

Testimony of Eric R. Biel
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U.S. Department of Labor
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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 and timely hearing concerning labor issues in Bangladesh. I am honored to join my colleague, Assistant Secretary of State Blake, in appearing before you this morning. We look forward to working closely with you and other Members of Congress in the days and weeks ahead to improve the protection of workers' rights and strengthen workplace safety in Bangladesh.

The Departments of State and Labor, the Office of the U.S. Trade Representative, and others in the U.S. Government are deeply engaged with the Government of Bangladesh, workers' and other civil society organizations, U.S. buyers and retailers, and other stakeholders both in the United States and Bangladesh on a range of critical labor-related legal and policy issues.

This is not something new by any means; indeed, last summer, Assistant Secretary Blake and I appeared together before a House panel to discuss a number of longstanding labor and trade policy challenges in Bangladesh – nearly all of which remain front and center for us today.

At the same time, the focus on Bangladesh has increased considerably over the past several months in the wake of the tragic Tazreen Fashions factory fire last November, subsequent garment factory fires that fortunately caused less loss of life, and then the horrific Rana Plaza building collapse about six weeks ago.

We are continuing to move forward with the interagency process, chaired by our colleagues at the Office of the U.S. Trade Representative, to determine the appropriate actions under our Generalized System of Preferences (GSP) trade preference program. Different options remain under consideration, and a decision will be announced before the end of this month.

Through regular engagement with the Government of Bangladesh – including during a weeklong trip I made to Dhaka in late February that included meetings with senior officials across different ministries and leaders from industry and workers' and civil society organizations – we have pressed the government to address issues in areas ranging from workers' rights and working conditions in the

ready-made garment and shrimp processing sectors to the governance of Bangladesh's Export Processing Zones.

We have also pressed on a number of other labor rights concerns, including with respect to the investigation of the murder fourteen months ago of labor organizer Aminul Islam and the treatment of the Bangladesh Center for Workers Solidarity (BCWS) – the workers' advocacy organization with which he was affiliated – and its leadership, as well as the organization Simple Action for the Environment (SAFE). While modest measures have been taken, much more remains to be done on both fronts. We will continue to press the Government for greater transparency, accountability, and justice with respect to both the murder investigation and the treatment of BCWS and its leaders.

We also are working closely with the International Labor Organization (ILO) on a number of fronts in Bangladesh, having funded different ILO projects to promote labor rights by strengthening the capacity of workers' organizations to advance workplace health and safety and by ensuring that workers' voices are heard.

Our coordination with the ILO includes close engagement with the ILO-International Finance Corporation Better Work Program, including through our participation on the Better Work advisory and donor committees. Several months ago, Better Work's management team set out several labor issues that it expected the Government of Bangladesh to address prior to any launch of a Better Work program in the ready-made garment sector. We have seen progress on one of those fronts, the registration of unions, which has increased significantly – with, as Assistant Secretary Blake noted in his testimony, 27 registrations since September compared with three in the previous five years.

That is certainly welcome and encouraging, although important challenges remain to workers' ability to exercise their right to freedom of association and collective bargaining in practice, once a union is registered. At the same time, Better Work is still waiting on several changes to Bangladesh's Labor Code, which are part of the larger labor law package awaiting action by the Parliament.

If those amendments are enacted and the Better Work leadership team then determines that the time has come to launch the program there, we at the Department of Labor will be closely engaged in that process moving forward. To be sure, Better Work will not be a panacea; even after five years, it will only cover a relatively small part of the huge garment sector. But it will be another important measure in advancing worker rights and workplace safety in that sector.

We are also working with parties in Bangladesh and the ILO with respect to the commitments on fire and building safety made by the Government of Bangladesh and its industry and workers' organizations under the umbrella of the ILO-facilitated National Tripartite Plan of Action launched in March. We welcome the lead role being played by the ILO in that regard, as underscored by Deputy Director General for Field Operations and Partnerships Hounqbo in early May following the Rana Plaza collapse, and in the "road map" he outlined at the end of that high-level mission.

That "roadmap" recognizes the need for an action plan to implement several specific short and medium-term measures. These include labor law reform, expedited action on fire and building safety under the National Action Plan, and, as Assistant Secretary Blake noted in his testimony, the recruitment of 200 new labor inspectors in six months – with plans for a minimum of 800 new inspectors.

We at the Department of Labor are prepared to play a direct role in helping advance the effort to make tangible progress in addressing the fire and building safety and other workers' rights-related concerns highlighted by the Tazreen and Rana Plaza tragedies.

As promised by our Department leadership soon after Tazreen, we have crafted a detailed plan to provide funding to one or more grantees to help strengthen the capacity of both the Government of Bangladesh and workers' organizations within the country to improve fire and building safety in the ready-made garment sector. We have published the Notice of Intent with respect to this technical assistance project and shortly will be issuing the detailed solicitation document.

We recognize that this funding will only be a small piece of the puzzle, but hope that, along with the support of other donors within the U.S. Government and from around the world, it will play an important role in helping to remedy the shortcomings that have impeded effective enforcement of laws and regulations and the protection of workers' rights in the garment sector – often with terrible consequences.

Finally, a few words about the role that the private sector can and must play to leverage its market power to help advance positive change for workers in Bangladesh.

Within Bangladesh, it is essential that the powerful garment industry, including the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), step up and do more to ensure workplace safety and greater respect for

the rights of the largely young, female garment sector workforce. In addition, buyers and retailers based in the United States and elsewhere need to play a more active role in addressing labor concerns in their supply chains from Bangladesh.

Assistant Secretary Blake's testimony referenced what has come to be known as the Accord, the agreement reached between several workers' organizations and more than thirty brands – mainly from Europe but including PVH (the first to sign on), Abercrombie & Fitch, and as of last week Sean John from the United States. There is much to commend in that agreement, including commitments to ensure that fire and building safety improvements are made and greater respect for worker rights is achieved in the garment sector.

As important as any particular element of that agreement, however, is its likely impact on the workers of Bangladesh: it creates a clear and enforceable road map for sustained buyer engagement, financial obligations, and commitments to sourcing from Bangladesh – something of critical importance, especially to those young workers who have come to depend on garment sector jobs as a steppingstone to a better life.

Our goal in all of this is not to stifle Bangladesh's remarkable growth and development, but rather to work with the Government, industry, workers' and other civil society groups, and other stakeholders to ensure that job creation and economic growth occur hand in hand with increased respect for worker rights and improved workplace health and safety.

Tazreen and Rana Plaza have helped highlight the shortcomings in labor law, policy, and enforcement that we have discussed with our counterparts during meetings in Dhaka and Washington, and they have demonstrated, in the most tragic way imaginable, how essential it is that we all urgently address labor rights and workplace safety issues in Bangladesh with an unprecedented degree of commitment and vigor.

Thank you again for this opportunity to testify, and I would be pleased to take your questions.