

# **Testimony of International Labor Rights Forum**

## **Senate Foreign Relations Committee Prospects for Democratic Reconciliation and Improving Workers’ Rights in Bangladesh**

**February 11, 2014**

### **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 D.C., 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.<sup>1</sup> 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

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<sup>1</sup> Nessman, Ravi, “More Bangladesh factories dangerous,” *AP*, 13 June 2013, <http://news.yahoo.com/ap-exclusive-more-bangladesh-factories-004057310.html> (accessed 22 January 2014).

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.<sup>2</sup>

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. 112 workers were killed in the fire. These workers could not demand safe working conditions, because they had no voice and no union representation.<sup>3</sup>

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 one 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.<sup>4</sup> 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

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<sup>2</sup> Maher, Sam. *Hazardous workplaces: Making the Bangladesh Garment industry safe*. Clean Clothes Campaign: 2012.

<sup>3</sup> "Survivor of Bangladesh's Tazreen Factory Fire Urges U.S. Retailers to Stop Blocking Worker Safety," *Democracy Now*, 25 April 2013, [http://www.democracynow.org/2013/4/25/survivor\\_of\\_bangladeshs\\_tazreen\\_factory\\_fire](http://www.democracynow.org/2013/4/25/survivor_of_bangladeshs_tazreen_factory_fire) (accessed 22 January 2014); Eidelson, Josh, "I Jumped to Save My Body," *The Nation*, 18 April 2013, <http://www.thenation.com/blog/173921/i-jumped-save-my-body-walmart-slammed-over-nicaragua-stabbings-and-bangladesh-fire#> (accessed 22 January 2014).

<sup>4</sup> See, for example, "Major RMG Fires Since '90," *The Daily Star*, February 27, 2010, available at <http://www.thedailystar.net/newDesign/news-details.php?nid=128066> (accessed December 2, 2012).

fires.<sup>5</sup> 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.<sup>6</sup> The circumstances suggest government security forces murdered Mr. Islam in retaliation for his labor rights work in the garment industry.<sup>7</sup> 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.<sup>8</sup> Some of these worker leaders faced 10 separate charges and were required to report to court one out of three workdays for three 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.

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<sup>5</sup> The American Center for International Labor Solidarity, Bangladesh office, uses local media reports and worker interviews to maintain the figures on garment factory fire incidents in Bangladesh.

<sup>6</sup> See, "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.

<sup>7</sup> This is not just the judgment of former colleagues of Mr. Islam and his family. In the letter to Prime Minister Hasina, eleven 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>.

<sup>8</sup> "Enemies of the Nation or Human Rights Defenders," *International Labor Rights Forum*, <http://laborrights.org/creating-a-sweatfree-world/resources/enemies-of-the-nation-or-human-rights-defenders-fighting-povert>.

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

### **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.<sup>11</sup> The Accord model of social compliance should be strengthened in Bangladesh and replicated elsewhere.

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<sup>9</sup> Islam, Rabiul and Khan, Mohammad Jamil, "Lawmen Identify 'instigators,'" *Dhaka Tribune*, 20 November 2013, <http://www.dhakatribune.com/labour/2013/nov/20/lawmen-identify-%E2%80%98instigators%E2%80%99> (accessed February 3, 2014).

<sup>10</sup> Islam, Rabiul, *Ibid.*

<sup>11</sup> "Accord on Fire and Building Safety in Bangladesh," 13 May 2013, [http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the\\_accord.pdf](http://www.bangladeshaccord.org/wp-content/uploads/2013/10/the_accord.pdf) (accessed 5 February 2014).

## **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.<sup>12</sup> 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 US 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.<sup>13</sup>

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<sup>12</sup> United States Department of Labor, "Statement by the U.S. Government on Labor Rights and Factory Safety in Bangladesh," 19 July 2013, <http://www.dol.gov/opa/media/press/ilab/ILAB20131494.htm> (accessed 22 January 2014).

<sup>13</sup> The US 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 US 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 US 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/>

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.”<sup>14</sup> 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.<sup>15</sup>

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,<sup>16</sup> 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.<sup>17</sup>

However, a new ILRF report<sup>18</sup> 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.

<sup>14</sup> Greenhouse, Steven, “Marines Toughen Rules for Makers of Licensed Garments,” *The New York Times*, November 22, 2013.

<sup>15</sup> United States Defense Appropriations Act, 2014, <http://www.gpo.gov/fdsys/pkg/CREC-2014-01-15/html/CREC-2014-01-15-pt2-PgH475-2.htm> (accessed 6 February 2014).

<sup>16</sup> Urbina, Ian, “U.S. Flouts Its Own Advice in Procuring Overseas Clothing,” *The New York Times*, 22 December 2013, [http://www.nytimes.com/2013/12/23/world/americas/buying-overseas-clothing-us-flouts-its-own-advice.html?\\_r=0](http://www.nytimes.com/2013/12/23/world/americas/buying-overseas-clothing-us-flouts-its-own-advice.html?_r=0) (accessed 22 January 2014).

<sup>17</sup> “The Social Responsibility policy of the Army & Air Force Exchange Service (The Exchange), Navy Exchange Service Command (NEXCOM) and Marine Corps Exchange (MCX),” <http://www.shopmyexchange.com/DoingBusiness/QualityAssurance/> (accessed 22 January 2014).

<sup>18</sup> “Dangerous Silence: Why the U.S. Military Exchanges Need to Address Unsafe and Illegal Conditions in Their Supplier Factories,” International Labor Rights Forum, February, 2014, <http://laborrights.org/dangeroussilence>

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 promote 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.