an outcome as possible.

Senator RISCH. Perfect. Thank you very much. I appreciate that. Mr. Biel.

Mr. BIEL. Just to echo what my colleagues have said, and specifically on the issue of the role Congress can play, I think this hearing, alone, in terms of demonstrating the continued focus of this committee and your continued oversight of these issues, sends a very strong and powerful message, the statements you have made. In terms of specific things dealing with preferences and so forth, you know, far be it for us to suggest a particular approach, but there are certainly some broad guidelines that you can lay down.

Again, the core takeaway from this, perhaps, will be, What are the different tools, and how are they best situated, to ensure that workers in Bangladesh are empowered so that we do not have, as Assistant Secretary Biswal's predecessor, Assistant Secretary Blake, said very powerful at this—before this committee last June, a situation where, again, workers die because of the fact that they do not have the power to stand up for themselves? And you should certainly be assessing whether different actions—whether the ones that we are taking, government to government, whether—whatever the Alliance is doing, whatever the Accord is doing—are focused adequately on ensuring that the end game is a stronger role and voice for workers.

The critical thing we will be doing in the coming months—and it is a slow process—is seeing how the registration of these unions leads to actual changes on the ground. We are at the very early stages of that. As I mentioned, the Solidarity Center has documented some situations where newly formed unions are not being allowed to function adequately, but they also recognize that it is still early and that situation, hopefully, can change.

So, that is how we are going to measure progress. And again, we have the mechanism of being able to look very specifically at what we have laid out in the GSP Action Plan, to do so in the areas that action plan covers. But, there are other things, certainly, that are the prerogative of Congress, including in terms of issues like government procurement policies. And we can certainly have a further conversation about those in the coming weeks and months.

Senator RISCH. Thank you much.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, my thanks to all of you for your testimony. I can assure you that it is the Chair's intention to continue to follow this issue into what I hope will be a successful conclusion. We thank you for your testimony and your service.

We will excuse this panel.

Earlier, I had mentioned that we have visiting with us Reba Sikdar, and she is now here with us.

So, Reba, thank you very much for joining us today, and we are so glad that you can be with us and that you are here to, I hope, embody the very essence of what we are fighting for. So, we are glad to have you with us.

Let me call up our next panel.

This panel is excused. Thank you very much.

They are: Ellen Tauscher, chairman of the board of directors of the Alliance for Bangladesh Worker Safety—

We are going to ask those who want to engage our panelists, that they can do so outside of the hearing room so that we can continue to move to the next panel. All right, if we can have our guests please leave quietly if you are going to vacate the hearing room.

Our second panel today: Ellen Tauscher, chairwoman of the board of directors of the Alliance for Bangladesh's Worker Safety. I am thrilled to—as she works her way through the crowd—I had the privilege of serving with Ms. Tauscher in the House of Representatives, and we welcome her here today. Scott Nova is the executive director of the Worker Rights Consortium. Mr. Nova is here to represent the Accord on Fire and Building Safety in Bangladesh. And Ms. Kalpona Akter has come from Dhaka, where she is the executive director of the Bangladesh Center for Worker Solidarity. And we are honored to have you join us here today.

Thank you all for being here. I will remind you that your statements will be fully included in the record, without objection, in their entirety. I would ask you to summarize your statements in about 5 minutes or so, so that we can go ahead and engage you in some questions.

And, with that, Ms. Tauscher, you are recognized.

STATEMENT OF HON. ELLEN TAUSCHER, CHAIRMAN OF THE BOARD OF DIRECTORS, ALLIANCE FOR BANGLADESH WORKER SAFETY, WASHINGTON, DC

Ms. TAUSCHER. Thank you very much, Chairman Menendez and members of the committee.

It is a great honor to be back at this table again. This is the committee I got to know well during my time as Under Secretary of State as we collectively worked together on arms control and non-proliferation issues.

And, Mr. Chairman, I very much appreciate your work and leadership on Bangladesh, and specifically on worker safety. I know how much you care about these issues, as you did when we served together for so long in the House of Representatives.

Mr. Chairman, last summer, the leading North American apparel companies, retailers, and brands launched the Alliance for Bangladesh Worker Safety. The Alliance was developed under the guidance of former Senators George Mitchell and Olympia Snowe, with the help of the Bipartisan Policy Center. It represents a legally binding, 5-year, \$50-million effort to improve the fire safety and structural integrity of factory buildings in the Bangladesh garment industry through a rigorous inspection and training regime, which is already well underway. The core mission of the Alliance is to improve the safety of the women and men who make their living in Bangladesh's ready-made garment sector. Our goal is to prevent another factory tragedy and to build a long-term culture of safety.

Mr. Chairman, as you have said, the situation on the ground in Bangladesh is complex and challenging. There are roughly 5,000 factories in Bangladesh's ready-made garment industry. As the committee's own report from last fall notes, rapid industry growth

and urbanization have led to a factories sprouting up in apartments and other places that are ill-suited to large-scale garment production and make unauthorized subcontracting even more dangerous than usual. There are too few government inspectors, and labor laws have been too weak for too long.

But, despite the challenges and failures, the garment industry has played a key role in improving workers' lives in Bangladesh and advancing the country's economic development. More than 4 million people in Bangladesh, most of them women, depend on their jobs making clothes to support themselves and their families. The Alliance member companies acquire garments from close to 700 factories in Bangladesh which employ approximately 1.28 million workers. Far too many people depend on these jobs for us to turn away. We recognize our shared responsibility to address the threats to worker safety head-on, and agree workers should never need to risk their lives to make a T-shirt or to sew a pair of jeans together.

As we move forward carrying out our mission, the Alliance will continue to work closely with the Government of Bangladesh, civil society, workers groups, and with our colleagues in the Accord. Despite press reports to the contrary, I am pleased to report that we have had excellent discussions with the Accord leadership in Europe, as well as in Dhaka. It is our commitment to work together with the Accord, and we are doing just that today on a number of important areas, such as standards, sharing on inspection results, and even organizing training events together.

Let me turn to our progress. We have moved quickly, in just a few months, on several fronts. We have helped establish a new fire safety and structural safety standard. We opened an office in Dhaka with 15 staff. We conducted a baseline survey and offsite interviews with more than 3,200 Bangladeshi workers and 28 representative factories to obtain their input and perspective on factory safety issues. We have provided fire safety training to workers and managers at 218 Alliance factories. And we have completed fire safety, structural, and electrical inspections in 222 factories. We are committed to inspecting 100 percent of all member-approved factories, and provide training in all of these factories, by July 2014.

The work we are all undertaking requires money as well as time and effort. The Alliance's approach emphasizes the importance of shared responsibility through mechanisms such as access to \$100 million in low-cost capital. Alliance members have also committed \$5 million to assist workers by replacing the lost wages of factories needed to temporarily close for repairs.

With regard to the workers, we know that workers must have a voice in ensuring their environment is safe. They must not only be able to recognize safety concerns, but they must also have the means to effectively make those concerns known to factory management without the fear of being disciplined or fired. We believe democratically elected groups operating within the factories, whether they be worker participation committees, health and safety committees, or unions, will be an effective way to communicate safety concerns to management. We intend to work closely with

these groups, sharing remediation plans, and ensuring that they are immediately alerted to urgent safety issues.

In conclusion, Mr. Chairman, while this situation is complex, one thing is clear: Improving the safety of Bangladesh's garment industry must be our No. 1 priority. Our moral compass and business interests must remain aligned. We know that work will not be easy or quick, and solutions will take time to adopt and sustain. We must all stay committed to the common goal of making a safer workplace in Bangladesh not the exception, but the rule.

Thank you, Mr. Chairman. You can be sure we look forward to working with you and this committee in the months ahead.

[The prepared statement of Ms. Tauscher follows:]

PREPARED STATEMENT OF HON. ELLEN TAUSCHER

INTRODUCTION

Chairman Menendez, Ranking Member Corker, and members of the committee, it is a real honor to be back at this table again today. This is a committee I came to know well during my time as Under Secretary of State, as we collectively worked together on arms control and nonproliferation. And, Mr. Chairman, I appreciate your leadership on Bangladesh, and specifically on worker safety. I know how much you care about these issues, as you did during our time together in the House of Representatives.

Last summer, the leading North American apparel companies, retailers, and brands launched the Alliance for Bangladesh Worker Safety. The core mission of the Alliance is to improve the safety of the women and men who make their living in Bangladesh's ready-made garment sector. The Alliance was developed under the guidance of former U.S. Senators, George J. Mitchell and Olympia Snowe, with the help of the Bipartisan Policy Center. It represents a 5-year, \$50 million effort to improve the fire safety and structural integrity of factory buildings through a rigorous inspection and training regime, which is already well underway.

Currently, the Alliance is comprised of 26 companies, and I have the honor of chairing its board of directors. Our members have visited Bangladesh, toured local factories and met with government officials and labor leaders to learn about the magnitude of the country's safety challenges.

As we gain a deeper and more nuanced understanding of these challenges, we also see the great potential and promise for the workers of Bangladesh as we come together to find sustainable solutions. We are actively working with the Accord, the Government of Bangladesh, the Bangladesh University of Engineering and Technology, workers' groups, factory owners and other key stakeholders to prevent another factory tragedy and to build a long-term culture of safety. Too many Bangladeshis have died—we all have to do better.

CONTEXT

Despite its failures, the garment industry has played a key role in improving workers' lives in Bangladesh and advancing the country's economic development. More than 4 million people in Bangladesh, most of them women, depend on their jobs making clothes to support themselves and their families. The Alliance member companies source garments from close to 700 factories in Bangladesh, which employ approximately 1.28 million workers. Far too many people depend on these jobs for us to turn away.

The situation on the ground in Bangladesh is complex and challenging. The 700 factories that make products for the Alliance member companies are only a small fraction of the roughly 5,000 factories in Bangladesh's ready-made garment industry. As the committee's own report from last fall notes, rapid industry growth and urbanization have led to factories sprouting up in apartments and other places that are ill-suited to large-scale garment production and make unauthorized subcontracting even more dangerous than usual. There are too few government inspectors, labor laws have been too weak for too long, and recent political instability has taken attention away from focusing on worker and factory safety.

These circumstances only reinforce the need for a collaborative approach to creating a safe and inclusive environment for factory workers that contributes to economic growth and stability in Bangladesh. We recognize our shared responsibility

to address the threats to workers' safety head-on and agree workers should never need to risk their lives to make a T-shirt or pair of jeans.

Our business interests are aligned with our moral compass. A strong garment industry that protects workers' rights and safety is not only good for the people who work in these factories, but makes for better business continuity and builds a sound foundation for long-term business partnerships.

Lastly, let me note that there has been considerable misinformation about the perceived differences between the Alliance and the Accord and too little said about what we have in common and where we can collaborate. The member companies and other stakeholders of both initiatives share a common purpose: to protect the safety and livelihoods of garment workers in Bangladesh. We have had excellent discussions with the Accord leadership in Europe, as well as in Dhaka. We need to work together, and we are, today, on a number of important areas such as standards, sharing of inspection results, and even organizing collaborative events to educate the factory community on the standards and ways to improve workplace safety.

Now, I'd like to briefly address some of the progress we've made in our first few months.

COLLABORATION AND COMMON STANDARDS

Last October, technical experts from the International Labor Organization, the Alliance, Accord and Bangladesh University of Engineering and Technology worked together to develop a common Fire Safety and Structural Integrity Standard that is being used for factory inspections. I was very proud of the work that many technical experts from Alliance member companies put in, sharing their expertise to achieve the goal of having one fire and structural safety standard. The Standard aligns with the Bangladesh National Building Code and National Tripartite Plan of Action.

We hope we can continue to work in the spirit of collaboration with the Accord and other stakeholders focused on worker safety in Bangladesh.

LOCAL PARTICIPATION

The Alliance recognizes the importance of building local capacity and empowering workers to develop an effective, lasting system for ensuring the safety and future growth of Bangladesh's garment industry. In just over 6 months since its formation, the Alliance has:

- Conducted a baseline survey and offsite interviews with more than 3,200 Bangladeshi workers in 28 representative factories to obtain their input and perspective on factory safety issues. The insights from this research will help us build better and more relevant solutions, and we will share these insights with the public.
- Provided fire safety training to workers and managers at 218 Alliance factories.
- Opened an office in Dhaka with 15 local staff, including technical experts.
- Engaged the Bangladesh Government, factory owners and industry associations, labor groups, NGOs including BRAC and the International Finance Corporation.
- Been in dialogue with the United States Embassy in Bangladesh to clarify our intentions and our progress.

EMPOWERING WORKERS

Garment workers play a key role in the Alliance's efforts to improve factory safety. They have unique insights from the factory floor into potential safety issues and their active participation facilitates remediation efforts and effective responses to threatening conditions.

We know that workers must have a voice in ensuring their working environment is safe. They must not only be able to recognize safety concerns, but must also have the means to effectively take those concerns to factory management without fear of being disciplined or fired.

We believe democratically elected groups operating within the factories—whether they be Trade Unions, Worker Participation Committees, Health and Safety Committees—will be an effective way to communicate safety concerns to management. We intend to work closely with these groups, sharing remediation plans and ensuring that they are immediately alerted to urgent safety issues.

The Alliance is also working to develop tools to protect workers' rights and give voice to their concerns. For example, an anonymous worker helpline that uses mobile technology will empower workers to call attention to safety issues before they become emergencies. This helpline will not only field calls with a live operator 24

hours a day, 7 days a week, it will also allow for two-way communication with workers and a platform for education.

For all of us, a critical element of worker empowerment calls for better understanding what workers need and how our collective efforts can drive sustainable impact. To gain better insight into their perspectives, we have talked to workers directly and conducted one of the largest worker surveys on safety and health in Bangladesh. The survey and offsite interviews point to the need for a comprehensive and consistent health and safety-training curriculum that can be implemented systematically across factories and correct for some of the issues that have come to life. For instance:

- Workers are legitimately concerned for their safety.
- 65 percent of workers in focus groups indicated they would prefer to work on a low floor for safety reasons.
- In 34 percent of surveyed factories, workers say they had witnessed fire incidents. This is in line with the focus group results, where participants in all but one of the 10 discussions reported experiencing fires.
- 47 percent of respondents feel they cannot leave their building quickly in case of emergency, and 30 percent think there is a high risk of fire in their building.
- 27 percent feel they are not given sufficient training on how to protect themselves.
- When asked offsite during focus groups, however, workers voice more concern about how training is executed.
- Female participants pointed out that their male counterparts are more readily offered training.
- While most participants have taken part in evacuation drills, most were conducted during daytime hours, leaving night shift workers neglected.
- Drills were often conducted inappropriately, such as with a failure to count participants; others were only partly conducted, for example, evacuating workers to lower levels rather than fully outside their buildings.
- Despite comprising 80 percent of the garment factory workforce, female workers tend to have a lower level of knowledge than their male counterparts. They are also less active in health and safety committee activities, contacting worker representatives and voicing their concerns.

Our training programs will endeavor to directly address these findings, and we will continue to identify areas for special consideration as the Alliance's programs are rolled out.

TRAINING

Worker training is an essential part of the Alliance's commitment to local capacity-building. Ongoing training courses are designed to result in measurable improvements in the knowledge, skills, and awareness that are critical for ensuring worker safety and well-being. By July 2014, the Alliance intends to fulfill its commitment to train workers, supervisors, managers, and security guards in 100 percent of our current factories on safety fundamentals. We will also develop additional training modules related to safety in year 2.

As part of training for management, we believe it is critical to help them understand the importance of engaging workers, both individually and through any democratically elected workers' groups operating within the factory. We also believe it is important that management respect workers' right to collectively voice concerns without fear of retaliation and to allow for regular and open dialogue about safety. We intend to incorporate these messages into management safety training, and we will share this training curriculum publicly for use by other safety initiatives.

FACTORY INSPECTIONS

Factory inspections are an essential component of evaluating and improving the existing building and electrical infrastructure in Bangladesh's garment industry. To date, fire safety, structural and electrical inspections have been completed in 222 factories (31 percent) that make products for Alliance member companies. A number of brands have already completed initial assessments of all their approved factories in Bangladesh, and many factories have already begun to implement substantial remediation. Alliance member companies have committed to inspecting 100 percent of all member-approved factories by July 2014.

TECHNICAL EXPERTISE

Considering the rapid, often haphazard growth and unique structural characteristics of Bangladesh's garment factories, it is especially important that inspectors

have the right technical training and expertise. The Alliance established an independent Committee of Experts to help develop and implement consistent factory safety standards across all approved Alliance factories and to certify inspectors. The committee is made up of independent fire, structural, and facility safety experts from Bangladesh and North America who are certified, credentialed, and recognized authorities in safety. Training on implementation of the safety standards will be mandatory for all approved inspectors.

RESOURCES FOR REMEDIATION

The work we are all undertaking requires money as well as time and effort. The Alliance's approach emphasizes the importance of shared responsibility through mechanisms such as access to low-cost capital.

By recognizing the difficulty to gain access to affordable financing in Bangladesh, some Alliance members have pledged a combined total of \$100 million in low-cost capital to assist vendors in financing safety remediation efforts. These resources can be used to implement critical safety measures, such as installing fire doors, sprinkler systems, handrails in stairways and other structural integrity improvements.

We anticipate that pricing adjustments will likely be made over time by factory owners to cover these important investments in safety. We are currently working with partners such as the IFC and banks to explore innovative financing solutions, and expect the Government of Bangladesh and other stakeholders to play an important role in supporting these efforts.

In addition, we are collaborating with other groups, including the IFC, Accord, and BGMEA, on the International Trade Expo on Building and Fire Safety in Bangladesh that will be held later this month. The Expo is focused on providing Bangladesh factory workers with access to quality safety equipment. In addition to offering exposure to credible resources, this Expo will also provide education by experts as well as an announcement about low-cost capital available for factory remediation made available by three external funding sources.

Alliance members have also committed \$5 million to assist workers by replacing any lost wages if factories need to be temporarily idled for repairs.

TRANSPARENCY

Let me now shift to another important priority for the Alliance—transparency. The Alliance releases a monthly report that publicly discloses the names of all approved suppliers in Bangladesh. The list also identifies factories that are currently manufacturing goods for members of the Accord. These shared suppliers make up approximately 50 percent of the Alliance factory list, underscoring the importance for collaboration between the two initiatives. Supplier information for the approved Alliance factories is listed on the Alliance Web site. The Alliance also recently released a 6-month progress report detailing the strong foundation that has already been laid for our work. Copies of the report have been provided to the committee.

MOVING FORWARD

While the situation is complex, one thing is clear—improving the safety of Bangladesh's garment industry cannot be done unilaterally. Collaboration among all who share in the responsibility for garment factory safety is the only effective way forward. We know the work will not be quick or easy, and solutions will take time to adopt and sustain. We must all stay committed to the common goal of making a safer workplace in Bangladesh not the exception, but the rule.

CONCLUSION

We appreciate the initiative that the committee and U.S. Government have taken to address the important safety issues in Bangladesh's ready-made garment industry, and we are grateful for the opportunity to share our perspective on the Alliance's approach and progress. We look forward to working together to improve the safety and well-being of Bangladesh's garment workers and advance the sustainable, inclusive growth of the country's garment industry.

Thank you for allowing us to testify today.

The CHAIRMAN. Thank you.
Mr. Nova.

STATEMENT OF SCOTT NOVA, EXECUTIVE DIRECTOR, WORKER RIGHTS CONSORTIUM, WITNESS SIGNATORY TO THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH, WASHINGTON, DC

Mr. NOVA. The Accord on Fire and Building Safety in Bangladesh appreciates the opportunity to testify today, and we also appreciate the committee's continued attention to this vital issue.

The danger in Bangladesh has long been apparent. The first documented mass fatality incident in a garment factory was in 1990. Between 2004 and 2006 alone, there were nine fatal fires and building collapses, killing 200 workers. From 2006 to 2011, more than 500 workers died in further disasters. The Tazreen Fashions and Rana Plaza catastrophes were shocking because of the staggering numbers of dead, but no one could say that worker deaths in an apparel plant were, by that point, a surprise.

Major retailers, recognizing the challenges in the country and concerned about the weakness of local regulatory efforts, have long operated their own inspection programs in Bangladesh. Despite the companies' efforts, these programs did not solve the problem. In fact, every building where workers died en masse in recent years had been inspected by industry auditors. For example, Walmart repeatedly inspected Tazreen Fashions, and yet the inspectors failed to detect or address the grave hazards, including lack of fire exits, that ultimately took the lives of more than 100 workers.

This history provides us with a crucial lesson. It is not enough to say you have an inspection program. The question is, What kind of inspection program? To their great credit, the Accord signatory companies have recognized that stronger measures are essential, and they have committed to work with labor unions to put these measures in place.

It is the Accord's unique features that will enable it to transcend the shortcomings of prior inspection systems. I want to note four elements, in particular, three related to worker empowerment.

One of the most important worker empowerment provisions of the Accord is the power of workers, themselves, to enforce the agreement. Garment unions are signatories; they share equal power with the brands and retailers on the steering committee, and they can bring enforcement action if any signatory fails to fulfill its obligations. As is true in any context, the people who have the power are the ones who are sitting at the table when the real decisions get made.

Another key provision is the leading role for worker representatives in the Accord's inspection, remediation, and training programs. When safety engineers inspect factories under the Accord, worker representatives, as well as managers, guide them through the factory. When the inspection reports are ready, worker representatives get the reports the same day as the factory managers. When Accord training teams go to factories to talk to workers, union representatives are on the teams. At most Accord factories, this will be the first time any labor union has ever set foot on the premises.

One effect of these provisions will be to strengthen the ability of workers in Bangladesh to form unions. Asked last May, "What could be done to improve labor standards in Bangladesh?" Amba-

sador Mozena answered, "That is a very easy question. That will happen when workers can organize."

An issue was raised earlier about the situation at Rana Plaza and what might have saved the lives of the workers at that location. The morning of the disaster, as I think people are aware, many workers were afraid to go into the factory because of the evidence that had arisen the prior day that the building was in danger of collapse. Yet, managers bullied and intimidated workers to go into the factory, successfully, in part, by threatening their wages and their jobs. The general manager of Tazreen Fashions finally went to jail, this past Sunday. One of the charges against him is that he and other managers, after the fire alarm went off, told workers to remain at their machines, apparently hoping it was a false alarm, and not wanting to lose any production time. If workers at Rana Plaza, if workers at Tazreen Fashions, had enjoyed the right to refuse to enter or stay in a dangerous building without fearing the loss of their livelihood or their jobs, many of those workers would be alive today. This is why the Accord protects the right of every worker in an Accord factory to refuse dangerous work without fear of losing jobs or wages.

Inspections under the Accord are a means to an end: the renovation of factory buildings to address the grave safety hazards that exist in many of them. Inspections are of no value if, for lack of financial capacity, remedies are never implemented. This is why the Accord brands and retailers have committed to ensure that every factory will have the capacity to undertake all needed renovations. The financial capacity. This is not a voluntary loan program, it is a fundamental requirement of every Accord signatory.

We are implementing the Accord as swiftly as possible, given the massive scope of the enterprise, which covers 1,800 factories and more than 2 million workers. Senior staff is in place in Dhaka and is hiring a local team of up to 100 individuals. Standards are finalized, and inspections begin in large volume this month. Public inspection reports will soon be released, and, consistent with the Accord's commitment to genuine transparency, these reports will include the specific hazards found in each factory, the remedies needed to address them, and the deadlines by which they must be addressed. A major announcement later this month will provide much more detailed information, and we will, of course, share that with the committee.

I want to conclude by noting, as a previous panelist and member of the committee did earlier, the breadth of support for the Accord, including in the United States, where there are corporate signatories like the Berkshire Hathaway subsidiary, Fruit of the Loom; like PVH, which was the first company to sign an earlier version of the Accord; and a number of others. Mr. Durbin, whose leadership on this issue we appreciate, mentioned the fact that the Marine Corps now requires its licensees to be signatories to the Accord. This year's Defense Appropriations Act includes report language that encourages the rest of the Armed Forces to make that same decision. And so, we see support for the Accord in the United States, not just from corporations, but from the Government, also from the public sector, where many universities now require their licensees to sign.

So, I will conclude by noting that I would be happy to address relations between the Accord and the Alliance, in answer to questions, which I did not have an opportunity to do here, and welcome questions from the committee.

Thank you.

[The prepared statement of Mr. Nova follows:]

PREPARED STATEMENT OF SCOTT NOVA

The Accord on Fire and Building Safety in Bangladesh appreciates the opportunity to offer testimony today on the vital issue of worker rights in Bangladesh's garment industry. The Accord is a groundbreaking worker safety initiative of which 151 apparel brands and retailers, from 21 countries, are now signatories, along with two global union federations, eight Bangladeshi garment workers' unions and union bodies, and four international labor rights organizations, participating as witness signatories. The Accord, whose governing body is chaired by the International Labor Organization (ILO), covers an estimated 1,800 factories and in excess 2 million workers, which means that more than half of the entire Bangladeshi garment workforce will come under the protections provided by the agreement.

SUPPORT FOR THE ACCORD IN THE UNITED STATES

It is important to note, some misimpressions to the contrary, that the Accord enjoys active support and participation from leading American brands and retailers. Indeed, the first company to sign an earlier version of the Accord was PVH Corp., the U.S. firm, formally known as Philips-Van Heusen, which owns Calvin Klein, Tommy Hilfiger, and other major brands. Other U.S. corporate signatories include Abercrombie & Fitch, American Eagle Outfitters, Knights Apparel (the largest producer of university logo clothing and Nike's main competitor in that sector), Fruit of the Loom, one of the oldest apparel brands in North America, and others. It is also important to note that the Accord's signatories include a number of foreign-based corporations that have a large presence in the U.S. consumer market, including companies like H&M and adidas that are household names in the U.S. and that sell more goods here than they do in their home countries.

There is also strong support for the Accord in the nonprofit and public sectors in the U.S. A number of our Nation's leading universities, including Duke, Penn State, and Georgetown, now require that the apparel brands that make clothing bearing their names in Bangladesh sign the Accord, as does the United States Marine Corps.¹ The Defense Appropriations Act for the current fiscal year included report language commending the Marine Corps for adopting this requirement, urging the rest of the Armed Forces to do the same. We appreciate Mr. Durbin's leadership in encouraging the largest agency of the U.S. Government to align its procurement practices with the Obama administration's policies urging brands to strengthen oversight of their supply chain in Bangladesh. Support for the Accord is also extremely strong throughout the U.S. labor movement and across the community of labor rights advocates.

WHY A NEW APPROACH TO WORKER SAFETY IS ESSENTIAL

The Accord on Fire and Building Safety in Bangladesh exists because its signatories recognize that past efforts to address the worker safety crisis in Bangladesh were insufficient and that new approaches are required to safeguard the lives of the millions who work in that nation's garment factories.

It is important to recognize that the danger to workers in Bangladesh has been apparent for many years. The first documented mass-fatality incident in the country's export garment sector occurred in December 1990 and there were at least 12 additional mass-fatality disasters during the remainder of the 1990s. Between April 2004 and April 2006 there were nine separate fatal fires and building collapses, killing a total of at least 200 workers.² In an editorial in March 2006, in the English-language Daily Star newspaper, a local banker warned that the "deep concern" of global buyers over these disasters would lead to a loss of exports if such incidents continued to occur. From 2006 to 2009, more than four hundred workers died in a series of further disasters, according to statistics from Bangladesh's Fire Service and Civil Defense department. In 2010, there were two more fatal factory fires, including one, in December, that killed 29 workers at a facility producing for a large number of prominent U.S. brands.

The Tazreen Fashions fire in 2012 and the Rana Plaza disaster last year were shocking because of the staggering loss of life; however, by the time of those disas-

ters, it was no longer possible to say that worker fatalities in a garment factory were surprising. Indeed, given the explosive growth of the industry in Bangladesh in recent years, with millions of workers employed in ever-larger factories, it was arguably inevitable that larger disasters would occur.

Major brands and retailers sourcing from Bangladesh, recognizing the strong challenges to worker rights and worker safety and concerned about the weak regulatory efforts of local authorities, have long been operating their own private factory inspections programs—as they do throughout their global supply chains. These programs, which encompass worker safety issues among various other categories of compliance, ensure that most or all factories producing goods for a given brand or retailer are subject to regular inspections by factory auditors, who measure each factory's practices against the corporation's labor standards, report any violations detected and recommend remedial measures.

Despite a great deal of effort by the brands—and by their employees, many based locally, whose job it is to coordinate the factory inspections—these programs did not succeed in addressing the problem. It is important to note that every factory where workers have died en masse in recent years, with only one possible exception, was inspected multiple times by private auditors representing the factory's customers. To cite one important example, Tazreen Fashions was visited repeatedly by inspectors representing Walmart, but these inspectors never identified nor corrected the grave safety flaws, including the lack of viable emergency exits, that ultimately took the lives of 112 workers.³ There is a profoundly important lesson here for all of us—corporations, labor rights advocates, and public officials alike: it is not enough that a garment factory is subject to an inspection program; the crucial questions concern the composition of that program.

To their great credit, the brands and retailers that have signed the Accord on Fire and Building Safety in Bangladesh have recognized that stronger and more effective worker safety measures are essential to bring an end to the disasters in Bangladesh and have committed to work with global and Bangladeshi labor unions to put those measures into place.

THE ACCORD: MAJOR PROVISIONS

The Accord is designed to address the shortcomings of prior efforts and thereby to ensure, once the program is fully implemented, that the safety of workers in all factories covered by the agreement is strongly and sustainably protected and that mass fatality disasters become a thing of the past. The central features of the Accord are the following:

- First, the Accord is a binding, enforceable contract between 151 apparel brands and retailers and international and Bangladeshi labor unions. This, in itself, is groundbreaking. There is no contemporary precedent for a binding agreement of this scope and detail, covering workers' rights in the global supply chains of major corporations, in which worker representatives themselves have genuine enforcement powers. By signing a binding agreement with labor unions, the Accord's signatory corporations have guaranteed that worker representatives will be at the table when key decisions about worker safety at their contracted factories are made. This does not always make for easy or quick decisions, but it guarantees that the voice of workers is always heard and that the safety of workers remains at the heart of Accord decisionmaking. Given the stakes involved, the importance of this cannot be overstated.
- The Accord provides for inspections of all factories producing for signatory companies, carried out under the direction of an independent Chief Safety Inspector, so that the engineers doing the inspections are accountable to the Accord as a whole, not to any individual brand or factory. This means that when Accord inspectors assess a factory, they do so with the understanding that they have as much accountability to worker representatives as they do to any other party.
- Accord inspections assesses each factory against a robust safety standard, incorporating the essential elements of the Bangladesh National Building Code (BNBC), and improving on that code by clarifying the application of the standards to existing buildings and adding stricter standards in certain areas. The BNBC, which is a reasonably strong code, has been in place in Bangladesh since 1993 and has carried the force of law since 2006; however, prior to the Tazreen and Rana catastrophes, private factory auditors, even though charged with protecting worker safety, did not include the most vital building code issues in their inspection protocols. Among the issues excluded were the structural integrity of buildings and the adequacy of emergency exits, including enclosure of

stairwells. The consequences of failing to inspect for structural integrity at Rana Plaza are obvious.

- At Tazreen, and in numerous other fatal factory fires, one of the primary causes of fatalities was the lack of enclosed stairwells, protected by fire doors. In multi-story buildings, proper enclosure of stairwells, the purpose of which is to prevent deadly smoke from spreading rapidly through the building and making stairs impassable, is fundamental to fire safety and has long been required by all credible building codes (including all North American and European codes and including the BNBC). It is nonetheless the case that, at the time of the Tazreen fire, enclosed stairwells with protective fire doors were absent from almost every one of the more than 3,500 apparel factories operating in the country. At Tazreen Fashions, after the fire broke out in the first-floor storage area, the unenclosed stairwells filled rapidly with noxious smoke. All of the exit stairs became impassable within minutes, trapping the workers on the upper floors.⁴ After that point, most workers who made it out alive did so by jumping from third and fourth story windows. That was only way out of the building. By including structural integrity, adequacy of fire exits and a number of other previously excluded issues, the Accord inspections, on that basis alone, represent a massive advance over pre-Tazreen inspection programs. Also, appropriate to the technical nature of the applicable safety standards, Accord inspections are carried out by highly trained structural, electrical, and fire-safety engineers, not generalist social auditors.
- The Accord provides a very high degree of transparency, both to the public and to workers. Under prior private inspection programs, workers rarely saw the results of the inspections of their factories and such reports were usually not available to the public. Under the Accord, all factory reports will be public and will include, along with the name of the factory, detailed information on each specific safety hazard identified; the renovation, repair, or retrofit required to eliminate that hazard; and the date by which it must be completed. The Accord will also issue detailed public reports on the progress of factory renovations and repairs; when a factory fails to implement the improvements deemed necessary by the engineers, this failure will be reported publicly. Similarly, factories which execute the necessary corrective actions will be recognized through the reporting system thus having the opportunity to show their individual-level commitment and collectively improving the image of the industry as a whole. Even more important than this public transparency, will be the access workers and worker representatives will have to the findings of inspectors. Under the Accord, worker representatives will always have access to all inspection reports within 2 weeks of inspection—at the same time as factory managers.
- The Accord's corporate signatories have agreed to ensure that factories will have the financial capacity to address all renovations and repairs that are needed. The purpose of this provision of the Accord is not to subsidize wealthy factory owners, of which Bangladesh has a fair number; they should, and will, pay their own way. However, there are substantial numbers of factory owners who will not be able to afford what is needed and in those cases the Accord signatories will provide support—through direct payment for renovations, price enhancements, joint investments, loans or other means. This is not a voluntary loan program, but an obligation of the signatory brands and retailers to provide assistance where it is genuinely necessary. The Accord staff will play an active role in discussions between brands and factory owners, to ensure that every factory gets any help it legitimately needs and, at the same time, that no factory is asking for more than its financial circumstances justify.
- The Accord's corporate signatories have also committed to use their relationships with their contracted factories to provide powerful incentive for factories to undertake needed safety improvements. Any factory that the Accord's Chief Inspector determines to be unsafe, and unwilling to become safe, will swiftly and permanently lose the business of every customer that is a signatory to the Accord (and will be ineligible for orders in the future). As a practical matter, such factories will soon be out of business. Conversely, the signatory brands have committed to reward safe factories with ongoing business.

As is clear from the discussion of key Accord provisions above, the Accord is far more than an inspection program. The design of the Accord was informed by the recognition that the great majority of garment factories in Bangladesh need significant safety improvements in one or more areas. Inadequate fire safety systems and substandard electrical wiring (the source of ignition in most fires) were widespread in the industry at the time of the Tazreen Fashions fire and continue to affect most factories. While the grave structural flaws that brought down Rana Plaza are by no means the norm, Bangladesh has more

than 3,500 export apparel factories, and if even a few percent are in that category, as is likely, this places hundreds of thousands of workers at risk. Lesser structural flaws affect a much larger number of factories and must also be addressed. The Accord is best understood as a sweeping program of factory renovation, based on a clear understanding that inspections, however competently executed, are of no value if the remedies they identify cannot—for lack of financial capacity, or of accountability, or of economic incentive—be effectively implemented.

THE ACCORD: THE CENTRAL ROLE OF WORKER EMPOWERMENT

The design of the Accord also reflects the understanding that protection of worker safety is impossible without meaningful worker empowerment. The Accord contains a series of provisions that ensure not just that workers can participate in the program, but that workers can influence the program, both in terms of what happens on the factory floor and at the highest levels of Accord decisionmaking.

- Among the most vital provisions of the Accord is protection for the right of workers to refuse dangerous work. Two days ago, the managing director of Tazreen Fashions, Delwar Hossain, finally went to jail, pending trial, on charges issued in December.⁵ He and other managers are charged, among other offenses, with refusing to let workers leave the factory after the fire alarm sounded, insisting that the alarm was part of a fire drill. Unquestionably, this decision—likely driven by a desire to avoid production delays and informed by the false assumption that the fire would be contained—contributed to the high death toll. At Rana Plaza, on the morning of the collapse, many workers balked at entering the building, terrified by the discovery of large cracks in the structure the prior day. Factory managers, insisting the building was safe, pressured and bullied the workers—in some cases threatening to dock them a month's pay if they refused to go to work.⁶ Most succumbed to these tactics and went to their machines; the building collapsed less than an hour after the workday began. Had workers at these two factories been able to exercise the right to refuse to enter, or stay in, a dangerous building, without having to fear the loss of pay or the loss of their jobs, many of them would be alive today. This is a right recognized in ILO conventions and it is a right that is essential to the safety of Bangladeshi workers. Under the Accord, no worker who refuses work based on a reasonably justified fear of danger can be penalized; if workers are fired or docked pay for refusing to go into an unsafe building, the workers, or their representatives, can contact the Accord and the Accord and its signatory brands will ensure that the factory owner reinstates fired workers and/or reimburses workers who have lost wages. Accord staff will carry out a robust training program to inform workers about this policy, since the right cannot be exercised by workers unless they know it exists and believe it will be protected. If the Accord did nothing else, empowering workers to protect themselves from the recklessness of some irresponsible factory managers would greatly reduce the likelihood of another Rana Plaza.
- The Accord also recognizes the central role of workers in promoting and defending, on a day-to-day basis, safe practices in the workplace. This is why the Accord requires that a credible worker-management health and safety committee be established in every factory, with worker-members chosen by their unions and fellow workers. Making this a reality is a massive undertaking that will require substantial time, but it is essential to sustaining safe workplaces over time. These committees will exist not just on paper, but in practice, and factory managers will be required to support the process and respect the role of the committees. The Accord will train and provide support to both the labor and management representatives on these committees to ensure they are functional at the factory level.
- The Accord also ensures that unions are engaged in all facets of the initiative. This includes equal status with brands and retailers over the governance of the program (through the Accord's Steering Committee, as outlined above) and involvement in all inspection, remediation and training programs. The Accord requires that labor unions be allowed to participate on training teams that will provide worker safety and worker rights education in those factories that are regular suppliers of the signatory brands and retailers. At most of these factories, this will be the first time any representative of a union federation has been able to set foot on factory premises and will allow union leaders to address workers in their workplaces on safety issues and their rights as workers. The Accord also requires that, in every factory where unions have any membership, a union member will participate in the onsite inspections of that factory by the

safety engineers—walking through the factory with the engineers, asking and answering questions, just as the factory managers are able to do. The Accord is also establishing a program that will combine the engineers' onsite work with offsite interviews with workers from each inspected factory. This is not an easy proposition logistically, but it will be a strong mechanism for ensuring the integrity of the inspection process.

As noted earlier, unions will receive all inspection reports at the same time as factory managers and will be able to share the results with workers. At every factory where unions have any membership, at least one of the Accord's signatory unions will be able to participate, on behalf of workers, in the development of the remediation plan. The Accord staff will also work closely with unions and the brands to ensure that workers in each factory are able to provide information to the Accord on whether factory managers are fulfilling their safety promises. While the Accord's ongoing followup inspections are designed to enforce a factory's remedial commitments, it is only workers who are in the factory every day and they can be an invaluable source of information—provided a serious effort is made to enable them to play this role.

- The ability to report to the Accord when factories fail to implement required safety measures is one aspect of a broader complaint mechanism the Accord is creating. This goes well beyond the establishment of complaint "hotlines," which can be useful, if handled properly, but which are one small piece of the much broader program that is required. Working closely with the Accord's Bangladeshi labor union signatories, with the community-based worker centers the initiative is establishing, with local nongovernment organizations, with labor rights organizations in Bangladesh, and with the local offices of the signatory brands, the Accord will generate a robust, two-way flow of information that maximizes workers' impact on the initiative.
- In order for workers to participate effectively in the defense of their own health and safety, they have to be able to speak out with candor about safety hazards in their factories and about cases in which factory managers fail to fulfill their obligation to eliminate those hazards. A large impediment to such worker expression is workers' understandable fear that their complaints could lead to a temporary loss of wages, if their factory must be closed for repairs, or loss of their jobs, if the factory must be shuttered permanently. The Accord addresses this problem by requiring that factories continue to pay workers their normal wages during any period when they are idled due to safety repairs and by requiring the signatory brands and retailers to seek alternate employment in their other supplier factories for any worker who loses his or her job due to permanent closure. Both eventualities will occur with some frequency and the cost of replacement wages, in particular, will be substantial. In a factory of a typical size (1,500 workers), a 3-month closure will require continuation pay of more than \$300,000.⁷ If even 5 percent of the nation's factories are temporary idled, this could generate upward of \$50 million in such costs. This is why the Accord requires that wages be paid in all cases, rather than establishing an arbitrary cap that might be reached well before most factories are repaired. By protecting the jobs and livelihoods of workers, the Accord empowers them to speak out about safety violations to a degree that would otherwise be impossible.
- Finally, while the right to organize and bargain collectively is outside the scope of the Accord, the agreement will have a substantial positive impact in this vital area.

Although Bangladeshi unions have small numbers of members in many factories, less than 3 percent of garment plants have an actual recognized union that can represent workers and bargain on their behalf. While it cannot be known how many workers would choose to unionize if they could do so freely, it is well understood that this freedom has not existed, in practice, for Bangladeshi garment workers. The State Department, among many other observers, has repeatedly noted the absence of respect for associational rights by factory owners and by the government in Bangladesh. Despite the likelihood that they will be disciplined, fired or worse, workers have tried to organize in many factories, often showing great courage, but they have usually failed. Very recently, however, we have seen glimmers of hope. Due to the incentives generated by the decision of the Obama administration to suspend benefits for Bangladesh under the Generalized System of Preferences, the possibility of similar action by the European Commission, and the urging of buyers, the Government of Bangladesh has improved statutory protections for associational rights and has begun to recognize some factory-level labor unions, as the law requires. And some factory owners are feeling a degree of pressure to refrain from the customary tactics employed to prevent organizing.

As unions and workers seek to expand this new opening, the Accord's various worker empowerment provisions, like union access to factories and the creation of worker centers, will provide valuable tools they can utilize. The Accord also creates a forum that the signatory corporations and unions can use to address conflicts that arise in the course of union organizing efforts. Many of the Accord's signatory brands and retailers have demonstrated, in their overall supply chain operations, a significant and laudable commitment to promoting respect for associational rights at supplier factories and the Accord will facilitate and accelerate those efforts in Bangladesh. Where Bangladeshi workers are able to organize, they will gain a powerful mechanism to protect their safety in individual workplaces and will be able to increase their contribution to the broader reform of the industry.

ENGAGEMENT WITH THE GOVERNMENT OF BANGLADESH

The Accord is a private initiative. It is not intended as a substitute for public regulation. The signatories recognize, however, that effective public regulation in Bangladesh is a work in progress and that efforts by the private sector are therefore necessary, in the near term, to protect worker safety.

The Accord will engage extensively with the Government of Bangladesh, at several levels: through the Accord's cooperation with the Bangladesh's National Tripartite Plan of Action (NTPA); through the Accord's Advisory Board, on which the government is represented by several senior officials of the Ministry of Labor and Employment, including the Director of Labor; through direct engagement between the Accord's senior staff and relevant government officials (for example, when dealing with urgent threats to worker safety at particular factories); and through the Accord's engagement with the Bangladesh University of Engineering and Technology, which is advising and providing services to the government in the context of the NTPA and the government's own factory inspection work. It is the Accord signatories' hope that constructive and fruitful cooperation with the government will be feasible throughout the life of the Accord.

We also believe that the Accord will play an important role in expanding technical capacity in Bangladesh in the area of fire, electrical, and structural safety and in providing a model for impartial, skilled, and effective factory inspection—and that the government and other local actors will thus be strengthened in their future compliance efforts.

THE ACCORD: STATUS OF IMPLEMENTATION

The Accord is a massive undertaking: more than 1,800 factories, many needing substantial renovations and retrofitting; more than 5,000 (1 inspection each for fire, electrical, and structural safety at each of the 1,800 factories) initial factory inspections in this year alone; and the training of tens of thousands of workers to serve on occupational health and safety committees; among many other activities—all carried out with an unprecedented level of joint labor-management decisionmaking in a local environment where just traveling from factory to factory can be a daunting challenge. For these reasons, it is taking substantial time to make the Accord fully operational. All involved with the effort are deeply mindful of the urgency of the task; we all wish every factory could have been inspected within a few months of the initial signing of the agreement. We understand that in every factory that has not been inspected and, where needed, renovated and repaired, workers remain in danger. As a labor rights advocate, I personally wish the work was moving faster. However, I must tell you candidly, and based on a detailed knowledge of the work to date, that it is moving as fast as it can.

Later this month, the Accord will make a number of major announcements that will provide a detailed outline of the Accord's inspection program—including personnel, inspection methods, the number of inspections that will be carried out per day, per week, and per month, and other vital information. As that announcement is not ready today, I am limited in the specifics I can share.

I can report the following:

- The Accord has established the safety standard that will be used for all inspections; it is available on the Accord Web site.
- Accord inspections, using this standard, will commence in large volume this month.
- The Accords has published, and regularly expands and updates, a list of every factory to be inspected under the agreement, with an unprecedented level of detail on each building, including the number of stories, whether the structure houses one or multiple businesses, and how many workers the factory employs. This is also available on the Accord Web site.

- The Accord will shortly begin to generate public inspection reports, including a number of initial reports that will be released in conjunction with the near-term announcement noted above, which will include information on the state of each building that has never before been available to the public.
- Comprehensive protocols have been developed to govern implementation of critical worker participation and empowerment elements of the Accord, including the formation and training of health and safety committees, the enforcement of the right to refuse dangerous work, the Accord's worker complaint mechanism, and the rules governing union member participation in onsite inspections. These protocols will be made public.
- The Accord has put in place a senior staff structure comprised of an extraordinary set of individuals. They include Brad Loewen, Chief Safety Inspector, who began his career as a firefighter and has served for decades as a technical expert and a highly effective public regulator on commercial building safety; Rob Wayss, formerly the Chief Technical Advisor to the ILO Promoting Fundamental Principles and Rights at Work Project in Bangladesh, whose knowledge of the intersection of worker empowerment and workplace rights in the Bangladesh context is unparalleled; and Alan Roberts, a pioneer of labor rights initiatives in global supply chains who has led and advised corporate social responsibility programs for more than 30 years and who enjoys respect and trust across the management-labor spectrum.
- This team is in the process of hiring a local staff in Dhaka that will number up to 100 people, supplemented by a modest international staff based in Amsterdam, and will operate a budget (exclusive of the actual cost for building improvements and other elements of remediation) in excess of \$10 million per year.
- It is also important to understand that, while they are not independent Accord inspections, a number of the larger Accord signatory companies have commissioned substantial numbers of fire, structural and/or electrical inspections of supplier factories. Many of these inspections have been done by respected engineering firms and they have covered the same critical building code issues that will be the focus of the Accord inspections. The Accord's Chief Inspector is in the process of reviewing the results of this work and he will determine in which cases the work is up to Accord standards and to what extent remedies have been implemented (though followup inspections by independent Accord inspectors will nonetheless occur in all cases). However, it is clear from the quality of the firms used for these inspections, and from the limited results made available earlier to the Accord Steering Committee, that much of this work has been significant and has likely already increased the margin of safety for workers in a substantial number of factories.
- The Accord, which last year established an emergency protocol for handling cases where there is imminent danger to workers, has already been engaged in a number of cases involving urgent corrective action to address structural dangers, including cases involving temporary building closures and the obligation of factories to continue payments to workers. Although it is impossible to know what would have happened had no action been taken, there is a substantial possibility that these limited actions have already saved workers' lives.

With respect to cooperation between the Accord and the Alliance for Bangladesh Worker Safety, the following can be noted:

- The Accord worked with engineers representing the Alliance on the development of the inspection standard, which is now being utilized by both initiatives.
- The Accord stands ready to cooperate with the Alliance in any way that advances the interests of worker safety, including cooperation at the level of shared factories.
- Those Accord factories also used by Alliance brands and retailers represent only 20 percent of all Accord factories; this fact impacts, for obvious reasons, the percentage of its limited time and resources that the Accord devotes to the question of Accord-Alliance cooperation.
- The Accord recognizes that, as a practical matter, factories cannot carry out two separate remediation programs. This is why the Accord supported the creation of a common inspection standard and why the Accord will freely share information with the Alliance concerning inspection schedules and remediation plans and assumes that the Alliance will provide the same.
- The level of active cooperation at shared factories, particularly with respect to remediation, may be limited by the significant differences in the nature, extent, and enforceability of the commitments made by brands and retailers under the respective initiatives. Of particular concern, the Accord wants to ensure, where

financial support for renovations is needed at a given factory, that all of the factory's buyers contribute, with an equitable division of costs. To the extent that Alliance brands are willing to accept, at the level of individual factories or more broadly, comparable obligations with respect to independence of inspections, support for remediation, public transparency and worker empowerment, the Accord is open to a strong level of cooperation.

- Everyone involved with the Accord would prefer that there were one initiative. It is worth noting, that every brand and retailer that is now a member of the Alliance was invited, before the Alliance came into being, to join their counterparts, from the U.S. and elsewhere, in signing the Accord.
- Indeed, I would today reiterate on behalf of the Accord signatories an invitation for the 26 Alliance brands to join their 151 counterparts in the Accord. This would allow us to go forward with a single unified agreement and would put a swift end to concerns about duplication and misallocation of resources, while greatly reducing the possibility that there will be major buyers at a given factory that are unwilling to join other brands and retailers in fully supporting crucial remedial measures.

The Accord leadership will continue to keep the members of this committee, and all interested parties, updated on the implementation of the initiative.

End Notes

¹See, "New Trademark Licensing Policy Aims to Protect Workers in Bangladesh," <http://www.georgetown.edu/news/trademark-licensing-policy-bangladesh.html>. See also, "Penn State to require retailers to sign Bangladesh Safety Accord," http://www.collegian.psu.edu/news/campus/article_d872004-8d52-11e3-9928-0017a43b2370.html. See also, "Marines Toughen Rules for Makers of Licensed Clothing," <http://www.nytimes.com/2013/11/23/business/marines-toughen-rules-for-makers-of-licensed-clothing.html>.

²Fair Wear Foundation, "Background Study Bangladesh," January 2006, available at http://www.fairwear.org/ul/cms/fck-uploaded/archive/2010-01/bangladesh_fwf_country_study.pdf.

³Greenhouse, Steven and Jim Yardley, "As Walmart Makes Safety Vows, It's Seen as Obstacle to Change," *The New York Times*, December 28, 2012, available at <http://www.nytimes.com/2012/12/29/world/asia/despite-vows-for-safety-walmart-seen-as-obstacle-to-change.html?pagewanted=all>.

⁴Eidelson, Josh, "Photos Show Walmart Apparel at Site of Deadly Factory Fire in Bangladesh," *The Nation*, November 26, 2012, available at <http://www.thenation.com/blog/171451/photos-show-walmart-apparel-site-deadly-factory-fire-bangladesh#>.

⁵See, "Tazreen owner, wife sent to jail," *Dhaka Tribune*, February 9, 2014, available at <http://www.dhakatribune.com/2014/feb/09/tazreen-owner-wife-sent-jail>.

⁶Yardley, Jim and Julfikar Ali Manik, "Building Collapse in Bangladesh Leaves Scores Dead," *The New York Times*, April 24, 2013, available at <http://www.nytimes.com/2013/04/25/world/asia/bangladesh-building-collapse.html?pagewanted=all&r=0>. Devnath, Arun, "Bangladesh Raises Minimum Wage for Garment Workers After Unrest," *Bloomberg News*, November 14, 2013, available at <http://www.bloomberg.com/news/2013-11-13/bangladesh-garment-factories-to-stay-shut-amid-worker-protests.html>.

The CHAIRMAN. Thank you.
Ms. Akter.

STATEMENT OF KALPONA AKTER, EXECUTIVE DIRECTOR, BANGLADESH CENTER FOR WORKER SOLIDARITY, DHAKA, BANGLADESH

Ms. AKTER. Good morning. Chairman Menendez and members of this committee, thank you for this opportunity for me to testify for—to improve working conditions and respect for worker rights in my home country of Bangladesh.

I am a former child worker, and I used to sew clothes for several well-known American brands and retailers. At age 16, I was fired from my job, in retaliation for my effort to organize a union in my workplace. I went on to cofound the organization called Bangladesh Center for Worker Solidarity, where I currently serve as the executive director.

Much has happened since I submitted written testimony to the committee on June 6, 2013. Soon thereafter, the United States suspended Bangladesh GSP benefits, sending a clear signal to the garment industry that compliance with human rights must be im-

proved in the industry if it is to receive such a benefit in the future.

I understand that the United States is scheduled to review the suspension of GSP in May, and I would note that, although there have been a few advances in recent months, there are a number of areas in which little-to-no improvement has been made. Several union leaders continue to face unsustainable charges. Recently, an organizer with the Bangladesh Independent Garment Workers Union Federation was detained by police under baseless charges.

Workers continue to face harsh retaliation for their efforts to secure respect for their rights. Although new unions have been registered, I have seen no substantive improvement in the willingness of factory managers to engage in collective bargaining. The new minimum wage of 5,300 taka per month, falls far short of a living wage and the workers' demand for 8,000 taka per month.

Nearly 2 years later, there still has not been an independent, transparent investigation into the brutal murder of my colleague, Aminul Islam, and not a single person has been prosecuted for this crime. The Government of Bangladesh does not have a viable initiative to ensure workplace safety. The government announced a National Tripartite Plan of Action, but workers report that they have not seen any visible result in terms of inspections or any real improvement in the factories.

Before reinstating GSP, the United States should require that these issues are addressed. The U.S. Government also has an essential role in urging American brands and retailers to pay full and fair compensation to the victims of disaster in their supply chains. The Tazreen Fashions factory, where at least 112 workers were killed in the fire on November 24, 2012, made clothes for Walmart, Sears, Dickies, and Delta Apparel, which produced local apparel for the U.S. Marine Corps. More than a year later, none of these companies have offered any compensation to the injured workers and the families of the victims.

The April 24th collapse of Rana Plaza killed at least 1,135 workers and injured more than 2,500 workers. The American companies that sourced from Rana Plaza, including Children Place, Cato Fashions, JCPenney, and Walmart, none of which have agreed to pay a single dime of compensation to the victims. I urge the U.S. Government to do what you can to compel these American brands and retailers to immediately join the Rana Plaza Agreement on Compensation, which is facilitated by the ILO.

The U.S. Government also has an important role to play in protecting the lives of workers who sew the clothes for U.S. companies and U.S. Government itself. The best way to do this is through the Accord on Fire and Building Safety in Bangladesh. The U.S. Government should urge apparel brand and retailers to join the Accord, and should ensure that its own retailers operated by U.S. military actions join the Accord and comply fully with the requirements of the Accord. Following the new policy of the Marine Corps, the changes should also require that—the changes should also require that licensees and vendors that supply apparel made in Bangladesh join the Accord.

Regarding the Alliance for Bangladesh Worker Safety, I do not believe that it will generate any meaningful improvements for

workers in my country. The Alliance does not offer any role for workers' representative in either its governance or implementation. Recently, the Bangladesh Garment and Industrial Workers Federation, BGIWF, attended in a meeting with Alliance representative, stated that the program had met with workers participation committee during the factory inspections, but later, when BGIWF spoke with the committee representative, they stated that there is no one from Alliance had met with them.

In another inspection, the Alliance said they had interviewed workers from the particular factory, but the workers from the factory reported that management had hand-picked the workers for the interview.

The Alliance has claimed that it will offer low-interest loan to the factories to pay for repairs. Yet, the Toronto study reported that several factories producing for Walmart, one of the founding member of the Alliance, were not even aware such financing was available. There is no meaningful difference between the Alliance and the industry-controlled corporate social responsibility programs that have been left behind thousand of dead worker—dead and injured workers. The Accord is only one way to prevent future tragedies.

Thank you again for the opportunity in testifying at this hearing, and I appreciate your concern and for the welfare on human rights of Bangladesh workers in my country.

Thank you.

[The prepared statement of Ms. Akter follows:]

PREPARED STATEMENT OF KALPONA AKTER

Chairman Menendez, Ranking Member Corker, and members of the committee: thank you for the opportunity to testify on the struggle of garment workers to achieve improved working conditions and respect for their labor rights in my home country of Bangladesh.

I am a former child garment worker. My activism in the garment industry is very personal. When I was 12 my father became disabled and could no longer work. My mother had to stay home to take care of my baby sister, so my 10-year-old brother and I went to work. I sewed clothing for multinational corporations and made less than 10 dollars a month for 450 hours of work. We were cheated on our overtime wage: it was wage theft. We went on strike and we won. But then some strike organizers were fired. I learned that there are laws that are supposed to protect us and I started organizing my coworkers. Management harassed me all the time, and then fired me. I was only 16. I went to work for a union and then I cofounded the Bangladesh Center for Worker Solidarity, a worker center that educates workers about their rights and conducts research. I became an organizer and never stopped. Not when workers were beaten and tear-gassed for demanding higher wages. Not when the government made it illegal for our organization to operate. Not even when factory owners brought falsified charges against me and put me in jail. Not even when my friend and union organizer, Aminul Islam, was disappeared, tortured, and murdered with all evidence pointing to the government's security forces. It is these experiences, and the ongoing horrific fires and building collapses, which motivate me to seek improvements in the lives of the 4 million garment workers in my country—even as I, and at least 15 other labor leaders, continue to face government surveillance.¹

Much has happened since I submitted written testimony to this committee on June 6, 2013. Soon thereafter, the U.S. suspended Bangladesh's Generalized System of Preferences (GSP) trade benefits. While our garment industry had not benefited from GSP, the industry had long been seeking GSP benefits. The suspension of GSP for other sectors sent a clear signal to the garment industry that compliance with

¹ Islam, Rabiul and Mohammed Jamil Khan. "Lawmen Identify 'Instigators'." Dhaka Tribune. November 20, 2013. <http://www.dhakatribune.com/labour/2013/nov/20/lawmen-identify-%E2%80%9998instigators%E2%80%9999>

human rights, labor rights, and workplace safety must be significantly improved if the industry is to ever receive such benefits in the future. Now that the U.S. is scheduled to review the suspension of GSP in May, I would like to highlight some of the advances in recent months, as well as the ongoing challenges.

The advances include:

- Most of the unsubstantiated criminal charges brought against union leaders and labor rights advocates in the summer of 2010 have been dismissed by the courts. As of January 2014, I am no longer facing any of these charges. But our work is not done in this area until the remainder are dismissed.
- As of August 2013—after 3 years of government crackdown against us—the Bangladesh Center for Worker Solidarity has successfully had our official registration status reinstated.
- The Government of Bangladesh has begun to process trade union registrations again, with nearly 100 new garment factory unions registered in the past year.

The ongoing challenges include:

- Some union leaders from Bangladesh Garments and Industrial Workers Federation (BGIWF) and Bangladesh Independent Garment Workers Union Federation (BIGUF) continue to face unsubstantiated criminal charges. Recently a BIGUF organizer was detained under unsubstantiated charges.
- Workers continue to be fired and beaten in an industry attempt to repress their efforts to organize to secure respect for their labor rights. Although new unions have been registered recently; it remains to be seen whether factory management will respect union rights in collective bargaining negotiations.
- The garment sector minimum wage increase to 5300 taka (approximately US\$68) per month, at the end of 2013, falls far short of a living wage and of workers' demands for 8000 taka (US\$103).
- There has yet to be a transparent investigation into the April 2012 brutal murder of union organizer Aminul Islam. While plenty of evidence points to a member of Bangladesh's security forces as a culpable party, as of yet no one has been brought to justice for this crime.
- The Government of Bangladesh does not yet have a visible initiative to ensure workplace safety. The Government announced a National Tripartite Plan of Action on Fire Safety but garment workers report that they have not seen any visible results in terms of inspections or real improvements in factories.

Before reinstating GSP, the U.S. should require and ensure that:

- The remaining unsubstantiated charges against labor leaders are dismissed;
- Workers are free to exercise their collective bargaining rights;
- Bangladesh is upholding its role in workplace safety;
- There is a transparent investigation into the Aminul Islam murder case and that the perpetrators of the crime are brought to justice;
- Bangladesh reform its labor laws so that they meet the International Labour Organization (ILO) standards; and
- Workers in export-processing zones are afforded full rights to form unions and bargain.

The U.S. Government also has an essential role in communicating with American brands and retailers, to urge them to pay full and fair compensation to the victims of disasters in their supply chains:

- Tazreen Fashions, the garment factory where at least 112 workers were killed in a fire on November 24, 2012, made clothing destined for Walmart, Sears, Delta Apparel, Dickies, and Sean John Apparel. The factory made Marines-logo clothing for Delta Apparel and its largest customer was Walmart. But even more than a year later, none of the American companies whose clothing was made at Tazreen have yet to offer any compensation to the injured workers and families who lost loved ones. In fact, Walmart and Sears have refused to pay compensation on the basis that production was "unauthorized." Whether the production was authorized or unauthorized should not matter: companies must be accountable for safety in their supply chains. These callous companies are failing accept their responsibility to pay compensation, even while many of the survivors are unable to work and are unable to afford the medical treatment they need for the burn injuries and bone fractures that they sustained as a result of these companies' negligence to remediate safety hazards even after their audits found major safety violations in the months prior to the fire.
- The April 24, 2013 collapse of Rana Plaza, which housed five garment factories, killed at least 1,135 workers and injured an estimated 2,500. Similarly to Tazreen, families who lost loved ones are facing immense financial hardship and the survivors are struggling with psychological trauma and physical pain.

Many of the survivors are unable to return to work and cannot provide for themselves or their families. Some have had to pull their children out of school and send them to work in an attempt to not starve. The American companies that did business with factories at Rana Plaza included Children's Place, Cato Fashions, JCPenney, and Walmart. All of these companies owe compensation to the victims, but none of them has yet to pay any compensation yet. The testimony of Reba Sikder, who is here with me today, is but one story of thousands of people who were affected by the building collapse and who are owed compensation. I have traveled all the way from Bangladesh to be here today to ask members of the U.S. Government to do what you can to call on these American brands and retailers to immediately join the Rana Plaza Arrangement on Compensation, which is facilitated by the ILO.²

In addition to ensuring compensation for victims, the U.S. Government must have an important role in saving the lives of workers in my country in the supply chains of U.S. companies and of the U.S. Government itself. One hundred fifty-one companies from 20 countries, including 10 U.S. companies,³ have now joined the Accord on Fire and Building Safety in Bangladesh. The Accord is a program of independent safety inspections with public reports; mandatory repairs and renovations to address all identified hazards; and a central role for workers and unions, including worker-led safety committees, in all factories and access to factories for unions to educate workers on how they can protect their rights and their safety, including their right to refuse dangerous work. The companies in the Accord commit to work with their suppliers to secure financing, maintain orders, and ensure renovations are completed to make factory buildings in Bangladesh safe.

The immediate causes of the incidents in Bangladesh are flammable materials piled in hallways or in illegal bottom floor storage rooms, overloaded electrical systems, or poorly constructed buildings. What has resulted in a high number of injured and dead workers in case after case has been the absent or completely inadequate fire suppression equipment, locked doors and barred windows, and overall poor emergency training and planning. But the problem isn't just with the poorly constructed buildings with weak foundations or the additional stories added illegally after original construction. It's not just with open stairwells which act as chimneys rather than as escape routes, or the missing fire extinguishers or the lack of emergency lighting. All of those structural issues are of course critical and must be urgently addressed in hundreds if not in over a thousand factories in Bangladesh.

There's another core part of the problem that must be solved. It's this: time and again when workers speak up with concern about safety risks, they aren't listened to. And in the moment of crisis, when the fire alarm goes off or a building starts to crack, workers' voices not only fall on deaf ears, but they are actively disregarded. Their right to refuse dangerous work is denied. When I say this, I'm thinking of the workers at Tazreen who were ordered to go back to their sewing machines when the fire alarm went off and then when it became really clear that it was a real fire, the exit doors were locked and the floor managers with the keys were nowhere to be found. When I talk about the right to refuse dangerous work, I'm thinking about how the Rana Plaza workers' rights were denied when they said they didn't want to go to work in a building with cracks in the walls but they were told that they must or they would lose their precious pay, and then they were even lied to and told the building had been repaired. This is why I fear that until the largest U.S. companies the buy from Bangladesh—companies such as Walmart, Gap and VF Corporation—join the Accord, garment workers will continue to die on the job in my country.

From media reports I am aware of the Alliance for Bangladesh Worker Safety, founded by a group of North American companies. However, my awareness on-the-ground in Bangladesh of this initiative is minimal. The Alliance has never invited the Bangladesh Center for Worker Solidarity to meet with them. It has no involvement from or representation of unions or other meaningful worker-representative bodies in its governance or implementation. The Bangladesh Garments and Industrial Workers Federation (BGIWF) did attend one meeting with the Alliance convened by the Solidarity Center. In that meeting, the Alliance said that it had met with a workers' participatory committee during a factory inspection. But later, when BGIWF spoke with the committee, the committee said no one from the Alliance had met with them. In another instance, the Alliance said they had interviewed factory workers, but workers from the factory reported that management had selected the

²For information on the "Understanding for a Practical Arrangement on Payments to the Victims of the Rana Plaza Accident and their Families," please visit <http://www.ranaplaza-arrangement.org>.

³See the full list of Accord signatories at <http://www.bangladeshaccord.org/signatories/>.

workers for the interviews. These examples indicate that at least as of yet there is no meaningful difference between the Alliance and the corporate-controlled “corporate social responsibility” programs that have failed Bangladeshi garment workers in the past, and have left behind thousands of dead and injured workers.

In contrast, the Accord is cosigned with 10 unions and 4 nongovernmental organizations as witness signatories. The Accord involves workers and their unions in inspections, in trainings, and unions receive copies of inspection results from the Accord. As one example, in the inspection of Fashion Island Ltd, the Accord involved leaders from the factory-level union, which is affiliated with BGIWF. Following the completion of the inspection, the Accord staff held a meeting with leaders of factory union to present the findings from the investigation.

Apart from the sheer difference in the scale and reach of the two programs (the Accord has more than five times more members than the Alliance does), and the fact that the Alliance is accountable to no one other than the companies themselves, there are other significant differences. The Alliance has been highlighting its financing in media interviews, but that’s a program of loans rather than direct financing of factory repairs. Factory managers themselves don’t even know how to access this funding. Even after my country has experienced the deadliest garment industry disaster the world has ever seen, the Alliance companies have shown no indication that they will increase the prices they pay to factories to include the cost of safety or that they will guarantee that factories have the funds necessary for repairs after hazards are uncovered. There is no contractual commitment to worker safety under the Alliance. The only tool workers have access to is a hotline, and it is unclear what is done with the information that is submitted.

Thank you again for the opportunity to testify in this hearing. I appreciate your concern for the welfare and human rights of garment workers in my country.

SUMMARY OF RECOMMENDATIONS TO THE U.S. GOVERNMENT

With this testimony I urge the U.S. Government to:

(1) Urge all U.S. brands and retailers whose clothing was made at Tazreen and Rana Plaza to pay the full and fair compensation they owe to the survivors and to the families of the workers who were killed.

(2) Call on all U.S. brands and retailers that source clothing from Bangladesh to sign onto the Accord on Fire and Building Safety in Bangladesh, and require all apparel companies that do business with the U.S. Government and source from Bangladesh to join the Accord.

(3) Before reinstating GSP, the U.S. should require and ensure that the remaining unsubstantiated charges against labor leaders are dismissed; that workers are free to exercise their collective bargaining rights; that Bangladesh is upholding its role in workplace safety; that there is a transparent investigation into the Aminul Islam murder case and that the perpetrators of the crime are brought to justice; that Bangladesh reform its labor laws so that they meet the International Labour Organization (ILO) standards; and that workers in export-processing zones are afforded full rights to form unions and bargain.

(4) Help provide support for mental health services for garment workers dealing with long-term trauma as a result of factory fires and building collapses.

The CHAIRMAN. Well, thank you. And thank you all.

Ms. Tauscher, our committee report from last November recommended that the Alliance include Bangladeshi union representatives on safety training teams to educate workers about their rights, helping empower them to ensure their own safety. Last year, I wrote you a letter with a similar suggestion, and you replied that the Alliance would take it under consideration when designing their training curriculum.

The Alliance’s recent progress report stated that it will take a, “complete worker representative approach that includes worker and management education and freedom of association.”

Can you tell the committee what that approach will consist of? And will the Alliance include union representatives on its safety training teams?

Ms. TAUSCHER. Mr. Chairman, thank you very much. And thank you very much for your letter.

And, as you saw in my response, and as you saw in our 6-month report, the Alliance has made tremendous efforts and tremendous moves forward. With the Accord, both of our technical teams have put together harmonized standards. It is very, very important that—as you know, in Bangladesh, with such a complex and chaotic circumstance, the only thing worse, perhaps, than having no standard is to have two. And so, that is why we have worked very closely with the Accord technical teams to create one standard for fire and building integrity.

So, technically, there is nothing different between the Alliance and the Accord, when it comes to standards. We have—as we have said, we believe democratically elected groups, especially workers participation teams, occupational worker safety teams, and unions, are very important parts of making sure that workers are empowered to speak for themselves, that they know that they should not enter buildings that are unsafe. We are creating a 24-hour hotline that is going to be accessible to all workers in our factories—

The CHAIRMAN. Does the Alliance include union representatives on its safety training teams?

Ms. TAUSCHER. Well, we have not put the safety training teams together. We are just getting into the training business. I was in Geneva, just 2 weeks ago, meeting with the Accord leadership, where we have offered to work with the Accord to have one training program.

We believe it is important to have worker representation on the training teams. We fundamentally agree that it is important that workers are able to speak, and that there is no reprisals to them for the issues that they have about safety.

So, the answer is, we are developing our training. Neither the Accord nor the Alliance have their training systems set up yet. We think we are a little bit ahead, because we are about to launch our 24-hour hotline next month. But, as I said, we are going to have worker participation as part of it.

The CHAIRMAN. Worker participation.

Ms. TAUSCHER. Well, Mr. Chairman, there are only three—there are only five unions in the 220 places that we have done. So, it is not as if there are unions in every place. And I think, as you saw from Assistant Secretary Biswal's testimony, we are moving as fast as we can to build capacity across the platform.

The CHAIRMAN. But, you heard Ms. Akter, who is on the ground, living it every day. And clearly, she has a different view—

Ms. TAUSCHER. She does.

The CHAIRMAN [continuing]. Between the Alliance's approach and the Accord's approach, I certainly applaud that you both have come together, particularly as it relates to a common set of inspection standards. As I understand it, there is an agreement—

Ms. TAUSCHER. That is right.

The CHAIRMAN [continuing]. On initiatives, and there is—however, there is still no agreement on how financial obligations will be shared among the Alliance and the Accord brands for shared factories that require significant remediation. So—

Ms. TAUSCHER. But, we do have \$100 million fund of low-cost loans, and we actually have two different factories that we are negotiating with right now. As far as I know, no factory has been

given any money for remediation, either from the Alliance or the Accord.

And, you know, I am happy to meet with Ms. Akter. I think that she has some mis-impressions about the Alliance. She has clearly stated her preference for the Accord. But, the truth of the matter is, it takes everyone, together, working together. We could decide that we are going to have a rivalry between the Alliance and the Accord. I am sure some people have decided that. But, frankly, that takes our eye off the people in—

The CHAIRMAN. Whoa, whoa. No, I am not—

Ms. TAUSCHER [continuing]. Bangladesh that desperately need our help.

The CHAIRMAN. I am not an advocate of rivalries. I am an advocate of achieving the goal.

Mr. Nova—

Ms. TAUSCHER. We agree.

The CHAIRMAN. Mr. Nova, what is the Accord's position about having union representatives on safety training teams?

Mr. NOVA. All safety training teams will have representatives from the signatory union federations.

The CHAIRMAN. Whether or not that particular factory—

Mr. NOVA. Indeed. And one note. It is true that a very small number of factories actually have recognized unions. But, many factories have some union members. Which is to say, the unions in the country, including the unions that are signatories to the Accord, have a modest number of members in many factories. And where the commitment is there, with the help of the signatory unions, in communication with their members in those factories, it is possible to have meaningful worker participation, not just in the training process, but in other phases and aspects of the program.

The CHAIRMAN. So, what are the challenges of just having a worker—outside of a union context, as, of course, that is an enormous pressure on that individual worker who has no representation at—

Mr. NOVA. Indeed.

The CHAIRMAN [continuing]. That factory, and I can see it very easily being someone who will just say everything is hunky-dory, because their risk is greater than they can sustain.

Ms. Tauscher, on the morning of the Rana Plaza collapse, many workers were reportedly afraid to enter the building, but were pressured, as we have heard here, to do so by factory managers who threatened to withhold their pay. And at Tazreen Fashion, when they attempted to leave the building when the fire alarms went off, they were also pressured by management to return to work. Does the Alliance think that workers should have the right to refuse to enter, choose to leave a dangerous building without the fear of losing their pay?

Ms. TAUSCHER. Of course the Alliance believes that the workers have the ultimate right of safety and security in their workplace, not only the knowledge of it, but the assurance of it. And that is why the Alliance member companies have agreed, in a legally binding agreement, that we will not source through factories that are not inspected with the Alliance and the Accord standards, that if there is any kind of reprisals or any kind of management issues,

if worker participation committees are given any kind of threats, that Alliance companies cannot work in those places. So, it is——

The CHAIRMAN. Would the Alliance——

Ms. TAUSCHER [continuing]. Very important——

The CHAIRMAN [continuing]. Then consider amending its members' agreement to include that important protection?

Ms. TAUSCHER. We have that as part of our member agreement, Mr. Chairman.

The CHAIRMAN. Okay. Well, we will have to rereview that, because we must have missed it. So, I would urge you to point it out to us, where it is.

Let me ask you this. Let me ask you both, actually, both Mr. Nova and Ms. Tauscher. Does the industry and the retailers understand—fully understand—that the consequences of selling garments made in a country like Bangladesh, where, as you so aptly said, we have two high-profile tragedies, which, of course, riveted our attention. There are a lot of people who have lost their lives, maybe not in the maximum of the Rana Plaza or the other tragedy—but, do the companies really get it, here, that trying to sell clothing made in Bangladesh with the blood of workers, if that does not improve, that there is a consequence to the retailer, at the end of the day?

Ms. TAUSCHER. Mr. Chairman, I think that we are all shocked and dismayed at the tragedies that you see in Bangladesh and, frankly, in any kind of workplace tragedy where people lose their lives. Keep in mind that the millions of people that work at these companies of the Alliance, which are basically Canadian and American—the millions of people that work there, the hundreds of millions of Americans and people around the world that shop in these stores and wear these brands, want to know that the places where the clothing is being made are safe.

It is important that we understand the very chaotic situation in Bangladesh, that there is tremendous responsibility by the Government of Bangladesh, who has failed to step up and provide not only the kinds of laws and protections, but the inspections and the kind of credibility in the anticorruption moves that they should have to create the kind of place that would provide better opportunities for their own people.

But, having said that, these companies could have walked out of Bangladesh. That would not have improved the lives of the people of Bangladesh, especially the 80 percent of these workers who are women. And that is why the Alliance and the Accord came together to create the opportunity for industry—you know, as Assistant Secretary Biswal said, this is—these are many different pieces that have to move, and the faster movement will be on the industry side, but eventually it has to be about civil society, people of Bangladesh, and democratically elected opportunities for them to move forward.

So, industry is moving. Fifty-million dollars in a legally binding agreement by these 26 member companies of the Alliance is a significant effort. There are reputational issues, there are risks, of course, but they could have been mitigated by just leaving Bangladesh. The decision was to stay and to do everything we can——

The CHAIRMAN. Well, of course——

Ms. TAUSCHER [continuing]. To help build capacity.

The CHAIRMAN [continuing]. I agree. Our goal is not to have them leave Bangladesh. I get that. That is why I said, at the beginning of this hearing, that this was not just about Bangladesh—that those who think that just leaving Bangladesh and going to another place where the same set of circumstances exist will have avoided the challenges of having to produce product in Bangladesh—no, we are going to follow this.

So this is the underpinnings of my question. Of course the government has a great deal of responsibility. A continuing, developing civil society in Bangladesh will have its share of responsibility. But, there are clearly—sometimes, in an equation of a negotiation and/or of a goal to generate an effort or achieve a public policy, that I think in this case is also about the bottom line, the enormous leverage that the retailers have over the practices of a country like Bangladesh are probably disproportionate to what even a government might do, vis-a-vis Bangladesh, because the economic bottom line is there. So, the garment factory association, if it gets a really clear message from the retailers, at the end of the day, is going to be very clear for them the consequences of not cleaning up their act.

Mr. Nova, I have not heard from you on this.

Mr. NOVA. I think the Accord signatory brands and retailers get it. And I think this is reflected in the extraordinary nature of the commitments that they have made in signing the Accord and in the enforceability of those commitments by worker representatives. These companies are making financial commitments that will involve real costs. They are making commitments to act, in terms of their relationships with individual factories, on the decisions of the Accord's independent chief inspector, which means some brands will end up having to leave factories that they would otherwise stay in solely because the independent chief inspector has said, "This factory is unsafe and it is not committed to becoming safe." These are commitments that will involve financial costs, logistical costs. These brands and retailers have agreed to share power with worker representatives at every level of decisionmaking within the Accord.

I think the extraordinary nature of the agreement is entirely necessary and appropriate, given the extraordinary nature of the challenges in Bangladesh. And I think the signatory companies do get that.

The CHAIRMAN. Now, I had mentioned earlier, in my conversation with Ms. Tauscher, that your two initiatives have agreed on a common set of inspection standards, which is very desirable, and I applaud that. But, again, there is no agreement on financial obligations, how they will be shared between the Alliance and Accord brands for shared factories that require significant remediation. How confident are you that such an agreement can be reached?

Mr. NOVA. I do not know. And there is a strong commitment, on the part of everyone involved with the Accord, to cooperate to the greatest extent possible in every instance in which it advances the goal of protecting worker safety. And you have seen that commitment reflected in the development of the joint inspection standard.

At the same time, we must be mindful of the significant differences between the agreements, in terms of the nature and enforceability of the commitments that the signatory companies have made. And those differences may create significant obstacles to cooperation.

From the perspective of the Accord, the bottom line is that the Accord's commitments to independent inspections, to ensuring that there is full financial capacity by factories to undertake repairs and renovations, to full public transparency in the reporting process, to a very high level of worker—not just participation, but influence over the operations of the Accord—that must remain in place. And so, cooperation can only happen to the extent that those principles are not compromised. And I am hopeful that more cooperation will be possible, but, again, also mindful of those distinctions.

It would have been better, in my view, had there been a single agreement. And, as you may know, every signatory of the Alliance, prior to the Alliance coming into being, was invited to sign the Accord.

And it is worth noting that one significant Alliance signatory brand, Fruit of the Loom, one of the oldest apparel companies in the United States, recently chose to sign the Accord agreement, and it may be that other Alliance companies will do so. I certainly would reiterate the longstanding invitation of the Accord to have companies in the United States, both those inside the Alliance and those outside, that are not signatories of the Accord, to join. Ideally, we would have one program. That would, in a very clear and decisive way, eliminate the possibility of duplicative efforts and confusion.

To the extent that there are now two initiatives, we will cooperate in every way that we can.

The CHAIRMAN. Let me ask you both—Human Rights Watch reported several instances of intimidation and mistreatment of labor leaders, organizers, and members in Bangladeshi garment factories over the past year. This is over the past year, the year that we have focused all this attention on it, so somebody does not get it here. How do both of your associations plan to ensure that such illegal activity is not taking place in its members' supplier factories? I note that H&M took action to stop anti-union activities in its factories in Bangladesh, so we applaud them for that. How do both of your efforts come to bear upon that issue?

Ms. TAUSCHER. Well, Mr. Chairman, all the Alliance companies and factories absolutely abhor any kind of intimidation, reprisals to workers, anything that is going to prevent workers from having active participation, not only in the securing of a safe building integrity and fire safety environment, but also in the training of workers to make sure that they can decide, on a day-to-day basis, whether the factory is a safe place to go to work, and to make sure that they have no reprisals. So, you know, our activities include the worker hotline, the very extensive 3,200-member survey we just did, and making sure that everyone understands, through the staffing that we have in Bangladesh, that this is not allowed.

The CHAIRMAN. Okay. Well, that is different than—so, I am a worker, and I call the worker hotline, and I report an active intimi-

dation or I report some dangerous problem with the factory. What is going to happen then?

Ms. TAUSCHER. An inspector will go out and, you know, find out what is going on. And it could include having, you know, quiet inspections, people watching over a period of time, doing everything you can, interviews with management, making sure that, you know, the worker participation committee or the safety and occupational health committee or the union representatives on the ground are asked what is going on, and that a decision will be made. No Alliance company will work with a factory that is either unsafe or that is intimidating its workers.

The CHAIRMAN. Let me ask you—and, you know, of course you are here as the representative—what is the fundamental concern or problem that Alliance members have, vis-a-vis the question of organizing workers and workers having a union ability to be part of their safety and security? Even our Ambassador there, who has visited with me twice while he was visiting the United States, makes it very clear that a critical part of achieving the goals we all want—I believe the Alliance wants it, I believe the Accord wants it, and, of course, Ms. Akter and fellow workers want it—which is the safety and security of these individuals—but, why is it that the Alliance seems to have a arms-length view as it relates to—

Ms. TAUSCHER. I just think that is a bad—

The CHAIRMAN [continuing]. Organizing labor?

Ms. TAUSCHER. I think that is a misimpression. Just as I think Mr. Nova's—

The CHAIRMAN. Well, you are going to have to work to change my impression, because that is my impression.

Ms. TAUSCHER. Well, I am happy to do that, Mr. Chairman. But, just as Mr. Nova's consistent allusion to some kind of uniqueness to the agreement of the Accord is really a fallacy. We both have business models that are compatible. Both of us have the ability to hold people accountable and responsible. The only difference between the two agreements, frankly, Mr. Chairman, is that the Accord members agree to be able to sue each other and the Alliance members agree to go to binding arbitration. That is the only difference in the agreements.

And I think that the record of the Alliance and the Accord working together on technical matters is exceptional. Within months, we came to agreement on common building integrity and fire standards, harmonized with the Bangladesh University of Engineering and Technology, with local governments, with the Government of Bangladesh. Now, perhaps we need a nonaggression pact between the political ends of the Alliance and the Accord. But, the truth is, we work very well together on the technical issues.

And it should not be about two different organizations. It should be about the people of Bangladesh that need our capacity-building and our investment and our leadership to make their workplace safer.

The CHAIRMAN. Well, Mr. Nova, I am going to give you a brief chance, since—

Mr. NOVA. Well, I would just note the—

The CHAIRMAN [continuing]. Your association was—

Mr. NOVA [continuing]. The dispute resolution mechanism contained within the Accord is binding arbitration. And that—that has been the case from outset of the agreement. So, I am not sure—and I am happy to discuss it with her, with Ms. Tauscher, about the impression that there is a program under which all disputes will be resolved through lawsuits.

There are significant differences between the agreements. There are elements of the Accord, including the enforceable obligation to ensure that each factory has sufficient funds to undertake all necessary safety repairs, renovations, and retrofitting, including the very fact that the agreement is actually enforceable by worker representatives, that are unique. And I note its uniqueness, not necessarily in exclusive reference to the differences with the Alliance, but, in fact, its uniqueness relative to all other prior agreements that have been intended to address labor rights issues in challenging environments like Bangladesh, and specifically in the Bangladesh context, as I noted earlier, have not been very successful, especially with respect to worker safety.

So, it is a new kind of agreement, a binding, enforceable agreement with equal power shared between unions and companies, with clear financial obligations for companies, with clear, unequivocal protection for the right to refuse dangerous work. These are substantial innovations, and we think they are at the heart of what the Accord will do and why we believe it will ultimately make a fundamental, measurable difference in terms of the safety of workers.

The CHAIRMAN. Ms. Akter, I do not want you to feel left out, here, so what—you have heard both representatives, here, talk about how they approach the issue. Do you have any perspectives on that, or do you have any insights you want to share with the committee?

Ms. AKTER. Yes—

The CHAIRMAN. If you would put your microphone on.

Ms. AKTER. Oh. Thank you.

Just one thing I wanted to share, that I am on the ground, so I see that day-to-day activity, both Accord and Alliance. So, in my sense, like there is a—two inspection that I can talk about, like one inspection has been done by Accord, when they went to the factory and pre—they informed the union, the factory-level union and also the federation, that they are going to have this inspection. And then, during the inspection, whole union team, union member, was with them. This is one. And second, when they have done their inspection, they have the followup meeting with the union, what was the findings during the—you know, an inspection that they found in that particular factory. So, this is what workers has involved. And they totally understand that it is because of their safety there is an inspection being done.

On the other hand, when Alliance has done their inspection, as I stated, that none of the workers has been informed that, you know, the Alliance going to have their inspection at the factory, and they have been handpicked out by the factory management to talk to the Alliance members, and who—and Alliance also demanded that they spoke to the workers participating committed in that factory, but, in the reality, they have not.

So, for us, definitely Accord is a great piece, or we would say that this is one which can make our factories safe for our workers. On the other hand, it will also help workers to raise their voice and join with union in future.

The CHAIRMAN. Let me ask you—you are part of a union, no? Are you part of a union?

Ms. AKTER. My organization is a—NGO, but we closely work with the national unions.

The CHAIRMAN. Okay. So, your observation—how do Bangladeshi workers—do they have a concept of what a union is? Do they understand what a union is? Do they fear joining a union?

Ms. AKTER. Of course they understand there is a rights of union in the law that they have. Our law provision has been ratified by the country, so they know that. I should not demand that 4—whole 4 million workers know that, but majority—a good percentage of workers, they know they have union rights. And they have to face all this retaliation by the factory management and by the state when they try to organize in their factory-level unions. So, that was even 1-year-back scenario.

After the GSP suspension by the U.S. Government, the government has opened a little window for workers to get their unions registered. So, last 8 months, I should say that about 100 union has been registered, officially, but it is a long way to go for their collective bargaining. I think among 100, one, two, or three of them were able to submit their charter of demand. And among this 100 union, which even been registered, but they are facing a lot of retaliation by the factory management. And many of union has submitted, but their application has been rejected, that has been happened, too. So, it is changing a little bit, in compared to last 1 year.

The CHAIRMAN. So, under the new unions, how many of them—or, do you have a sense of their ability to go—because creating a union is one thing, going and representing workers is another. Do you have a sense of how that is unfolding?

Ms. AKTER. Among even—among—if we consider these 100 unions, I would say at least 70 unions, they have their strong leadership and they can go for the bargaining if they are free to.

The CHAIRMAN. All right. Well, I appreciate your testimony. Obviously, it is something the committee is going to continue to be engaged in. I said we would not go away with just one hearing, and we do not intend to go away. So, we look forward to continuing to engage with the Alliance, the Accord, and the workers, as well as the Government of Bangladesh.

I would like to submit, for the record, written statements from the Government of Bangladesh, the Bangladesh Garment Manufacturers and Exporters Association, the AFL-CIO, the International Labor Rights Forum, and the Center for Business and Human Rights at the NYU Stern School of Business. Without objection, they shall all be included.

The CHAIRMAN. And, with the thanks of the committee, this hearing is adjourned.

[Whereupon, at 12:05 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL FOR THE RECORD

RESPONSE OF ASSISTANT SECRETARY NISHA BISWAL TO QUESTION
SUBMITTED SENATOR ROBERT MENENDEZ

Question. The Rohingya are possibly the most persecuted people in the world, and yet few people are aware of their plight. A Muslim minority long resident in Burma, they are essentially stateless, lack basic rights, and continually facing restrictions on work, travel, marriage, and education. In Burma, they routinely suffer forced labor, confiscation of property, arbitrary arrest and detention, and physical and sexual violence. Decades of exclusion and myriad humanitarian abuses against the Rohingya drove hundreds of thousands of them to flee their homeland to Bangladesh and other countries throughout the region. In Bangladesh, several hundred thousand reside in both formal camps and squalid makeshift camps. Please describe the current challenges facing the Rohingya population in Bangladesh, and the details of the Government of Bangladesh's recent announcement of a "Rohingya strategy."

Unregistered Rohingyas receive very limited aid, and are subject to arrest, extortion and detention. Unregistered refugee women and girls are particularly vulnerable to sexual and physical attacks. Please describe specific actions taken by the USG to urge the Bangladeshi Government to register undocumented refugees and improve protection for all vulnerable Rohingyas. In addition, detail any efforts made by Bangladesh to appeal to international donors to address the issue of Rohingya refugees.

- ◆ Please detail restrictions the Government of Bangladesh has placed on humanitarian access and provision of assistance, both by U.N. partners and NGOs, to registered and unregistered Rohingya refugees.
- ◆ Furthermore, describe USG interbureau and interagency efforts made on the Rohingya issue, any efforts to seek resettlement of Rohingya refugees to third countries, and the Bangladesh Government's response to resettlement efforts by the USG or other governments.
- ◆ Please describe USG's multilateral efforts to find a durable solution to the Rohingya issue.
- ◆ Please detail any upcoming opportunities for the U.S. Government to engage the Government of Bangladesh on this issue.

Answer. The State Department remains deeply concerned about intercommunal violence and tension in Burma's Rakhine State, which we continue to monitor very closely. We have called on the Government of Burma to prevent the conditions that lead to outward migration. We have urged the authorities to take appropriate actions to maintain calm and restore security and stability according to international standards. We have also called on the government to hold those responsible for the violence fully accountable under just and transparent procedures according to the rule of law. President Obama requested of Burmese President Thein Sein last May that the Rohingya's "rights and their dignity is recognized over the long term," and we continue to advocate that the solution, which includes a path to citizenship, lies in Burma.

As you noted, there are approximately 25,000 Rohingya refugees registered with the U.N. High Commissioner for Refugees (UNHCR) in two official camps, Kutupalong and Nayapara, in southeastern Bangladesh. However, UNHCR estimates there are an additional 5,000 to 7,000 refugees physically present in the camps and at least 200,000 unregistered Rohingya living in the surrounding areas outside of the camps. The Bangladeshi Government estimates this figure to be closer to 500,000. Many Rohingya face acute malnutrition and lack of access to essential services. The challenge is to provide humanitarian aid that matches the size of the population. Bangladesh only allows UNHCR to assist the 25,000 registered Rohingya.

UNHCR and nongovernmental organizations continue to provide life-saving humanitarian assistance despite limits placed on their operations, with some modest success. Bangladesh has granted UNHCR permission to provide semipermanent housing, female police officers, a biogas plant, and 1 year of secondary education in the camps.

We have stressed to the Government of Bangladesh that it should grant humanitarian status to undocumented Rohingya, allow the provision of basic services, and follow accepted UNHCR methods in surveying this population. Our Embassy in Dhaka coordinates closely with UNHCR, and following its survey will monitor the government's implementation of a new five-point Rohingya strategy, which has yet to be announced.

The United States is the main international donor assisting Rohingya refugees. In FY 2013, the State Department provided over \$39.2 million in humanitarian assistance for vulnerable Burmese, including Rohingya, in Thailand, Bangladesh, Burma, Malaysia, India, and elsewhere in the region. These programs provide life-saving humanitarian assistance to Burmese internally displaced persons, refugees, and asylum seekers in the areas of health and medical care, nutritional services, water, sanitation and hygiene, and access to services for people with disabilities. We are in early discussions to determine the possibility of providing third-country resettlement, but remain focused on repatriating Rohingya safely to their homes in Burma as the best possible durable solution.

The State Department has made the protection of Rohingya refugees a priority in our engagement with the Government of Bangladesh. I raised it during my visit to Dhaka in November, as did Senior Advisor for Burma, Judith Cefkin, in her December visit. I will discuss Rohingya during Foreign Secretary Shahidul Haque's February 18–20 visit to Washington and in senior officials' future visits to the region. Assistant Secretary for East Asian and Pacific Affairs Daniel Russel, Assistant Secretary for Population, Refugees, and Migration Anne Richard, and I continue to reinforce the importance the administration places on the conditions faced by Rohingya—in Burma, Bangladesh, and elsewhere in the region.

RESPONSES OF ASSISTANT SECRETARY NISHA BISWAL TO QUESTIONS
SUBMITTED BY SENATOR EDWARD J. MARKEY

Question. In your testimony, you mentioned that Bangladeshi courts had begun a trial in absentia for a suspect in the murder of labor activist Aminul Islam. Can you provide any additional details about the trial and investigation—in particular, whether the government has fully and independently investigated allegations that Bangladeshi security forces were implicated in Islam's murder?

Answer. While the courts have started the trial for Mustafizur Rahman, a suspect in the 2012 murder of labor activist Aminul Islam, in absentia, we remain concerned about the investigation. The Government of Bangladesh reports that it conducted an investigation into allegations that Bangladeshi security forces were involved in Islam's murder, but did not find sufficient evidence to bring charges against any security force officials. However, there are concerns that the investigation was not transparent and that important evidence from independent reports has not been addressed. The Government of Bangladesh reports that Rahman, who was the last person seen with Aminul Islam, fled the country. The government has taken some positive steps, such as offering a reward for information on his whereabouts, publishing calls for information in leading papers, and designating this case as "sensitive," which requires the Ministry of Home Affairs to monitor the case regularly. We continue to monitor the situation carefully and push the government to carry out justice.

Question. In January, Bangladeshi human rights defenders Adilur Rahman Khan and Nasiruddin Elan of Odhikar were criminally charged with publishing false information, for reporting that the government had killed 61 protesters in May 2013. As you know, the Department of State often cites Odhikar's reporting in its own reports on Bangladesh's human rights practices, and denounced Rahman's and Elan's initial detention in August. Can you provide any comment on the ongoing proceedings against them?

Answer. The Department of State, both in Washington and through our Embassy in Dhaka, continues to raise publicly and privately at the highest levels our concern about reports of ongoing harassment of Odhikar and other human rights defenders. We are deeply concerned by attempts to restrict operating space for Bangladesh's historically vibrant civil society, including prosecutions of not only Adilur Rahman Khan and Nasiruddin Elan, but of other leading human rights activists under the Information and Communication Technology (ICT) Act. The ICT Act contains vague provisions that have a chilling effect on freedom of expression on Internet and social media platforms. This free expression is a fundamental right protected by Bangladesh's Constitution, and the new legislation runs contrary to Bangladeshi traditions of vigorous and open debate.

The stifling of expression, including dissent, undermines Bangladesh's long-term stability, and we have urged the Government of Bangladesh to reconsider the ICT Act. Ambassador Mozena welcomed Mr. Khan to the Ambassador's residence on October 20, 2013, upon his release from jail, and in November Mr. Khan participated in a meeting with A/S Biswal in Dhaka. Throughout the ongoing proceedings,

the Embassy has been in close personal contact with Mr. Khan, Mr. Elan, and other Odhikar officials, and will continue to support their right to free expression.

RESPONSE OF HON. ELLEN TAUSCHER TO QUESTION
SUBMITTED BY SENATOR EDWARD J. MARKEY

Question. Has the Alliance for Bangladesh Worker Safety taken any position on whether international companies whose clothing was manufactured at Rana Plaza and Tazreen should compensate the families of workers who were killed in the Rana Plaza collapse and the Tazreen fire? Have any members of the Alliance provided such compensation?

Answer. Alliance members believe we have a shared responsibility to support victims. Recent factory tragedies in Bangladesh revealed major problems and failures at all levels. The buildings were not safe. Workers were not heard. We have to ensure that does not happen again.

This is what the Alliance is all about. We intend not only to inspect all of our factories and train all of our workers and management; we also intend to engage with workers to ensure their voice is heard.

We are actively exploring more formal mechanisms for our members companies to contribute to both the ILO victims fund, as well as other humanitarian funds.

We are also currently planning several fundraising efforts for victims—the first is the International Trade Expo on Building and Fire Safety, where all proceeds raised for the exhibition will be donated to the ILO victim's fund. We are very proud of our team in Dhaka that has been leading this effort.

RESPONSES OF HON. ELLEN TAUSCHER TO QUESTIONS
SUBMITTED BY SENATOR JAMES E. RISCH

Question. You testified about collaboration in Bangladesh between the Accord and the Alliance on factory standards and training. If legislation were passed favoring the Accord in U.S. Government procurement how would this affect collaboration?

Answer. As noted in the Alliance testimony, we have had very good engagement with the Accord leadership in Europe and Dhaka. We have hundreds of factories in common, we have worked together and we will continue to do so.

For example, the Alliance and Accord worked together on developing a common set of fire and building safety standards, and have had world-recognized experts prepare them. We are also in discussions with the Accord regarding the creation of a common inspection report as well as a similar methodology for worker involvement in the inspection and remediation process. Technical experts from the Accord and the Alliance recently met for an ongoing discussion pertaining to shared factories and their assessments. Finally, we are jointly hosting an International Trade Expo on Building and Fire Safety later this month in Dhaka.

Given the common approach to standards, training, and worker empowerment, we believe that legislation favoring one approach over the other is fundamentally flawed and potentially detrimental to ongoing collaboration. We should be dedicating all our resources and energy to improving conditions on the ground in Bangladesh instead of creating unnecessary and arbitrary schisms in the United States.

Question. I understand the common inspections standards between the Alliance and Accord exceed the standards set by the National Tripartite Committee in Bangladesh. Please explain the reasons for doing so and what are the key enhancements?

Answer. The Alliance and Accord worked together on developing a common set of fire and building safety standards, and have had world-recognized experts prepare them. Those experts considered not only what is feasible in Bangladesh, but also what is necessary to be considered on par with international standards and what is necessary to prevent future tragedies in Bangladesh.

In a few rare instances, the new requirements do exceed standards set by the National Tripartite Committee and these exceptions were thoroughly discussed with BUET, the BMEA, and others as to why. For example, the Alliance/Accord safety standards require sprinkler systems in some situations where the National Tripartite Committee in Bangladesh does not. We simply feel that given the challenges with the existing infrastructure and traffic situations we will not always be able to rely on a rapid response from first responders. We believe we need the ability to extinguish fires with onsite resources rather than waiting on remote resources to

arrive. Again, our deviations are limited and are based on the findings of hundreds of fire and safety audits already completed.

Some of the changes required by the new standards, like sprinkler systems, for example, will take time and money to get fully implemented—but we are committed to seeing this through.

Question. What is the volume of exports from Bangladesh for your respective members?

Answer. We estimate that Alliance members account for about \$4 billion of the nearly \$19 billion in exports from Bangladesh.

PREPARED STATEMENT OF REBA SIKDER, FORMER GARMENT WORKER AT ETHER TEX
FACTORY AT RANA PLAZA, DHAKA, BANGLADESH

(Testimony provided verbally by Reba Sikder in Bangla, then transcribed and translated into English.)

Thank you for the opportunity to share my story.

I am 18 years old and was born in Gopalganj, a district just south of Dhaka. My parents could not afford for me to attend school after third grade, so at the age of eight I began working as a domestic worker. In 2008, I moved to Dhaka because my cousin said I could earn more money there. I started working in a garment factory when I was 14 years old. In 2012, I began working as a sewing machine operator at Ether Tex, a clothing factory on the sixth floor of Rana Plaza. I earned 3,800 taka (US\$49) as a base salary and with overtime, I earned approximately 8,000 taka (US\$103) per month. I usually worked 14 hours per day, 6 to 7 days per week. My regular shift was from 8 a.m. to 10 p.m. but sometimes I would work as late as 3 a.m. if the factory was rushing to finish an order.

On April 23, 2013, I reported to work as usual. During the day, my colleagues and I heard that a massive crack had appeared in one of the columns of the building. Management allowed us to leave but with the strict instruction that we must return to work the following morning. When I arrived at Rana Plaza on the 24th, I found many workers standing outside, refusing to enter the building because they believed it was unsafe. However, my line chief insisted that if we did not return to work we would not get paid our wages for the month and also would not receive our overtime benefits. I saw one of the production managers slap a female worker who refused to enter. One of the managers announced to us that the building had been inspected and was safe and that we needed to get to work because we had to meet our shipment deadline. Finally, despite our fears about the cracked column, my colleagues and I entered the building and began to work at our machines. Within 15 minutes, the electricity went out and the generator was switched on. Moments later, I heard a loud noise, like an explosion, and the building collapsed.

In those first seconds, surrounded by the sound of the building crumbling, my colleagues and I began to run toward the stairs. Suddenly, caught on a sewing machine, I fell to the floor, landing on top of two male and three female colleagues. The two men died instantly and I passed out. When I awoke, I heard one of my coworkers crying for help and asking for water. I said, "I am sorry, I cannot help you, my foot is pinned beneath the machine." Then he handed me his cell phone and asked me to give it to his mother. He spoke to me for a few minutes and then fell silent and I realized that he had died. I started screaming for help and asking for water because I was so thirsty. Some workers lying near me responded that they did not have any water. I said, "Please, whatever you have, please give it to me. I am so thirsty, I am dying." Then one of my coworkers gave me her urine to drink.

Finally, I was able to move the machine off of my foot and I started crawling toward the sound of other workers' voices. I crawled a little further and reached a small opening that was created by the columns and walls that had fallen. There were 30 other workers in this small area. I did not know how much time had passed since the collapse, but one of the workers checked her cell phone and told us that we had been trapped for 2 days. I could not believe it.

We began looking for a way to escape and we found another worker who was trapped and asking for help. We told her that we could not help her because there was barely enough room to move around and she said, "If you cannot help me, at least I can help you escape from this place because I saw many workers go this way," and she pointed us in the direction that the other workers had gone. It was very dark and we had to crawl a long way. I began to cry because I thought I would never escape and would never see my parents again. Finally, we felt some air coming from the outside and crawled toward it. We yelled for help and about 30 minutes

later some members of the Army rescue team came and were able to get us out. Of the 30 workers who were trapped in that small space, only 6 of us survived.

It was not until I was rescued that I realized that my ankle was broken and I began to feel tremendous pain. I was rushed to the hospital where I was able to contact my family. I had to have surgery on my ankle and I still bear the scars from the column that cut my neck. I have almost constant pain in my lower back and both of my ankles still hurt. I have difficulty sleeping and often experience nightmares. But what has been most debilitating is the trauma and panic I still feel, which has made it virtually impossible to find new work. I feel afraid just looking at tall buildings and I am scared to go inside. I worry there will be another collapse.

Once I was discharged from the hospital, I went to live with my parents in their village in Gopalganj. Both of my parents are elderly and cannot work. After the accident, I received 30,000 taka (US\$390) in compensation from Primark. When I was in the hospital, I was given 10,000 taka (US\$129) from the Prime Minister's fund. But my family and I had to use all of this money to cover our living expenses and now we have nothing. My younger brother, who works at a jute mill in the Khulna area, sends home 2,000 taka (US\$25) per month to our family. We live on a small patch of land where we are able to grow a small amount of rice, which we must split with our landlord. It is extremely difficult to live off the money that my brother sends home every month.

My life has been so incredibly hard in the last year and my heart breaks even more for all the other workers and families affected by the Rana Plaza building collapse. Because of the accident, I no longer have any hopes or dreams for the future like I did before.

I would like to ask the U.S. Government to help ensure that the brands—including the American companies Children's Place, JCPenney, Cato Fashions, and Walmart—that benefited from the work of my colleagues and me pay us full and fair compensation. Please think about the workers who have lost their limbs, their feet and their hands, and about the families who have lost their sons and daughters, wives, and husbands. Please think about their pain and how they are forced to live. I would also urge the U.S. Government to tell American brands to sign the Accord on Fire and Building Safety in Bangladesh. This is the only way to prevent future workers and their families from suffering the same tragedy that I have experienced.

PREPARED STATEMENT OF BANGLADESH GARMENT MANUFACTURERS & EXPORTERS ASSOCIATION (BGMEA)

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) takes the opportunity to present its views and developments in the area of workers' rights and welfare with specific regards to apparel industry of the country.

The ready-made garment (RMG) sector of Bangladesh tells an impressive story of the country's successful transition toward a major export-oriented economy. However, in order to continue prospering, in the face of recent tragic incidents that has caused worldwide concern, we must overcome several challenges with regards to the safety and social compliance practices in this industry.

The post-Rana Plaza era has brought a new dimension toward reforming the ready-made garment industry in Bangladesh, not only in terms of safety, but also to empower the 4.4 million workers. The Government of Bangladesh, private sector representatives like BGMEA, buyers and international organizations like ILO, IFC are working hand in hand with a common objective to rebuild the industry and ensure safety. BGMEA is committed to ensuring that our workers have a safe place to work in, and enjoy at least the rights assured by our laws and codes. This submission covers updates on some of the major initiatives and developments achieved so far in this industry in the mentioned area.

WORKERS' RIGHTS

The Labor Law of Bangladesh was amended in July 2013 making the law more favorable toward ensuring workers' rights, including the right to freedom of association and collective bargaining. Through this amendment the legal requirements for trade union formation have been made more flexible. It should be relevant to mention here that the number of trade unions at the garment factories has significantly been increased in recent times. Currently the total number of trade unions registered in the RMG sector is 237 of which 101 trade unions were registered from January 2013 to February 2014.

Despite the fact that the labor law has been made more favorable toward workers resulting in a new wave of union formation, we have to also admit that we are still in the early stage of industrialization in the country and most of the entrepreneurs

are first generation businessmen. In addition, the lack of education, awareness on the principles of trade union, motivation, and cultural backwardness of the people are the major drawbacks to internalize the true spirit of trade unionism and enforcing proper union in Bangladesh. Against this backdrop, the surge in trade union formation may give birth to problems. Keeping this in mind BGMEA has taken an initiative to mediate and resolve the problems in a proactive manner. In this connection BGMEA has formed a new department to deal with issues related to workers' rights. A Senior Additional Secretary of BGMEA is currently supervising the activities of the department and we are in a process to recruit a labor consultant on a permanent post. Besides, BGMEA is preparing a plan to aware and educate factory employees and entrepreneurs on Bangladesh Labor Act.

To ensure the better living of the workers the Government of Bangladesh has also increased the minimum wages of garment workers by 77 percent with an effect from December 1, 2013. This may be noted that the consolidated increase in minimum wages for garment workers during the last 5 years has been around 219 percent. The owners will have difficulty in ensuring this, but are committed to delivering what they have agreed.

Better Works Program has been started by the ILO at the garment factories of Bangladesh. BGMEA is in close touch with ILO and extending cooperation and support for smooth and successful implementation of this program.

WORKPLACE SAFETY

BGMEA is determined to bring positive changes in the area of workplace safety. To ensure that we have taken a number of initiatives by ourselves, and also collaborated with the Government, brands/retailers, and ILO on several other initiatives, particularly—National Tripartite Plan of Action, Accord, and Alliance. We are also in close cooperation with the Government of Bangladesh in implementing the recommendations made by the United States in the Bangladesh action plan 2013. Yet, it remains a long-drawn and continuous process. However, BGMEA itself has taken a number of steps to address the issue of workplace safety in its member factories.

The following instructions were given by BGMEA to member factories to comply with on mandatory basis:

- Moving the generators from any level of the building to the ground floor.
- Keep all the stairs free for easy and convenient entry and exit to and from the factory floors at all time. No goods/materials are to be kept on the stairs/passage, which might cause obstruction for free movement of personnel.
- Factories must keep all the gates open during working hours.
- Check fire alarm and emergency lights at regular intervals.
- Arrange required number of Fire Extinguisher, ensure sufficient water in hydrant and install hose-reel and other related equipment serviceable for use.
- Factories should hold Fire Drill as per rule and keep records of all such activities.

BGMEA itself proactively recruited a team of experts comprising 12 engineers in order to assess structural integrity and electrical safety of the garment factories of Bangladesh. Until now the BGMEA experts have inspected 920 factories. The inspection is still going on.

For improving the working condition of the garment factories BGMEA launched a crash program. Under the crash program 14,000 mid-level factory management and supervisors in around 1,600 factories have so far been imparted training by BGMEA on fire safety measures. BGMEA has also recruited 35 fire trainers. The trainers who are ex-officials of Bangladesh Fire Defense Service, Air Force or Bangladesh Navy have undergone high-skill 1-month Training of Trainers (Tot) course on fire prevention, fire extinction, safe evacuation, search, rescue and first aid in October 2013. The trainers are now conducting safety courses at the member factories of BGMEA.

CONCLUSION

Bangladesh is one of the least developed countries with limited resources. The growth of RMG industry in the country has significantly contributed to women empowerment, poverty alleviation and overall socioeconomic progress. It is true that the RMG sector of Bangladesh has witnessed a few unfortunate incidents, but we have learnt lessons from them and trying our best to adapt to the globally accepted standards to avoid further mishaps. However, we cannot do it all at once; it requires some more time for the development process to take firm roots. We have already acted on many issues and prompted quite a few initiatives as mentioned above. We believe that our trade partners will not take any steps that instead of establishing a semblance of order may impede our progress. We believe our positive attitude to

correct the incorrect and adopt the best are our strength. We are progressing every-day and what we need most to continue our march forward is the friendly support.

PREPARED STATEMENT OF THE AFL-CIO

The AFL-CIO is pleased to submit testimony for the record on the status of labor rights in Bangladesh with particular reference to labor rights practices in the country's Ready Made Garment Industry and in its Export Processing Zones where the production of garments dominates. This testimony will also briefly comment on the status of labor rights in the Shrimp Processing Sector.

The AFL-CIO commends the committee and in particular, Chairman Senator Menendez, for conducting sustained oversight of the Government of Bangladesh's willingness to follow through on its promises to bring its labor law in compliance with international standards and to enforce current labor and occupational and safety laws related to the garment sector. The AFL-CIO wishes to recognize the committee's efforts to focus the Obama administration's attention of the wide-range of labor rights abuses that surround garment production in Bangladesh. Moreover, the AFL-CIO believes that the work of the committee has been helpful in expanding the space for workers to exercise their right to associate in unions that have the potential to help avoid the appalling workplace tragedies that led to the deaths of over 1,200 workers in just the last 2 years.

For nearly 30 years, the AFL-CIO has sought to promote worker rights in Bangladesh and has worked closely with the Solidarity Center, which provides a wide range of technical assistance to garment worker unions, labor rights activists, legal aid lawyers and labor support organizations. The goal of these efforts has been to ensure that Bangladesh complies with International Labor Rights conventions and standards.

Given Bangladesh's poor record of compliance, the AFL-CIO has filed a series of labor rights petitions under the statute governing the Generalized System of Preferences (GSP) that would remove such preferences from a beneficiary country if it fails to take steps to enforce core International Labor Rights Conventions.¹

On June 27, 2013, the United States Trade Representative (USTR) announced that it was suspending GSP benefits on products imported into the United States from Bangladesh (Docket No. USTR-2012-0036). On July 19, 2013, the USTR publicized its "Bangladesh Action Plan 2013," (Action Plan) outlining "significant actions" the Government of Bangladesh (GOB) was encouraged to take to provide a basis for reinstating GSP benefits.

This testimony briefly enumerates and expands upon the AFL-CIO's observations and comments provided to the Office of the United States Trade Representative (USTR) on November 15, 2013, on the actions taken by the GOB toward the goals set forth in the action plan.² The AFL-CIO believes that the GOB has only begun to implement a few of the actions spelled out in the action plan.

Set forth below is the AFL-CIO's list of actions in the action plan which, to our knowledge, have not been acted upon at all. To date, the AFL-CIO has not observed evidence demonstrating that the GOB has taken any action or significant action in the following areas:

Enforcement of labor laws—

- Passing new labor law amendments that address key concerns related to freedom of association and collective bargaining (while amendments have been passed, the changes were inadequate to resolve the problems and in several areas created new problems).
- Increasing fines for labor law infractions.
- Levying of fines.
- Removing licenses to export from offending companies.
- Establishing a public database to track inspections or enforcement actions.

Efforts to promote freedom of association (FOA) in the ready-made garment (RMG) sector—

- Effectively protect union officers and activists in new unions.
- Publicly report on the number of new unions and collective bargaining agreements.
- Conduct a credible investigation of the death of Aminul Islam.

¹ See 19 U.S.C. § 2462 for more information on the Generalized System of Preferences.

² The original filing can be found in the online Docket No. USTR-2012-0036, at <http://www.regulations.gov/#!docketDetail;D=USTR-2012-0036>.

- On the public database, also report on union discrimination and other unfair labor practice complaints, their status, and fines and sanctions levied.
- Train industrial police on labor law to prevent intimidation.

Export Processing Zones (EPZs)—

- Issue interim regulations to ensure transparency, prevent anti-union discrimination and blacklisting.
- Begin process of bringing EPZ law into compliance with ILO standards.
- Establish interim regulations that provide an inspection regime similar to the RMG sector.

Shrimp processing sector—

- Publicly report on status of anti-union discrimination cases, remediation and fines.

Set forth below is a list of obligations on which some partial actions appear to have been taken by the GOB:

- Some labor inspectors are being identified and trained, but nowhere near the number promised by the GOB.
- There is some progress toward addressing building and fire safety, but as yet there is no independent verification of how many factories have been closed, relocated or improved.
- Registration of an increased number of unions has occurred (see Appendix 1) but not all of these are independent, worker-led unions, and there has been significant employer retaliation and discrimination, which has not been sanctioned or remediated (see Appendix 2).
- The Bangladesh Center for Worker Solidarity (BCWS) has had its registration restored, but the Social Activities for Environment (SAFE) organization, which works in the Shrimp Processing Sector, still does not have permission from the Government's NGO bureau to receive foreign funding.
- The AFL-CIO is pleased that all but one case has been dropped by the Government against BCWS activists. However, we are concerned about efforts by the GOB to paper over the murder of labor activist Aminul Islam by announcing the trial in absentia of one individual, given that there is evidence indicating a conspiracy that does not appear to have been thoroughly investigated.
- There is some evidence that the GOB is discussing a tripartite agreement on freedom of association in the shrimp industry. Nonetheless, workers in that industry still lack union representation, there are widespread labor standards violations, and the rights of contract workers are abused.³

Finally, the AFL-CIO notes the following additional concerns:

Minimum Wage Implementation

While the AFL-CIO welcomed a long overdue increase in the minimum wage for garment workers, we have received reports that employers are demoting workers to lower paying classifications so that they do not pay the higher wage set for each classification. In addition, in some cases, employers are significantly raising production quotas to cut labor costs. If workers cannot meet the higher quotas, managers then force unpaid overtime work, or suspend a few workers without pay as a means to intimidate other workers into achieving the higher rate of production.

ATMOSPHERE OF INTIMIDATION

Intimidation of workers or those who would assist them remains a recurring problem in Bangladesh's Ready Made Garment Industry and Export Processing Zones. For example, over the past several months, the AFL-CIO has received information that local police, under the direction of employers, are intimidating union organizers including by using short-term detentions. In the Export Processing Zones, workers have recently reported that leaders of Worker Welfare Associations (proto-unions) are not allowed to openly communicate with each other. Within individual factories, workers fear that they will be fired or suspended for even the most minor offenses. "Counselors" who work for the Zone authority and whose job it is to solve workplace disputes are viewed by workers as agents of management, and have threatened workers who raise issues regarding management abuses. Beyond these problems faced by workers, government security personnel have surveilled the Solidarity Center and have questioned visitors and staff about the Center's activities.

³ Additional information regarding labor inspections, union registration, anti-union discrimination, and related issues are included in appendices to this letter.

The Role of the Brands

The AFL–CIO welcomes statements by foreign businesses and the two associations that they have formed to improve safety standards in the Bangladesh garment industry. There is agreement by the Accord and the Alliance that empowered workers are the ultimate guarantors of a safe workplace because they have the ability to withdraw from work in a way that allows individual workers protection that they would not have otherwise. However, only the Accord has integrated unions and NGOs into its governance structure. The Alliance says that it wants to cooperate with unions, but it is unclear what this means in practice. In the meantime, the members of both associations need to support nascent unions who are struggling to function following their successful registration. Such support, which involves demands that employers negotiate with unions and comply with government directives to rehire union leaders and activists, will be the true test the Brands’ commitment to safer workplaces.

Coordination Among Foreign Governments

The AFL–CIO is pleased to see the U.S. Embassy taking the lead in promoting coordination with the European Union, key European donor governments, governments in other countries and the International Labor Organization. It is vitally important that these governments give a consistent and clear message of their commitment to workers’ safety and to the enforcement of core labor standards. The European Union through carefully modulated statements must use the conditionality under its Generalized System of Preferences to nudge the Bangladeshi Government forward. It is also important that these governments closely consult unions and NGOs in their own countries as they develop policy in the future.

At your direction, we would be pleased to provide the committee with any follow-up information.

[EDITOR’S NOTE.—Appendix 1 and Appendix 2 submitted as an attachment to AFL–CIO’s prepared statement were too voluminous to include in the printed hearing. They will be maintained in the permanent record of the committee.]

PREPARED STATEMENT OF THE INTERNATIONAL LABOR RIGHTS FORUM

I. INTRODUCTION

Chairman Menendez and Ranking Member Corker, thank you for the opportunity to submit written testimony on the “Prospects for Democratic Reconciliation and Improving Workers’ Rights in Bangladesh.”

The International Labor Rights Forum (ILRF) is a human rights advocacy organization dedicated to achieving dignity and justice for workers worldwide. Founded in 1986 and based in Washington DC, ILRF works with trade unions and community-based labor rights advocates to expose violations of workers’ rights, including child and forced labor, discrimination, and violations of workers’ rights to organize and bargain collectively. Our field research helps to build and promote worker-driven organizations and solutions. We develop, propose, test, and assess government and corporate policies to ensure that global trade, procurement, and development practices support workers’ rights.

ILRF has worked closely with labor unions and labor rights NGOs in Bangladesh for many years to research and report on safety and labor rights violations in the garment sector, and to advocate for corporate and governmental policies that strengthen workers’ own capacity to demand safe and decent working conditions.

II. BACKGROUND: WORKERS HAVE NO VOICE TO DEMAND CHANGE

As is by now commonly recognized, the infrastructure problems in Bangladeshi garment factories are daunting. The Bangladesh Institute of Architects estimates that as many as 50 percent of Bangladesh’s factories may be unsafe.¹ Buildings need to be repaired. Engineers and fire safety inspectors are sorely needed. After many years of social auditing without addressing fire and building safety, apparel retailers, and brands are finally acknowledging this problem. We would like to focus on a problem that is just as serious but as yet not fully acknowledged by industry and the Bangladeshi Government: the fact that workers—who are best placed to monitor workplace hazards—still do not have adequate capacity to report on safety and labor violations and to demand change.

Workers Without a Voice are Killed in Fires and Building Collapses

Since 2005, more than 1,800 workers have been killed in dozens of factory fires, building collapses, and other deadly garment factory incidents in Bangladesh. In

case after case, workers interviewed after the tragedies reported that they found exits locked or blocked and managers refusing to heed their concerns. Workers smelled smoke, but were told to continue working only to be killed in fires. They observed cracks in the walls but were threatened to report to work or lose their meager wages, only to be crushed under collapsing buildings. They consistently reported that raising safety concerns with managers or joining with other workers to address the problems could be a punishable offense that would get them fired.

A few examples will help to illustrate the connection between unsafe workplaces and the suppression of workers' voices.

In April 2005, workers at the Spectrum factory reported a crack in the ceiling to management. They were told to keep quiet lest they would worry their coworkers and to return to work. Five days later the factory collapsed, killing 64 workers. There was no union or health and safety committee that could insist that management listen to the workers' concerns.²

On November 24, 2012, workers at the Tazreen Fashions factory discovered smoke. A worker yelled, "There's a fire in the factory!" Workers rushed for the door, but managers, worried about meeting production goals, ordered the workers to continue working. "There is no fire! It is a lie!" they yelled at the workers and locked the door. One hundred twelve workers were killed in the fire. These workers could not demand safe working conditions, because they had no voice and no union representation.³

On April 23, 2013, workers in the factories of the Rana Plaza building noticed cracks in the building. Managers in a bank and small shops that occupied the first and second floor of the building also noticed the cracks, closed shop, and told their employees to stay home the following day. But the garment factories ordered their workers to return to work on April 24, threatening the loss of 1 month's pay if they did not comply. At least 1,135 workers were crushed to death under the collapsing building. The vast majority of these workers had no union representation and no voice to demand their rights or to refuse dangerous work.

Bangladeshi garment workers have been killed in factory fires and other deadly incidents for decades, with few people paying attention. The first recorded garment factory fire occurred on December 27, 1990, at Saraka Garments in the capital Dhaka. At least 32 workers died and more than 100 workers were injured.⁴ Between the Tazreen Fashions fire in November 2012 and January 2014, at least 26 workers have been killed and nearly 823 workers injured in 57 factory fires.⁵ During that period there has been on average one factory fire a week in Bangladesh, with an average of two workers injured or killed per day due to factory fires. These figures do not take into account the Tazreen Fashions and Rana Plaza tragedies, but only the everyday fires and ordinary deaths and injuries that do not make mainstream news because they appear not to reach catastrophic proportions. Workers continue to lose their lives, quietly, with few people paying attention because they still have no effective voice to demand change.

Repression of Worker Organizing

As the examples above indicate, unsafe working conditions are integrally linked to the systemic violations of workers' rights to organize and bargain collectively for safe conditions—to have a voice at work. Although the government has recently registered new unions in the garment sector, several problems remain.

In April 2012 Aminul Islam, a worker organizer with the Bangladesh Garment and Industrial Workers' Federation (BGIWF), was tortured and murdered.⁶ The circumstances suggest government security forces murdered Mr. Islam in retaliation for his labor rights work in the garment industry.⁷ To date, nobody has been held responsible for this crime; a message not lost on workers.

The government has allowed unsubstantiated criminal charges against worker organizers to linger for years. For example, leaders of the Bangladesh Center for Worker Solidarity, Bangladesh Garments & Industrial Workers Federation, the Garments Trade Union Center, the Bangladesh Textile-Garments Workers Federation, the Sadhin Bangla Garments Workers Federation, the Jago Bangla Garments Federation, the Garments Workers Forum, and the Bangladesh Garments and Shilpo Sromik Federation, as well as dozens of workers were until recently charged with a number of unsubstantiated criminal offenses and faced trial in several cases connected to garment worker demonstrations for a decent wage in July and August 2010.⁸ Some of these worker leaders faced 10 separate charges and were required to report to court one out of three workdays for 3 full years, severely impeding their work to protect labor rights. The government only recently dropped most of these charges, and only after significant pressure from the U.S. Government and international rights organizations. Some union leaders from the Bangladesh Garments and Industrial Workers Federation (BGIWF) and Bangladesh Independent Garment

Workers Union Federation (BIGUF) continue to face unsubstantiated criminal charges.

At the same time, the authorities continued surveillance of a lengthy list of labor rights advocates.⁹ In November 2013, the Dhaka press reported that two workers were killed during a protest for wage increases.¹⁰

III. PROSPECT FOR IMPROVING WORKER RIGHTS: THE ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

After decades of garment workers being ignored, silenced, and marginalized it is clear that the only meaningful corporate social responsibility policy is one that puts workers' interests in the center of health and safety reforms, strengthens workers' voices to negotiate safe and decent working conditions through legally established unions, and, as a last resort, gives workers the right to refuse dangerous work. Unions are vital to workers' safety for three core reasons:

1. Trade unions have historically played a pivotal role in driving the development and enforcement of occupational safety and health regulations in many countries;
2. Well-informed trade union leaders can provide an important counter balance to outside business pressures to lower cost and compliance levels by ensuring that safety measures are fully incorporated into the costs of doing business; and
3. Respect shown by government and employer representatives to trade union demands provide an important signal to workers and managers alike that the workers are vital to improving the industry.

Today in Bangladesh, there is one established worker safety program that strengthens workers' voices and strives to balance the relation between workers and management by including an equal number of union and company representatives in its governance structure and involving unions in its implementation. That program is the Accord on Fire and Building Safety in Bangladesh, which at the time of writing includes 151 private-sector brands and retailers.

The Accord on Fire and Building Safety in Bangladesh involves unions both in the governance and implementation of the program. The Accord's executive committee includes an equal number of representatives of trade unions and companies. The Accord's training teams also include trade union representatives to educate workers about their rights, including the right to refuse dangerous work. As a signatory to the Accord, trade unions can initiate binding arbitration against another signatory to compel it to comply with the terms of the agreement. By fostering a more equal relationship between companies and unions, the Accord helps to address workers' fear about speaking up to defend their safety and their rights.¹¹ The Accord model of social compliance should be strengthened in Bangladesh and replicated elsewhere.

IV. RECOMMENDATIONS FOR THE U.S. GOVERNMENT

Continue to Use GSP as a Lever for Labor Rights Compliance

The months leading up to the GSP review for Bangladesh in May 2014 are critical for the U.S. Government to insist on full respect for freedom of association and other labor rights for garment workers in Bangladesh. In July 2013, the U.S. Government suspended Bangladesh's tariff benefits under the Generalized System of Preferences program (GSP) citing its repeated failure to improve worker safety and labor rights.¹² Bangladesh should not receive trade benefits under the GSP program without implementing the GSP Action Plan. Among other steps, the Bangladeshi Government must:

- Advance a transparent investigation into the murder of Aminul Islam and publicly report on the findings of this investigation.
- Ensure full freedom of association in the Export Processing Zones.
- Continue to register unions expeditiously when they present applications that meet administrative requirements, and ensure the unions can negotiate collective bargaining agreements in which workers are afforded benefits beyond the minimum levels guaranteed by law.
- Publicly report on unfair labor practice complaints received and labor inspections completed.
- Ensure full compliance with the new 5,300 taka per month (US\$ 68) minimum wage law of December 2013.

Urge U.S. Apparel Brands and Retailers to Pay Compensation to Workers and Join the Bangladesh Safety Accord

The U.S. Government has a duty to protect human rights by working proactively to ensure that U.S. multinational enterprises identify, prevent and mitigate actual and potential human rights violations in their operations and supply chains. In this case, this means that the U.S. Government should insist U.S. apparel brands and retailers mitigate the harms both to the workers who have been injured in factory fires and building collapses and to the families of workers who have been killed in factory fires and building collapses associated with the supply chains of the brands and retailers.

Unfortunately, as of yet, none of the U.S. brands and retailers whose products were made at Rana Plaza, Tazreen, or Aswad have paid the compensation that they owe to the survivors and families who lost loved ones. The U.S. Government should call on these companies to immediately pay the compensation they owe.¹³

In addition, the U.S. Government should ensure that apparel brands and retailers identify and prevent human rights violations in their Bangladeshi supply chains. The Bangladesh Safety Accord provides a good model for the apparel industry to meet their human rights due diligence responsibilities in this regard. The U.S. Government should explicitly urge companies to join the Accord.

Set a Positive Example through the Government's Own Procurement

Marine Corps licensed apparel was found in the rubble of the Tazreen Fashions factory, where 112 workers were killed in November 2012. However, in November 2013 the Marine Corps Trade Mark and Licensing Office adopted a licensing policy that requires a licensee that provides garments from Bangladesh to certify that: "it has become a signatory of or otherwise complies with applicable requirements set forth in the Accord on Fire and Building Safety in Bangladesh."¹⁴ In the Defense Appropriations Act of 2014 the U.S. Congress praised the Marine Corps Trade Mark and Licensing Office for adopting the Accord standard, and urged the rest of the Armed Forces to do the same.¹⁵

The U.S. Government has a singular opportunity to promote the Accord standard through its own procurement. The government buys more than \$1.5 billion of clothes from overseas factories,¹⁶ most of it through the U.S. military exchanges. The Department of Defense requires the exchanges to assure that private-label merchandise is not produced with forced or child labor. The exchanges have adopted supplier codes of conduct, addressing child labor, forced labor, working hours, compensation and benefits, disciplinary practices, freedom of association, the right to collective bargaining, discrimination, and health and safety.¹⁷

However, a new ILRF report¹⁸ shows that the military exchanges are buying clothing from unsafe and abusive factories in Bangladesh without investigating the working conditions. In relying on factories' own unverified claims of compliance with labor law or the audits of companies such as Walmart and Sears—audits that have persistently failed to protect workers from fires and building collapses—the exchanges are, in effect, "flying blind" the report argues.

This recklessness toward working conditions in their supply chains first came to light when Marine Corps licensed apparel was found in the rubble of the Tazreen Fashions factory.

The military exchanges should no longer outsource social responsibility to the private sector, but take responsibility for safe and decent working conditions in their supply chains. By working with members of the Bangladesh Safety Accord they can maximize their impact, and ensure that workers themselves have an effective voice in their workplaces.

With the Marine Corps licensing policy as a model, the military exchanges should:

1. Join the Accord on Fire and Building Safety in Bangladesh or fully abide by its requirements.
2. Require licensees that use Bangladeshi suppliers to join the Accord.
3. Require vendors that supply products from Bangladesh to join the Accord.

The military exchanges should also work collaboratively with other federal agencies to extend the Accord model to address compliance requirements beyond fire and building safety in Bangladesh and other supplier countries. In this respect, the administration and Congress can provide support and guidance. In particular, the White House can set up a system of interagency coordination and collaboration among the military exchanges and other government agencies that purchase apparel internationally. A collaborative interagency body that pools information and resources can assist the military exchanges and other government agencies and entities to conduct their own coordinated supply chain investigations and remediation activities in Bangladesh and elsewhere. It can also help to develop and pro-

mote best practices in procurement and human rights, and provide training and other support to contracting officers. A standardized approach on safety and labor rights compliance across government would benefit contractors, licensees, and suppliers, and would provide far greater efficiency than separate agency approaches or outsourced social responsibility.

V. CONCLUSION

The continued repression of worker organizing and worker voices in Bangladesh is integrally linked to unsafe workplaces in Bangladesh. The most promising worker safety program in Bangladesh is the Accord on Fire and Building Safety, in part because it involves trade unions in both governance and program implementation, helping to balance the relation between management and workers. The U.S. Government should continue to insist on strict labor-rights compliance criteria for Bangladesh to receive GSP benefits, consistent with the GSP Action Plan. The government should protect against potential human rights abuses by U.S. apparel brands and retailers by urging them to join the Bangladesh Safety Accord. In addition, the U.S. Government should set a positive example with the procurement of its own retailers, operated by the U.S. military exchanges. Following a new Marine Corps licensing policy, the exchanges should join the Accord, or fully implement its requirements, and require licensee and vendors that supply goods made in Bangladesh to do the same.

Thank you for the opportunity to submit this testimony.

End Notes

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⁶See, "Labour leader, Aminul Islam, was allegedly killed after being abducted by the law enforces," Odhikar fact-finding report, on file with International Labor Rights Forum.

⁷This is not just the judgment of former colleagues of Mr. Islam and his family. In the letter to Prime Minister Hasina, 11 industry associations from Europe and North America express concern that "the apparent circumstances leading up to and surrounding Mr. Islam's death could be perceived to be part of a deliberate campaign to repress efforts to raise and address issues related to unsatisfactory working conditions in the RMG sector." See "A Chronology of the Investigation of the Murder of Labor Activist Aminul Islam," International Labor Rights Forum, 6 August 2012, <http://www.laborrights.org/creating-a-sweatfree-world/sweatshops/partner-spotlight-bangladesh-center-for-worker-solidarity/reso>.

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¹³The U.S. companies that owe compensation for Rana Plaza (building collapse of April 24, 2013, that killed at least 1,135 workers and injured an estimated 2,500) are Cato Fashions, Children's Place, JCPenney, and Walmart. The U.S. companies that owe compensation for Tazreen (factory fire of November 24, 2012, that killed at least 112 workers and injured 150) are Delta Apparel, Dickies, Disney, Sears, Sean John Apparel, and Walmart. The U.S. Companies that owe compensation for Aswad (factory fire of October 8, 2013) are Gap Inc and Walmart. Information on the Rana Plaza Arrangement on compensation is available at <http://www.ranaplaza-arrangement.org/>

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PREPARED STATEMENT OF THE CENTER FOR BUSINESS AND HUMAN RIGHTS, NEW
YORK UNIVERSITY STERN SCHOOL OF BUSINESS

More than 1,800 people have died in Bangladeshi factories in the last 24 months, victims of tragic factory fires and a building collapse that ranks as one of the largest industrial accidents in modern history. In the context of an acute lack of government oversight, poor infrastructure, and loose sourcing relationships, the risk of further deadly industrial accidents remains high unless serious reform is undertaken to address these chronic problems. We commend the Committee on Foreign Relations for convening this timely and important hearing to examine the role of the U.S. Government and American and European brands in enhancing workplace safety and workers' rights in the supply chain.

American consumers and companies have played an important role in the growth of the garment industry in Bangladesh. Employers in the garment sector that supply American brands and retailers have created millions of jobs that provide a path out of extreme poverty for many young Bangladeshis, especially rural women. Apparel now represents 80 percent of the country's export economy.

But the work environment in the garment industry in Bangladesh is dire. Industrial accidents happen at an alarming rate, demonstrating a deep breakdown in the way the supply chain operates. Fundamental reform is needed in three key areas: the sourcing strategies of global brands and retailers, oversight of the garment sector by the government of Bangladesh, and investments in development to address infrastructure failings that contribute to the cycle of factory disasters.

The committee's hearing examines efforts to address shortcomings in workplace safety and respect for workers' rights in Bangladesh by the U.S. Government and two separate private initiatives on the part of multinational brands, as well as local unions. Over the last year, the Center for Business and Human Rights at New York University Stern School of Business has studied these efforts, including through two research missions to Bangladesh and a meeting convened at NYU Stern that brought together major players in the garment sector. Our conclusion is that reforms proposed to improve working conditions in the last year are not sufficient to bring about fundamental change in the supply chain. There is an urgent need to identify and address underlying causes of industrial accidents and to chart a practical and achievable way forward for the garment sector in Bangladesh.

CONTEXT

The premise of globalization and global supply chains is that they benefit people in developed and developing countries. Consumers in the United States and other developed countries have wide access to affordable products, while workers in places like Bangladesh are lifted out of extreme poverty and their countries become more prosperous and stable partners. The tragedies that have unfolded in Bangladesh in the last year are a stark illustration that deep reform is needed to make this equation add up.

Bangladesh is by no means the only country that has capitalized on a large labor force and low production costs to build an export economy centered on apparel exports. China, Vietnam, Indonesia, Honduras, Cambodia, Mexico, and India all have followed similar strategies. But Bangladesh is unusual in its production volumes (it follows only China and Vietnam in U.S. apparel imports) and the outsized role garments play in its export economy, coupled with the country's exceptionally weak governance.

Bangladesh ranks at or near the bottom among the 97 countries measured in the World Justice Project's annual Rule of Law Index, across all measures of good governance. It ranks 97th in civil justice, 90th in regulatory enforcement, and 89th in absence of corruption. In these areas, it joins Liberia, Cameroon, Cambodia, Sierra Leone, Venezuela, Zimbabwe, Ethiopia, and Pakistan. In short, the government lacks the political will, technical capacity, and resources necessary to protect the basic rights of its own workers.

INITIAL STEPS TOWARD DEEPER REFORM

Some important steps have been taken in the last year which begin to lay the groundwork for deeper reform. In June 2013, the Obama administration suspended Bangladesh's participation in the Generalized System of Preferences (GSP) program, which gives preferential trade status to least developed countries. While the GSP program does not include apparel exports from Bangladesh, it sent an important signal that the United States considers a lack of respect for worker safety and workers' rights to be a serious diplomatic issue. As Senator Levin and Congressman Miller said at the time, "this decision sends a strong message that Bangladesh must take serious and concrete action to improve the situation on the ground."

The Government of Bangladesh complained bitterly about the decision, despite the fact that it affects only 1 percent of Bangladesh's exports to the United States. In their statement, Senator Levin and Congressman Miller also expressed an expectation that the "decision will be viewed with interest by others considering similar action, such as the European Union." The European Union's GSP program includes garments for Bangladesh; suspension would represent a serious economic blow, though it has not indicated whether it will consider such a move.

Second, two important private initiatives have been formed around the issue of fire and building safety, each bringing together separate groups of global apparel brands and retailers, the Accord on Fire and Building Safety ("Accord") and the Alliance for Bangladesh Worker Safety ("Alliance"). Both aim to improve factory safety through three-part programs that include factory inspections, worker trainings, and the provision of resources to make factory improvements over a 5-year period.

Considerable attention and energy has been devoted to parsing differences between these two initiatives, including in the context of this committee's hearing. One important difference is the participation of global and local unions in the Accord. The Accord also imposes stricter requirements for global retailers in providing mandatory funding for remediation, whereas the Alliance makes contributions for remediation voluntary. But our analysis of the Accord and the Alliance (Appendix 1) concludes that the similarities outweigh the differences. Both bring together large groups of companies operating in the same sector to conduct specific activities centered on fire and building safety in a coordinated and accountable manner. It is a very positive development that more than 150 American and European companies are working together on these issues and embracing common standards for implementation, but more needs to be done.

On a parallel track, the Government of Bangladesh has initiated its own "National Tripartite Plan of Action on Fire Safety in the RMG Sector." The plan identifies many of the issues that are relevant for transforming the garment sector, including setting up a transparent and accountable system for subcontracting. But the plan includes an overly ambitious timeline, and deadlines have passed for the majority of the 21 actions steps. Especially in Bangladesh's turbulent political and electoral climate, it seems unlikely that there will be either sufficient political will or government resources to implement the plan's complex administrative and programmatic activities.

BUSINESS AS USUAL IS NOT AN OPTION

"Business as usual is not an option" was a common refrain in the immediate aftermath of Rana Plaza. But since last April, little has changed in the way business operates. Professor Richard Locke, now of Brown University, has conducted extensive research on systems to improve working conditions in the manufacturing sector. His recent book, "The Promise and Limits of Private Power: Promoting Labor Standards in a Global Economy" (Cambridge 2013), concludes that the two most important factors for improving working conditions are long-term, trust-based business relationships between buyers and suppliers, and a strong rule of law.

Locke also concludes that systems based on labor inspections by multinational brands that are conducted independently of any sourcing incentives or disincentives are largely ineffective in achieving better working conditions. Many apparel brands initiated this kind of private compliance model in the late 1990s, and Locke's conclusion resonates among people who struggled to make improvements under this model.

Since they both launched last year, it appears that the Accord and the Alliance are doubling down on the private compliance model and are investing heavily in the same regime of inspections and remediation plans that have constituted conventional wisdom in the apparel sector for the last 15 years. Both initiatives are in the early stages of development and there is room for both to innovate and expand their scope. For now, while the Accord and the Alliance should be commended for bringing together more than 150 global companies to collectively address factory safety

and for increasing accountability to outside stakeholders, neither agreement goes far enough.

The collapse of Rana Plaza last April was the most deadly industrial accident ever to occur in the global apparel industry. Yet it is not at all clear that the deaths of more than 1,200 workers in a single accident have changed the underlying structure of the supply chain model that helped create the circumstances leading to the tragedy.

REAL REFORM REQUIRES FURTHER ACTION

Reforming the supply chain will require significant investments in three key areas: supply chain management, government oversight, and infrastructure development. Investing in these areas does not mean that business—either globally or in Bangladesh—should not be profitable. We believe strongly in the power of business to create value for business and society, as it has done in Bangladesh and around the world. But the current model is not sustainable. A supply chain that is literally falling down is bad for workers, business, American consumers, and Bangladesh's prospects for growth in its export economy.

1. Supply chain management

As Locke's research has shown, the best thing global companies can do for working conditions is to develop long-term, trust-based business relationships directly with suppliers. For most companies, especially those that are heavily reliant on intermediaries and sourcing agents to procure their products, this means fundamentally reexamining their sourcing strategies. Some companies, including Nike, Adidas, H&M, and Fast Retailing (Uniqlo) have started to make strides in this area by shortening their supply chains, establishing relationships with strategic suppliers, and maintaining direct relationships with a significant portion of their supplier networks.

It is concerning to see repeated reports of American and European companies expressing surprise that their products were found to have been made in an "unauthorized" facility, often with acutely substandard conditions and even child labor. It is not credible for major brands to claim ignorance of where their products are being made. The answer to this problem is not yet another supplier code of conduct or inspections on top of inspections, but investments in better supply chain management.

There is something wrong with the way the supply chain is managed if the only way to meet demands for price, quantity, and delivery time is to split up orders among an opaque network of suppliers, some of whom operate substandard facilities. This is what many in the garment sector describe as an open secret—the dependence on a system of authorized and unauthorized subcontracting in which workers ultimately pay the price.

Companies are quick to point out that they have policies against unauthorized subcontracting, and many supplier relationships have been cut in recent months over allegations of improper subcontracting. Addressing this problem will require more than a finger-in-the-dike approach. What is needed is better data about the nature of subcontracting and an open conversation about how to meet the pressures suppliers face in a more sustainable way, for workers and for business.

The Center for Business and Human Rights at NYU Stern is urging a more open conversation about the nature of business relationships in the supply chain and their effect on working conditions and respect for workers' rights. This spring, we will publish a detailed report on situation in Bangladesh and will convene a second meeting in Dhaka that will bring together buyers, suppliers, worker organizations, governments, and international organizations.

Reexamining sourcing strategies will not be easy. Doing so is likely to have far reaching implications well beyond Bangladesh, and it may increase costs for brands and consumers. But failing to look at the connection between business practices and working conditions will only perpetuate the tragedies of Rana Plaza, Tazreen, and countless other factories.

2. Government oversight

Primary responsibility for protecting the rights of Bangladeshi workers rests firmly with the Government of Bangladesh. Since its inception in the 1980s, an almost total lack of oversight has characterized the ready-made garment sector in Bangladesh. In the heyday of the Multifibre Arrangement (MFA), Korean factory owners facing limits on export quotas turned to Bangladesh as a place ripe for development in apparel exports. With few regulations and no building code in place until 1993, apparel factories were allowed to spring up almost anywhere in and

around Dhaka—in back yards, above auto body shops, in shopping centers, and tenement buildings.

The legacy of this system is well known. With increasing demand for high production volumes, floors have been added illegally to existing buildings to accommodate yet more factory space. Historically, the few factory inspectors employed by the government were paid so little that corruption was inevitable. And the government has devolved important regulatory functions, including issuance of an import and export permit and maintenance of the database of factories, to the leading trade association of garment manufacturers, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

It is critically important that the government assume much more significant oversight duties in the garment sector and devote the resources and personnel to make its oversight effective. Unfortunately, the government remains incredibly weak, especially in the midst of electoral turbulence and ongoing political protests.

The international community rallied around the launch of Better Work Bangladesh last fall, with donor governments in the Netherlands, Norway, Switzerland, the United States, and the U.K. providing significant funding to underwrite the program. Better Work program, now operating in eight countries, was initially developed in Cambodia with the aim of preventing exporting countries from exploiting low labor standards to attain competitive advantage in the global marketplace. The program also is intended to shift the burden of labor inspections in exporting countries from private actors—brands, retailers, and third-party auditors—to the public sector.

But Better Work's own assessment of its progress to date indicates that it has struggled to sustainably devolve enforcement of labor standards to the government or to enhance respect for ILO core labor standards in the most challenging areas. The Thirtieth Synthesis Report issued by the flagship Better Factories Cambodia program noted that child labor, discrimination, and freedom of association violations persisted, even after 12 years of auditing under the program.

Despite these challenges, Better Work Bangladesh is certainly worth investment by the international community. But it should not be a substitute for government oversight. Foreign governments should keep up diplomatic pressure on the Government of Bangladesh, as the United States has done around GSP suspension, to continue to press for greater attention and investment in oversight functions.

The BGMEA, too, should work with the government to gradually stop serving in its current pseudo-regulatory role. The BGMEA is a powerful political and economic entity. This is a moment for it to lead to ensure the sustainability of what has been Bangladesh's most profitable export industry. This means leading its membership to accept changes that will likely impose additional responsibilities on its members—increased regulations, greater public oversight, and strategies to relocate and even close some factories. These are the areas that are most critical for long-term sustainability of the garment sector, and they cannot be negotiated by outsiders.

The failure of the government to regulate the labor market is also evident in the lack of adequate judicial remedy for victims of industrial accidents. Documentation by the Bangladesh Legal Aid and Services Trust (BLAST) and the Bangladesh Institute for Labor Studies illustrates a pattern of inadequate remedy and compensation for victims, which adds to the burden of families who have already suffered greatly and further erodes trust in the garment sector.

3. Infrastructure development

A third critical area for lasting change in workplace safety is infrastructure development. Bangladesh lacks important infrastructure in industrial production facilities and electricity, among other areas. A lack of purpose-built production facilities and insufficient electrical production and delivery are major contributing factors to fire and building safety risks.

Bangladesh's infrastructure is one of the most underdeveloped in the world. The 2013–2014 Global Competitiveness Report of the World Economic Forum (WEF) ranks Bangladesh's infrastructure was 132nd out of 148 countries under review. The World Bank, IFC, and foreign government donors have made attempts over the years to invest in infrastructure. Their efforts have been stymied by endemic corruption and an entrenched unwillingness on the part of the government to investigate and prosecute corruption.

Here, too, the BGMEA has a leadership role to play in helping to develop new industrial parks where garment factories can relocate. It is notable that the export processing zones, which were purpose-built for large-scale industrial production, have not been plagued by fires and building collapses. There are other concerns regarding the zones, most importantly around a lack of respect for freedom of association, but on the issues of fire and building safety, they provide a lesson for the

broader garment sector. The government, the BGMEA, and foreign donors should redouble efforts to speed the creation of more industrial parks.

A second major issue is the quality of the electrical supply. Again, Bangladesh ranks near the bottom among the 148 countries included in the WEF survey, at 133rd. The country currently is unable to meet the rising demand for electricity from increasing industrialization. From 2000 to 2012, electricity consumption increased by an annual average of 12 percent, with little increase in electricity production.

Power shortages and power black outs occur frequently in the garment sector, causing factory owners to turn to generators. As was well-documented in the Rana Plaza collapse, the combination of heavy generators resting on unstable foundations can have tragic results. Moreover, generators consume more than 300 million liters of diesel and furnace oil a year, which adds significantly to production costs. And when power outages cause manufacturing delays, factory owners assume the high cost of airfreight. Some of the larger and better-resourced factory complexes have even built their own private power plants, which help those few factories that can afford them, but do little to address sector-wide shortcomings.

At present, most foreign development funding is focused on investments in Better Work Bangladesh, worker empowerment and skill development programs, food security, labor inspections, and combating human trafficking. But in the absence of major infrastructure overhaul in a few key areas, development programming in the garment sector will have an insufficient effect. Workers empowered to work in crumbling buildings still face grave risks. Investing in the kind of major infrastructure development Bangladesh needs has proven to be a frustrating and often fruitless task because of corruption. It is up to the government and local industry to make the case that Bangladesh is a sound investment.

CONCLUSION

The Center for Business and Human Rights at NYU Stern is hardly the first to assert that the way to increase respect for workers' rights in Bangladesh is better government oversight and investments in infrastructure development. Many people also acknowledge privately that loose business relationships, a lack of incentives for better labor practices, and the priority placed on negotiating the absolute lowest cost of production are what really drive poor working conditions.

But it is also common to hear that these issues are too difficult to take on or that "we have to start somewhere," with the same kind of inspection and remediation programs that have constituted CSR in the apparel industry since the mid-1990s. The priorities outlined above are ambitious because this is a moment for bold action. Media coverage of workplace safety in the global supply chain has not been this high in recent memory. Consumers are hungry for information and assurance that the products they buy meet basic standards of workers' rights. The administration is using its leverage through trade policy to encourage reform on labor rights. And Congress is paying attention, as demonstrated by this important hearing.

Enhancing the dignity of work and the sustainability of the garment sector in Bangladesh will require more than foreign solutions. The Government of Bangladesh and local industry must lead a transition to a better managed and better regulated garment sector that remains competitive over the long term. The first 20 years of the garment industry have helped lift millions out of extreme poverty in Bangladesh. We believe strongly that business also can be a force to ensure that the next two decades are brighter for Bangladesh's workers. We stand ready to work with local and global businesses, policymakers, workers' organizations, and other experts to chart a sustainable future course.

* * * * *

APPENDIX 1

Analysis of the Accord and the Alliance, Center for Business and Human Rights,
New York University Stern School of Business

The following analysis compares the Accord and the Alliance across five dimensions: participation, decisionmaking and governance, commitments, program and approach, and fees and funding. It is intended as a snapshot of the two initiatives at an early stage of their development, not as an exhaustive comparison. The Center's conclusion, discussed in its written submission to the February 11, 2014, Senate Committee on Foreign Relations hearing on Bangladesh, is that while the participation of unions in the Accord represents an important distinction, the similarities between the two initiatives outweigh the differences.

PARTICIPATION

Both the Accord and the Alliance are comprised primarily of multinational corporations from North America and Europe. Significantly, the Accord includes 10 unions as signatories, including 6 unions from Bangladesh. In this respect, it reflects the European industrial relations context, which have been characterized by political involvement through labor parties, worker participation in company decisionmaking, and relatively high levels of union membership.

	Accord	Alliance
Brands and retailers	139 retailers. The majority of participants are based in Europe; a smaller group is from the Americas. Also includes Asia's largest retailer.	26 retailers. All are North American companies, representing 90% of ready-made garment exports to the United States from Bangladesh.
Worker organizations or unions	10 union signatories, including six unions from Bangladesh.	None.
Other participants, observers, or advisors	Four international labor rights NGOs are "witness signatories."	"Supporting associations" include several North American trade associations and the NGO BRAC. Li & Fung serves in an advisory capacity.

DECISIONMAKING AND GOVERNANCE

Both initiatives are led by small governing boards with a neutral chair. Membership in the Accord's steering committee is split between retailers and unions. The Alliance's board is split between retailers and outside experts. Both have some international staff, as well as offices and staff in Dhaka.

	Accord	Alliance
Decisionmaking body	The steering committee is comprised of 3 representatives selected by trade union participants and 3 representatives selected by retailer participants. The ILO selects a neutral chair.	The board of directors includes 4 brand representatives, 4 outside experts, and an elected chair.
Staff	Led by an Executive Director for International Operations and an Executive Director for Bangladesh Operations, with an office and staff in Dhaka.	Led by a President and CEO in Washington, DC, with an office and staff in Dhaka.

COMMITMENTS

Each initiative is envisioned to last for 5 years, through 2018. The Alliance requires that members participate for 2 years; the Accord requires 5 years, with some requirements for maintaining order volumes for the first 2 years. If a member company leaves the Alliance, the member pays a financial penalty. If an Accord member is subject to a dispute, the issue is referred to the Steering Committee, whose decision either party can appeal to binding arbitration. Advocates of the Accord have emphasized that this constitutes a legally binding agreement, but it is not clear that the penalties associated with dispute resolution are significantly different from the more straightforward financial penalties contained in the Alliance.

	Accord	Alliance
Overall program commitment	5 years (2013 –2018).	5 years (2013 –2018).
Individual participant commitments	5 years of participation in the initiative. Member companies commit to maintaining order volumes for 2 years with Tier 1 and 2 suppliers as long as such business is commercially viable and the factory meets the member company's requirements.	Minimum commitment of 2 years participation in the initiative.
Penalties for leaving the initiative	Disputes between parties are referred to the Steering Committee, whose decisions can be appealed to a binding arbitration process.	Financial penalties assessed if a member leaves the initiative before the 2-year mark; lesser financial penalties if a member leaves after the 2-year mark.

PROGRAM AND APPROACH

In total, the two initiatives encompass approximately 2,400 factories out of the approximately 5,000 –6,000 factories in Bangladesh. The two initiatives offer similar programs, focused on factory safety and building inspections, worker training and empowerment, and making funds available for factory remediation. All program activities in both initiatives focus on building and fire safety and do not address broader issues of labor rights, freedom of association, or business relationships in the supply chain.

	Accord	Alliance
Core program elements	Safety inspections, remediation, fire and building safety training, member-sponsored funding for factory improvements.	Safety inspections, safety and empowerment training, voluntary loans for factory improvements.
Factories covered	All suppliers producing products for signatory companies; approximately 1,700 suppliers across three tiers.	100% of factories in the members' respective supply chains; approximately 700 factories.

FEES AND FUNDING

In both initiatives, corporate participants make an annual contribution based on dollar volume of exports to cover the inspection and training programs and operational expenses. The initiatives differ in the degree to which companies are required to cover the costs of remediation. In the Accord, it is mandatory for each member company to make sufficient funds available to pay for structural repairs and renovations, while in the Alliance such funding is made available through voluntary loans.

	Accord	Alliance
Participant fees to support core programming and operations	Company signatories make a maximum annual contribution of \$500,000 on a sliding scale basis relative to volume of sourcing from Bangladesh. Fees cover safety inspections, trainings, and operational expenses.	Members contribute up to \$1,000,000 per year to a Worker Safety Fund. Fees are assessed on a tiered basis, based on dollar volume of exports in the previous year. Fees underwrite fire and building safety initiatives in factories supplying member companies and operational expenses.
Additional costs to support factory-level remediation	Each member company is responsible for ensuring sufficient funds are available to pay for structural repairs or renovations in factories where remediation is required.	Individual members may make affordable financing available to suppliers in their individual supply chains to help finance factory repairs and improvements on a voluntary basis. Terms are set by the individual member company.
Support for displaced workers during remediation	Each company is responsible for covering the cost of displaced workers in its supplier factories.	10% of fees directed to the Worker Safety Fund are reserved to support temporarily displaced workers.

PREPARED STATEMENT FROM THE GOVERNMENT OF BANGLADESH

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EMBASSY OF THE
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7 February 2014

Honourable Senator Robert Menendez
 Chairman, Senate Committee on Foreign Relations
 444 Dirksen Senate Office Building
 Washington, DC 20510

**Subject: Bangladesh Government's position on the Democratic Reconciliation
 and Worker's Rights in Bangladesh.**

Honourable Senator Menendez:

As the Senate Foreign Relations Committee, under your chairmanship, is scheduled to hold a hearing titled "Prospects for Democratic Reconciliation and Worker's Rights in Bangladesh" on 11 February 2014, I take the privilege to send my government's position on the issues concerned, for your kind consideration.

I shall deeply appreciate if the document is disseminated to the Committee members and Staffers as well as any interested official. I would also like to request that the documents may be put in the official records and public domain.

Enclosed: as stated
 (Including this total 20 pages)

Warm regards,

sincerely,

Muhammad A. Muhith
 Charge d' Affaires a.i.

**"Prospects for Democratic Reconciliation and Worker's Rights in Bangladesh:
Submission of Bangladesh Government's position to the
Senate Committee on Foreign Relations
7 February 2014**

- The newly elected Government under the leadership of Prime Minister Sheikh Hasina remains committed to democratic reconciliation in Bangladesh in line with the aspirations of the people of Bangladesh.
- The 10th Parliamentary elections of Bangladesh were held in a free, fair, impartial and transparent manner on 05 January 2014 under an unprecedented political commitment to uphold the letter and the spirit of the Constitution of the country and its people's unyielding resolve to take parliamentary democracy forward in keeping with contemporary global electoral practices in democratic polity.
- The 2014 polls have vindicated for the first time since the country's parliamentary history was reestablished in 1991, that given an independent, neutral and fully empowered Election Commission supported by a strong political commitment of an incumbent elected government to uphold the confines and sanctity of the Republic's Constitution, its people's right to vote and the rule of law-- free, fair and credible elections are indeed possible in Bangladesh as in any other parliamentary democracy under an incumbent election-time *elected and political* government, instead of an unelected and unconstitutional non-party *Caretaker Government* as demanded by country's major opposition BNP and its other Alliance partners.
- Drawing on the constitutionality, legality and legitimacy of the election, the newly-elected Government would continue to work towards forging national consensus on addressing some of the underlying issues that tend to render Bangladesh's otherwise vibrant and inclusive Parliamentary democracy susceptible to certain unconstitutional predilections and undemocratic tactics and dispositions from time to time. The Government remains sensitized to the fact that in order to maintain the trajectory of growth and dynamism currently witnessed across Bangladesh's socio-economic landscape, it would be imperative to find a durable solution to some of the outstanding issues around the electoral system and the overall democratic political culture pivoted around the Parliament comprising people's elected representatives. This renewed quest for solutions must be guided by the fundamental values and principles that had been integral to the ethos of Bangladesh's War of Liberation in 1971 and its original Constitution of 1972, and yet were unfortunately reopened by successive military and autocratic regimes for the sake of political expediency and polarizing a unified democratic polity.
- In order for the new Government to embark on this rather challenging yet essential task of democratic reconciliation, all concerned including the opposition political parties need to, first and foremost, demonstrate their willingness to engage with the Government by accepting its legitimacy and reality in deference to the will of the people. It does not necessarily help to create an enabling environment for political

reconciliation if a major political party, having made a strategically wrong choice of staying out of the elections despite repeated overtures by the Government, now maintains a political posture whereby it would like to question the legitimacy of the Government, ignoring the people's verdict.

- Even before the 10th Parliamentary Elections were held, Prime Minister Sheikh Hasina, in keeping with her tradition of championing democratic dialogue and reconciliation, had made an offer of dialogue with the opposition after the elections with a view to reaching an understanding on the modalities for holding the next 11th Parliamentary Elections within the Constitutional framework. **However, she had categorically said that the right environment for dialogue could only be created if the BNP had shunned the path of violence, arson, killing and subversion, and extricated itself from the clutches of the Jamaat-e-Islami and its open terrorist acts and extremist agenda.**
- It is again unfortunate that in the immediate aftermath of the elections, the BNP-Jamaat combine resorted to targeted and pre-meditated attacks against the religious and ethnic minority communities in different parts of the country. The minority communities were singled out for these attacks particularly for making their choice to exercise their franchise despite all odds created by those hell-bent of subverting the elections. The Government and people of the country denounced such senseless attacks, and the newly elected Government took immediate and decisive measures to arrest such trends by deploying law enforces agencies for protecting the lives and properties of the minority communities and also to rebuild their homes and religious sites damaged during the attacks. Prime Minister Sheikh Hasina personally visited the districts that witnessed the worst attacks and provided relief assistance to the affected families and committed further development work in the concerned areas. She made a clarion call to the minority communities not to feel intimidated by such motivated attacks, and to enjoy and exercise their inalienable rights as the citizens of the country in dignity and full freedoms.
- The Government appreciates that the international community in general had also rejected the violence and terror unleashed by the opposition combine during the lead-up to the elections, and also expressed concerns at the attacks against the minority communities and civilian population in the aftermath of the elections. The European Parliament, in particular, in its Resolution of 16 January 2014 on Bangladesh's Elections, urged the BNP to "unequivocally distance itself from the Jamaat-e-Islami and Hefazat-e-Islam" and also stressed that "parties that turn to terrorist acts should be banned". The US and others have also asked the opposition political parties to use the space provided to them for exercising their democratic rights in a responsible manner and through peaceful, non-violent means.
- The Hon'ble Prime Minister, in her post-election statement to the national and international media, had made it clear that it would be the foremost priority of her new Government to restore law and order, and bring the perpetrators of violence and mayhem to justice. Under her directives, the law enforcement agencies have conducted joint operations in parts of the country which have restored normalcy and

brought back sense of peace and security among people in general. There have been reports of casualties suffered by some criminals during the joint operations conducted by the law enforcement agencies as they tried to resist or escape the legal actions, and the Government would make sure that **each of these incidents were accounted for through the regular administrative proceedings and judicial inquiries and prosecution** pertaining to the prescribed regulations of concerned uniformed services.

- The BNP-Jamaat combine has been trying to undermine the Government's efforts in this regard by questioning the legality of some of the actions by the law enforcement agencies, but such allegations have not been accepted by cross section of citizens. Despite such provocations, the Government, on its part, remains committed to ensuring that the law enforcement agencies continue to act within the strict bounds of law. To this effect, the Government firmly stands by its **principled position to show 'zero tolerance' to any excesses or aberrations amounting to violation of human rights by the law enforcement personnel**. The Government would also abide by the commitments it has made to the international community during Bangladesh's Universal Periodic Review (UPR) held at the Human Rights Council in April 2013, and also occasionally makes to the Special Procedures while accounting for any alleged violation of human rights by the law enforcement agencies.
- The Government has also made it categorically clear that it has no intention of creating any constraints for the Opposition to pursue their **legitimate, peaceful political programmes** in keeping with the Government's firm commitment to freedoms of assembly, association and expression. The Government expects that the opposition political parties would use the democratic space they are entitled to and can take for granted to pursue peaceful and non-violent political programmes without posing threats to and hurting people's lives and properties.
- The Government has also shown its appreciation for the fact that, in the aftermath of the elections, the BNP had desisted from announcing further destructive programmes. The BNP has also been seen to be encouraging its activists to take part in the upcoming Upazilla elections which are slated to be held in phases during February – April 2014 as per the Election Schedule declared by the National Election Commission. The fact that the BNP has decided to actively engage with these elections (without the candidates openly using their respective party affiliations as per law) reaffirms its confidence in the Election Commission as well as the newly elected Government to hold free, fair, impartial and credible elections. It is expected that the upcoming local elections would also expand the space for democratic debates across the political spectrum and also pave the way for dialogue and reconciliation at the national level.
- There are also signs that economic activities around the country have come back to life and are on their way to gradually overcome the crippling effects of the series of violent shutdowns and blockades that the Opposition had imposed on the people to serve their narrow political agenda. The Centre for Policy Dialogue (CPD), a leading think tank, estimates that the shutdowns and blockades have cost the nation 4.7% of

the total size of its annual GDP for 2013. The biggest brunt had been borne by the transport sector, with agriculture, textiles and tourism industries coming next in line. The revival of the overall economic health of the country is also a major factor for creating an atmosphere conducive for dialogue and reconciliation. The newly elected Government has embarked on immediate initiatives to restore confidence among the business community and impart the message to the international community that Bangladesh is now again ready for business in a stable and investment-friendly environment.

- On the political front, Prime Minister Sheikh Hasina has kept her offer for dialogue and reconciliation open provided the two conditions she had laid out for the consideration of the BNP were duly heeded to by the latter to match people's current expectations from them. In appreciation of the magnitude of the task at hand, the Prime Minister, in her post-election statement, had said, "All issues relating to the next elections can be resolved through dialogue. **Towards that end, all concerned would have to be patient, tolerant and put an end to all forms of political violence.**"
- The Hon'ble President of Bangladesh also echoed these sentiments and underscored the need for dialogue and understanding to resolve the outstanding political issues during his address to the inaugural session of the 10th Parliament on 29 January 2014.
- The Government acknowledges that the process of creating an enabling environment for dialogue and reconciliation could be facilitated through multi-stakeholder consultations at the national level to revisit certain fundamental issues and questions that need to be addressed and recalibrated in order for Bangladesh's democracy to graduate to its next stage of maturity and to respond to the evolving political and socio-economic realities and aspirations of its people. In this context, the Government and the Opposition in the 10th Parliament have expressed their resolve to **make the Parliament truly effective by placing it at the centre of national political discourse.** An effective and fully functional Parliament is an essential pre-condition for the vibrancy and viability of an electoral, Parliamentary democracy.
- Finally, it would also be crucial to arrive at a national consensus on the significance of concluding the **ongoing trials of the crimes against humanity and genocide committed during Bangladesh's War of Liberation in 1971** to pave the way for ensuring justice and reconciliation by ending the culture of impunity that had widened the divide within the Bangladesh polity over the last four decades.
- It is expected that the US and the international community in general would maintain confidence in the Government's steadfast commitment, demonstrated at the highest political level, to work towards dialogue and reconciliation for forging national consensus on key issues of national interest, safeguarding Bangladesh's hard won tradition of holding free, fair, inclusive, credible and participatory elections without any violence or intimidation, and for upholding Bangladesh's identity in the world as a peace-loving, tolerant, pluralist, secular, democratic polity.

**Update of the status of the
Implementation of various Programmes, Measures and Initiatives of Bangladesh
Government in the context of the Worker's Rights and
US (Bangladesh) Action Plan- 2013**

A. INTRODUCTION

The Government of Bangladesh is sincere and politically committed to, at the highest level, in taking concerted efforts leading to definite and measurable outcomes in addressing the safety, security and labour issues in RMG sector. The Government of Bangladesh (GoB) have been making sustained efforts to improve workers' rights and fire safety situation, including amending the Labour Law, 2006. Despite the continuing advancements made by Bangladesh in this respect, the fire incident in *Tazreen Garments* factory and factory collapse of *Rana Plaza* building occurred. These incidents undermined the efforts of GoB as also caused widespread concerns within the country. Following these incidents, GoB intensely and pro-actively engaged in consolidating its efforts i.e. to take all precautionary measures for mitigating risks to avoid recurrence of such incidents. The workers' rights situation and fire safety in Bangladesh have been under continuous review by the United States Trade Representative (USTR) since 2007, aimed at sustainably improving safety, security and well-being of workers in RMG sector. This engagement emerges from wider appreciation of the significant manner that RMG sector impacts on lives and livelihoods of millions of people directly involved and more impacted indirectly and also the contribution that the sector continues to make on overall advancement in a range of key social and economic indicators for Bangladesh, including empowerment of women.

In the process, GoB engaged exporters, workers associations and all civil society stakeholders in building needed much wider coalition. GoB has also remained engaged with International Labour Organization (ILO), European Union, the United States and other development partners e.g. Canada, the Netherlands in taking concrete actions for improving the situation. Bangladesh, along with the European Union, the United States and ILO adopted "*Sustainability Compact for continuous improvements in labour rights and factory safety in the Ready-Made Garment and Knitwear Industry in Bangladesh*" (Geneva, 8 July 2013). Matching the response of the governments, for the first time, the global industry i.e. brands/buyers of Bangladeshi RMG have come forward with initiatives to engage in this process i.e. through forming Fire Safety ALLIANCE and signing ACCORD on fire and Building Safety in Bangladesh. As of early November 2013, these two major initiatives are at take off stage; and expected to take visible shape by end-2013. As of early-November 2013¹, Bangladesh is recognized to have satisfactory progress in a number of areas. The Government is confident that on completion of all the activities/measures, occupational safety and workers' right situation in Bangladesh will improve substantially. Launching of the Better Works Programme-Bangladesh, on 22 Oct. 2013, is surely yet another testimony to Bangladesh's sincere and

¹ Ref. conversation during Video Conference on implementation progress of Sustainability Compact between Dhaka-Brussels-Washington-Geneva on 7 November 2013.

deeper engagement on all fronts. More recently (Nov. 2013), in a letter jointly addressed by the EU Trade Commissioner and the High Representative addressed to Bangladesh Foreign Minister, they expressed deep appreciation for the sincerity, commitment displayed and actions taken by the Government of Bangladesh in this regard.

<i>Issues</i>	<i>Actions Taken</i>
Government Inspection for Labor, Fire and Building Standards	
Develop, in consultation with the International Labor Organization (ILO) and implementing in line with already agreed targets, a plan to increase the number of government labor, fire and building inspectors , improve their training , establish clear procedures for independent and credible inspections and expend the resource and their disposal to conduct effective inspections in the readymade garment (RMG), Knitwear and shrimp sectors, including within Export processing Zones (EPZs) .	<ol style="list-style-type: none"> 1. As part of its commitment to recruit 200 additional inspectors for the Department of Inspection of Factories and Establishments (DIFE) by end-2013 and to ultimately upgrade it to a Directorate with strength of 800 inspectors, the Government, through an accelerated process, has since decided to upgrade the Department to a Directorate, with a sanctioned manpower of 1,000 plus. In the first phase, the Government has created 679 new posts for the Directorate - out of which 392 are of Inspectors (<i>of higher ranking/stature</i>). 2. Meanwhile, the Department of Inspection of Factories and Establishments has recruited 43 inspectors in the Department. Recruitment of more 16 inspectors against vacant post is in progress. 3. Most recently, the Ministry of Labour and Employment has issued Government notification upgrading the Department to a Directorate. MoLE will start recruitment process for the Directorate. 4. Directorate of Fire Service & Civil Defense (DFSCD) has initiated recruitment of additional fire inspectors. Proposal for creating 260 posts of inspectors, in addition to the existing strength of 50 inspectors, is now in the approval process within the Government. 5. The Capital Development Authority (RAJUK), responsible for observance of building codes in the Capital and surrounding areas, is processing recruitment of 132 inspectors, in addition to existing strength of 48 inspectors. In October 2013, vacancies have been

<i>Issues</i>	<i>Actions Taken</i>
	<p>advertised in leading national dailies and Rajuk is scrutinizing the application.</p> <p>6. The Chittagong (commercial and port city) Development Authority (CDA) is also in the process of increasing its strength and manpower e.g. related to inspection. Its proposal to increase number of posts of inspectors from 8 to 40 has been approved by the Government.</p> <p>7. The Government has taken steps to strengthen inspection capacity of the Department of Inspection for Factories and Establishments (DIFE), with technical support from ILO, through training. Currently, training is being provided under the USDOL-funded Project "Promoting Fundamental Principles and Rights at Work (FPRW)". These training programmes are being conducted for the workers, trade union leaders and employers with a view to building capacity - both of the trade union representatives' and employers' organizations. The Project aims at providing training to at least 50,000 workers on trade unions and to build awareness and strengthen trade union registration capacity of the Department of Labour. A total of 1,216 trainees have attended workshops/ training programmes under the Project. New training activities will be conducted under the newly launched project 'Improving Working Conditions in the Ready-Made Garment Sector and technical assistance'.</p> <p>8. The Government has already developed a common standard for fire safety inspection together with the technical team form under ACCORD and Fire Safety ALLIANCE.</p> <p>9. The Government has already decided to increase budgetary allocation for Directorate of Inspection of Factories and Establishments, Directorate of Fire Service and Civil Defense (DFSCD), RAJUK and CDA for</p>

<i>Issues</i>	<i>Actions Taken</i>
	<i>increasing the manpower and strengthening capacity in the organizations.</i>
Increase fines and other sanctions including loss of import and export licenses, applied for failure to comply with labor, fire or building standards to levels sufficient to deter future violations.	<ul style="list-style-type: none"> ▪ A technical Committee, headed by Joint Secretary, Ministry of Commerce, comprising all stakeholders, including private sector representatives, has examined the relevant Acts, Rules and Regulations. The Committee has observed that the Bangladesh Labour Act stipulates penalty for violation of the provisions of the Act under Chapter XIX. The recent amendment has increased penalty for violation of the provisions. Bangladesh Fire Prevention and Fire Fighting Law, 2003 provides for suspension of fire license and penalty for violation of the Act, including imprisonment up to 7 years. The Building Construction Act, 1952 provides for penalty including imprisonment up to 7 years for construction of building without prior permission or in deviation of approved design, etc. ▪ The Committee also observed that the Importers, Exporters and Indentors (Registration) Order, 1981, regulations on bonded warehouse administered by the National Board of Revenue
Develop, in consultation with the ILO, and implement in line with already agreed targets, a plan to assess the structural building and fire safety of all active RMG/knitwear factories and initiate remedial actions, close or relocate inadequate factories, where appropriate.	<ul style="list-style-type: none"> ▪ The Tripartite Committee, with the support of ILO, has developed a plan for assessment of building, fire and electrical safety of all active RMG/Knitwear factories. For this purpose, thirty (30) teams of qualified engineers, led by Bangladesh University Engineering Technology (BUET), have been formed. The activities are being carried out under the project 'Improving Working Conditions in the Ready-Made Garment Sector' funded by the Royal Dutch Government, DFID-UK and Canadian Government and supported by ILO's technical assistance. ILO (initial fund) and IFC (for better work programme) have made financial contribution. The teams have already conducted preliminary assessment of 106 factories. ▪ Similar initiatives are also being taken under:

<i>Issues</i>	<i>Actions Taken</i>
	<ul style="list-style-type: none"> a. <i>ACCORD signed by European Buyers;</i> b. <i>Safety ALLIANCE by North American Buyers;</i> ▪ <i>Since inspection are being carried out under three initiatives, Technical teams formed by the Tripartite committee together with the technical teams of the ACCORD and ALLIANCE have agreed on a common standard for assessment of fire, electrical and building safety of the factories on 8 November 2013.</i> ▪ <i>Besides, there are some more relevant initiatives underway:</i> <ul style="list-style-type: none"> ✓ <i>Project worth BDT 100 million, funded by JICA, for reallocation and remediation of factory buildings;</i> ✓ <i>Project of Department of Labour worth USD 2.5 million for fire and workers' safety.</i> ✓ <i>ILO's project 'Improving Working Condition in the RMG Sector' also includes strengthening labour inspection, occupational health and safety awareness programme, rehabilitation of injured workers, and better work programme.</i> ▪ <i>As per current arrangement, ACCORD and ALLIANCE will carry out assessment of around 2,000 factories, while assessment of the rest 1,500 active RMG factories will be done by the teams under the supervision of Tripartite Committee. The Project 'Improving Working Conditions in the Ready-Made Garment Sector' covers funding only for carrying out preliminary assessment of 1,500 factories. Funding arrangement for detailed assessment of the factories is yet to be made. A key challenge is to ensure availability of fund for detailed assessment to be carried out under the supervision Tripartite Committee.</i>

<i>Issues</i>	<i>Actions Taken</i>
Create a publicity accessible database/matrix of all RMG/knitwear factories as a platform for reporting labor, fire and building inspections, including information on the factories and locations, violations identified, fines and sanctions administered, factories closed or relocated, violations remediated, and the names of the lead inspectors.	<i>The Project 'Improving Working Conditions in the Ready-Made Garment Sector' includes a programme for development of database. The database will include, among others, information on building structural and safety assessment, business registration and licensing, factory inspection, accident and injury, and other relevant information.</i>
Establish directly in consultation with civil society an effective complaint mechanism, including a hotline , for workers to confidentially and anonymously report fire, building safety, and worker rights violations.	Directorate of Fire Service and Civil Defense (FSCD) has already established a hotline . The other two hotlines are to be established at DIFE and DOL. The management authority of the project entitled 'Improving Working Conditions in the Ready-Made Garment Sector' has decided to establish two hotlines in DIFE & DOL and the preparation is going on.
Ready Made Garments (RMG)/Knitwear Sector	
Enact and implement, in consultation with the ILO, labor law reforms to address key concerns related to freedom of association and collective bargaining.	<i>The Labour Law was passed by the Parliament on 15 July 2013.</i> MoLE has already formed a "Committee for preparing the rules of Bangladesh Labour Act" headed by Labour Secretary. 'Working Group', formed by the Committee , has already prepared a draft, which is now under consideration of the Committee. The Committee will hold consultations with all stakeholders on the draft shortly.
Continue to expeditiously register unions that present applications that meet administrative requirements, and ensure protection of unions and their members from anti-union discrimination and reprisal.	<ol style="list-style-type: none"> 1. To date, 215 trade unions have been registered in the RMG sector. During 1 January 2013 - 30 December 2013, a total of 79 trade unions (Dhaka-65 and Chittagong-14) in RMG sector have been registered by the Department of Labour. 2. Labour unions and their leaders are protected under various provisions of the Bangladesh Labour (Amendment) Act, 2013. Anti-union discrimination and reprisal are against the Law and subject to legal actions. The aggrieved

<i>Issues</i>	<i>Actions Taken</i>
	<p>workers may take legal actions/ lodge a case if the management of the factories may take anti-unionism activities and reprisal. Awareness building training programmes for the owners and factory management regarding Bangladesh Labour Act including labour union rights are being undertaken by the Government.</p> <p>3. Regarding complaints about anti-union discrimination in 7 factories, the Department of Labour has already investigated the complaints. As reported by the DoL, situation is as follows:</p> <ul style="list-style-type: none"> a. Basic apparel: 72 workers have resigned at their will. Registration of trade union is in the process. b. Weltex Ltd. Two workers Mr. Manic and Mr. Mohir have been terminated from the factories as per Labour Act 2006. Department of Labour has instructed the factory management to reinstate Md. Mozibur Rahman terminated by the Management. No evidence is available regarding termination of other 16 workers. c. Rumana Fashion: Transfer order of 6 workers has been cancelled at the request of trade union. Case against 12 workers for their involvement in fight amongst themselves has been withdrawn. Temporary suspension order against the president of trade union has been withdrawn. d. Massco Industries Ltd.; There are two trade unions in this factory. No evidence was found regarding harassment of workers. e. Eagle Eyes Design Ltd: Department of Dhaka has filed case against the management regarding unlawful termination of 3 leaders of trade union and sixteen other workers. f. Sadia garments: General Secretary of trade union has resigned at his will and he has taken all dues. Registration has been given to trade union of this factory. g. Global trouser Ltd: since activities of the

<i>Issues</i>	<i>Actions Taken</i>
	trade union under the jurisdiction of the High court, no action can be taken.
Publicly report information on the status and final outcomes of individual union registration applications, including the time taken to process the applications and the basis for denial if relevant, and information on collective bargaining agreements concluded.	Information regarding the process of registration of trade unions is open for public. Website for disseminating the reports has been developed. However, it is yet to function properly. Activities on establishment of a publicly reporting system are going on under the project entitled 'Fundamental Principles on Rights to workers'.
Register non-governmental labor organizations that meet administrative requirements, including the Bangladesh Center for Worker Solidarity (BCWS) and Social Activities for the Environment (SAFE). Drop or expeditiously resolve pending criminal charges against labor activists to ensure workers and their supporters do not face harassment or intimidation. Advance a transparent investigation into the murder of Aminul Islam and report on the findings of this investigation.	<ul style="list-style-type: none"> ▪ <i>The Ministry of Social Welfare has already given the permission to resume the activities of SAFE and BCWS. They are continuing their operation since August 2013.</i> ▪ <i>All 8 charges against Babul Aktar and Kalpona Aktar, under Section 494 of Bangladesh Criminal Procedure Code (Cr.PC) have been withdrawn. Last charge was withdrawn on 5 December 2013.</i> ▪ <i>Investigation into Aminul Islam murder case is ongoing. The investigation of the murder case of Mr. Islam has been transferred to the Criminal Investigation Department (CID) in October 2012, which is a significant development. The CID has since been able to identify two persons as principal suspects and identity of one of those has been established. As the suspects are absconding, the Government has declared a reward of BDT 100,000 (US\$ 1,400) for apprehending the one whose identity has been established. The Government has also brought the case under the ambit of 'Sensitive Cases' which would ensure regular monitoring and thereby expeditious investigation. Police has confiscated the property of Mustafizur Rahman, the principal suspect, and served notice two times in leading national dailies. The charge sheet against Mustafizur Rahman has been filed and in absentia trial of Mr. Aminul Islam Case has been started.</i>

<i>Issues</i>	<i>Actions Taken</i>
Publicly report on the database /matrix identified above or anti-union discrimination or other unfair labor practice complaints received and labor inspections completed, including information on factories and locations, status of investigations, violations identified, fines and sanctions levied, remediation of violations, and the names of the lead inspectors.	The project ' <i>Improving Working Conditions in the Ready-Made Garment Sector</i> ' (BGD/13/09/MUL) includes a programme for development of database.
Develop and implement mechanisms, including a training program for industrial police officers who oversee the RMG sector on workers' freedom of association and assembly, in coordination with the ILO, to prevent harassment, intimidation and violence against labor activists and unions.	The Ministry of Home Affairs has been regularly organizing training programmes for industrial police with its own resources. The training programmes include training of trainers, in-service training for industrial police, basic training for industrial police, fires extinguish and management course, photography and videography course, training on accounting, orientation course etc. Modules of these training programmes among other include, Bangladesh Labour Act, Geneva Convention, UN Human Right Charter and other issues relevant to industry and labour. As of November 2013, 2,019 staff in industrial police has been trained through these programmes.
Export Processing Zones	
Repeal or commit to a timeline for expeditiously bringing the EPZ law into conformity with international standards so that workers within EPZ factories enjoy the same freedom of association and collective bargaining rights as other workers in the country. Create a government working group and begin the repeal or overhaul or the EPZ law, in coordination with the ILO.	A High-level Committee, headed by Senior Secretary of Prime Minister's Office, is at work; and had its first meeting on 11 September 2013. The Committee formed a working group to draft an Act for bringing the EPZ Act in conformity with Bangladesh Labour (amendment) Act 2013. The group has already submitted a draft to High-level Committee, with a recommendation to consult it with all stakeholders for its finalization.

<i>Issues</i>	<i>Actions Taken</i>
Issue regulations that, until the EPZ law has been repealed or overhauled, will ensure the protection of EPZ workers' freedom of association, including prohibiting "blacklisting" and other forms of exclusion from the zones for labor activities.	BEPZA is committed not to blacklist workers in EPZs. Workers Welfare Associations (WWAs) will continue to enjoy rights to collective bargaining. In addition, they enjoy the right to strike in EPZ w.e.f. 1 January 2014.
Issue regulations that, until the EPZ law is repealed or overhauled, will ensure transparency in the enforcement of the existing EPZ law and that require the same inspections standards and procedures as in the rest of the RMG sector.	The Government is committed to ensure transparency in the enforcement of the existing EPZ Workers' Welfare Association and Industrial Relation Act 2010. According to Article 37 of the EWWAIR Act, 2010, the WWA registered under this Act in an industrial unit would serve as the Collective Bargaining Agent (CBA) for that industrial unit. It has the right to negotiate directly with the employer on wages, working hours and other terms and conditions of employment. There is no report from WWAs or any other organization regarding denial of exercise these rights in recent past.
Shrimp Processing Sector	
Actively support ILO and other worker-employer initiatives in the shrimp sector, such as the March 2013 Memorandum of Agreement, to ensure the strengthening of freedom of association, including addressing anti-union discrimination and unfair labor practices.	The Government has diverted fund for activities to be carried out by the ILO and under March 2013 Memorandum of Agreement in the Shrimp Processing sector from other project. The Government has already approved transfer of funds worth BDT 80 Million and 23 Million from the Bangladesh Economic Growth Programme for two separate projects, one to be implemented by the ILO and the other to be implemented by World Fish Center. BDT 23 million has already been released and BDT 80 million was released on 28 Nov. 2013.
Publicly report on anti-union discrimination or other unfair labor practice complaints received and labor inspections completed, including information on factories and locations, status of investigations, violations identified fines and sanctions levied remediation of violations,	Reporting system currently developed for Department of Labour under the project entitled 'Fundamental Principles on Right to workers' will cover reports of all sectors including shrimp.

<i>Issues</i>	<i>Actions Taken</i>
and the names of the lead inspectors.	

Issues under Sustainability Compact

Issues	Actions Taken
Conforming to all the existing ILO rules, procedure and practices in appraising the actions taken with respect to the implementation and enforcement of the revised Labour Law. Effective implementation and enforcement of the Labour Law will be monitored through regular reports by the Government of Bangladesh to the ILO Committee of Experts and social partners' observations submitted to the same Committee, in compliance with the conclusions of the ILO Committee on Application of Standards.	As a member of ILO, Bangladesh is committed to conform to all the existing ILO rules, procedure and practices in appraising the actions taken with respect to the implementation and enforcement of the revised Labour Law. This year 10 regular reports on ILO Conventions C-1, C-14, C-87, C-89, C-98, C-106, C-107, C-138, C-144 and C-149 were scheduled to submit to ILO (Annex). Except report on C-149 all reports have already been submitted to ILO Committee of Experts.
Achieving eligibility for the Better Work Programme , a partnership between the ILO and the International Finance Corporation (IFC), in order to improve compliance with labour standards and to promote competitiveness in global supply chains in the RMG and knitwear industry. To this end the Government of Bangladesh commits to do all within its power to enable the Better Works Programme in Bangladesh to start as soon as possible following the adoption of amendments to the labour law under consideration in the Parliament of Bangladesh. The Government of Bangladesh will act expeditiously to register independent trade unions and to ensure protection of unions and their members from anti-union discrimination and reprisals. Once initiated, the Better Work Programme will include capacity building for social partners and support in development of social dialogue at the enterprise level. This should be done in coordination with the ILO and the IFC, and in	The Better work Programme has been launched by ILO as a component of the project 'Improving Working Conditions in the Ready-Made Garment Sector'

Issues	Actions Taken
cooperation with social partners, as defined by the ILO, as well as industry and worker representatives.	
Launching, by 31 December 2013, with the support of the ILO, skills and training programme for workers who sustained serious injuries in the recent tragic events and redeploying the RMG and knitwear workers that were rendered unemployed as well as rehabilitated workers.	One of the five components of the project ' <i>Improving Working Conditions in the Ready-Made Garment Sector</i> ' launched on 22 October 2013 is the rehabilitation and skilled training for victims of the tragic events.
Conducting, by 31 December 2013, with the support of the ILO, a diagnostic study of the Labour Inspection System and develop and implement a resulting action plan, including appropriate measures.	<p>This issue will be addressed under the '<i>Improving Working Conditions in the Ready-Made Garment Sector</i>' project initiated by ILO and launched on 22 October 2013. One of the components of this project is "Strengthening Labour Inspection & Support Fire and Building Inspection". This component will support the government to significantly improve the capacity of its inspection systems in four main ways:</p> <ul style="list-style-type: none"> i) <i>gradual improvement of its legislative and policy frameworks for fire, building and factory inspection to approach the requirements of International Labour Standards;</i> ii) <i>equipping and training of current and new recruits to the factory inspectorate;</i> iii) <i>support to review and improvement of the organizational structure and business processes of the Department of</i>

Issues	Actions Taken
	<i>Inspection of Factories and establishments, and iv) support to improve the capacity of the fire and building inspectorates.</i>

Conclusion

It has consistently been implementing the suggestions elaborated in the communication made by the United States in Bangladesh Action Plan, 2013. It is now globally recognized that a significant progress has already been achieved in a number of areas. It also manifests a changing approach and mindset in governing affairs in RMG sector in Bangladesh. Yet, it remains a long-drawn and continuous process. The Government and the people in Bangladesh are committed to sustain the changes to make RMG sector a clean, sensitive and productive sector and creating a win-win situation for all. In this endeavour, Bangladesh recognizes the valuable role of the international partners and is ready to work with them progressively.

The Government, people and the stakeholders in the RMG sector believes that the United States will re-visit its decision on temporary suspension of GSP facilities for Bangladesh in the light of the contemporary political, legal and administrative changes made and also in context of Bangladesh's unique resource endowments.

List of Reports scheduled for submission to ILO

	Title	Main Features
C 001	Hours of Work (Industry) Convention, 1919	Hours of Work in Industrial undertakings will be 8 in the Day and 48 in the Week.
C014	Weekly Rest (Industry) Convention, 1921	There will be at least 24 consecutive hours of rest in every seven days. The rest shall, wherever possible, be granted simultaneously to all staff.
C087	Freedom of Association and Protection of the Right to Organise Convention, 1948	Without previous authorisation. The public authorities shall refrain from any interference. The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this Convention.
C089	Night Work (Women) Convention (Revised), 1948	Women without distinction of age shall not be employed during the night in any public or private industrial undertaking, or in any branch thereof, other than an undertaking in which only members of the same family are employed.
C098	Right to Organise and Collective Bargaining Convention, 1949.	Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment. No dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours.
C106	Weekly Rest (Commerce and Offices) Convention, 1957.	Will be entitled to an uninterrupted weekly rest period comprising not less than 24 hours in the course of each period of 7 days. The weekly rest period shall, wherever possible, be granted simultaneously to all the persons concerned in each establishment. The traditions and customs of religious minorities shall, as far as possible, be respected.
C107	Indigenous and Tribal Populations Convention, 1957.	>Governments shall have the primary responsibility for developing co-ordinated and systematic action for the protection of the populations concerned and their progressive integration into the life of their respective countries. >promoting the social, economic and cultural development of these populations and raising their standard of living;>creating possibilities of national integration to the exclusion of measures tending towards the artificial assimilation of these populations.>The primary objective of all such action shall be the fostering of individual dignity, and the advancement of individual usefulness and initiative.>Recourse to force or coercion as a means of promoting the integration of these populations into the national community shall be excluded.
C138	Minimum Age	Convention concerning Minimum Age for Admission to

	Convention, 1973 (No. 138)	Employment.
C144	Tripartite Consultation (International Labour Standards) Convention, 1976	<ul style="list-style-type: none"> > Ensure effective consultations between representatives of the government, of employers and of workers. > The representatives of employers and workers shall be freely chosen by their representative organisations. > Employers and workers shall be represented on an equal footing on any bodies through which consultations are undertaken.
C149	Nursing Personnel Convention, 1977	Convention concerning Employment and Conditions of Work and Life of Nursing Personnel.