

## Daewoo International: Time for Action

Daewoo International's latest [statement](#) in response to a petition to stop profiting from forced labor, [signed by 230,000 people from more than 190 countries](#), merely repeats its previous comments (See: [February 2013](#), [June 11, 2013](#), [June 25, 2013](#)). Daewoo once again admits it purchases cotton produced with forced labor of children and adults in Uzbekistan and continues to process it in Uzbekistan and sell raw Uzbek cotton and products made with it around the world. Daewoo presents no evidence for its claims to be "requesting active intervention of the Uzbekistan Government to eliminate forced labor" and misrepresents the Uzbek government's interaction with the International Labour Organization (ILO). Knowingly benefiting from forced labor and importing forced labor cotton into the United States are crimes, and trade of Uzbek cotton [violates](#) the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises. The Uzbek government has systematically used forced labor of children and adults to produce cotton for the benefit a small elite since 1991, and Daewoo has benefitted from forced labor as the largest processor of cotton in Uzbekistan since 1996. Action is long overdue. Daewoo must fulfill its human rights due diligence responsibilities by ceasing purchases of cotton from Uzbekistan.

While Daewoo hides behind the Uzbek government, the people of Uzbekistan continue to suffer. Today, the government of Uzbekistan remains one of the only governments in the world that subjects its citizens to forced labor through the implementation of state policy.

In [2012](#) and [2013](#), after a decade of global pressure, the Uzbek Government shifted the burden of the harvest from children under age 16 who worked the whole harvest, to older children and adults, often working rotating shifts, thereby increasing the number of people forced to work. Since that shift, we estimate the number of people forced to pick cotton increased from more than 1 million in previous years to as many as 5 million in the 2013 harvest [[see methodology here](#)]. That is 16% of Uzbekistan's population and twice the International Labor Organization's world-wide [estimate](#) of persons subjected to state-sponsored forced labor in 2012.

In 2013, the Uzbek Government again forced farmers to produce cotton according to state-imposed production quotas under threat of losing their lease to farm the land and criminal charges. Authorities forced children, mostly aged 16 to 17, and adults — teachers, doctors, nurses, civil servant and private sector employees — to work in the cotton fields under threat of punishment, including verbal abuse and physical abuse, expulsion from school, dismissal from work, and loss of salary, pension and welfare benefits. At least eleven Uzbek citizens died in 2013 as a result of the forced-labor cotton production system, ranging in ages from 6-year old Amirbek Rakhmatov to 63-year old Tursunali Sadikov.<sup>1</sup> Authorities harassed, intimidated and detained Uzbek human rights defenders who attempted to monitor the harvest. Public officials also demanded and accepted payments in return for exemptions from forced labor, fostering corruption throughout the country.

During the 2013 cotton harvest, the Uzbek government accepted monitoring by the ILO. The ILO's stated goal of the exercise was to subsequently develop "a comprehensive national cooperation programme in

collaboration with the Sub-Regional Office and Decent Work Team covering Eastern Europe and Central Asia.”<sup>2</sup> Limitations under which the ILO monitors observed the 2013 harvest included the restriction of its mandate to ILO Convention No. 182, presence of representatives of the government with all monitoring teams, lack of participation by the International Trade Union Confederation and International Organisation of Employers, lack of consultation with independent Uzbek civil society, and efforts by the Uzbek government to undermine monitoring, including moving people around to avoid inspections and instructing people to lie to monitors.

In the ILO mission report, the conclusion that “forced child labour has not been used on a systematic basis in Uzbekistan to harvest cotton in 2013” reflected both the goal of the exercise and the limitations imposed on the ILO monitors. It also contrasts with the evidence presented in the ILO mission report of the use of the state school system to mobilize students to the harvest. For example, the ILO monitors reported that in 8 of 9 high schools (“colleges”) they visited, classes were not in session due to cotton picking, and school officials provided no attendance registers or other evidence to support the reasons given to monitors, e.g. that students were engaged in extra-curricular activities.<sup>3</sup> Despite the limitations under which the ILO observed the harvest, their mission report noted the use of child labor, emphasized concerns about the use of forced labor for the cotton harvest, and recommended that the government take action to implement the Abolition of Forced Labour Convention (No.105).<sup>4</sup> While the ILO observed the forced labor problem. The Uzbek Government’s actions demonstrated its ability to change practices unilaterally, reminding us that forced labor and child labor in the Uzbek cotton sector are state policy, not the result of poverty or other forms of exploitation.

This year, the Uzbek Government has continued the forced-labor system of cotton production. It has imposed the annual production quotas on farmers<sup>5</sup> and forced citizens<sup>6</sup> to weed and prepare the cotton fields. This summer, the government once again began [forcibly mobilizing students and public-sector workers, including teachers, doctors and nurses](#) to work in the 2014 cotton harvest. As in previous years, authorities are forcing parents to sign agreements that their children “participate in the cotton harvest” and can be “expelled from the college” for refusing.

In its statement, Daewoo highlights the Uzbek government’s signing of a Decent Work Country Programme (DWCP) and resolution of the Cabinet of Ministers, yet ignores the stark contrast between these statements and the government’s continued use of the forced labor system this year. In April, signing the DWCP helped the Uzbek government to avoid a discussion and recommendations from the ILO Committee on the Application of Standards<sup>7</sup> concerning its application of ILO Convention No. 105 (Prohibition of Forced Labour). Since, the Uzbek government has not agreed to the ILO conducting a forced labor survey, a first step in the DWCP, and the ILO will not be monitoring during this year’s cotton harvest. In May, the Uzbek Cabinet of Ministers issued a resolution purportedly on implementing ILO conventions. Yet inaction following decrees is the pattern the Uzbek government has demonstrated for 25 years. The decree means nothing until the government demonstrates implementation. Reports from Uzbekistan indicate that government officials at the local level and citizens are completely unaware of any activity concerning child labor and forced labor by the government.<sup>8</sup>

In the decree, the government fails to include reforms of the agriculture sector necessary to enable farmers to hire labor. Currently, government control of land, input markets, purchases and sales of cotton, wheat and silk combined with government procurement prices for cotton set below production costs result in farmers being unable to hire labor, despite significant unemployment, underemployment, and labor emigration to Russia and Kazakhstan.

Right now, the Uzbek government could unilaterally take concrete steps to end forced labor, including:

1. Instruct government officials and citizens acting on behalf of the government not to coerce anyone to pick cotton and prosecuting anyone who does engage in such coercion;
2. Ensure farmers can recruit labor by setting the price for raw cotton to exceed production costs, including labor; setting minimum wages for work in the cotton sector sufficiently high to attract voluntary labor; and publicly advertising on behalf of farmers to recruit unemployed citizens to work the harvest;
3. Permit unfettered access for the ILO to monitor the use of forced and child labor during the upcoming harvest and to conduct a survey of the application of ILO Convention No. 105 on the Abolition of Forced Labour throughout the Uzbek economy, with the participation of the International Organisation of Employers, International Trade Union Confederation and International Union of Food Workers; and
4. Allow independent human rights organizations, activists and journalists to investigate and report on conditions in the cotton production sector without facing retaliation.

Instead of publicly pressuring the Uzbek government to implement these reforms, Daewoo is incentivizing the Uzbek government to continue the forced-labor system of cotton production by continuing to buy the cotton and process it in partnership with the Uzbek government.

Daewoo International and its parent company POSCO, one of the largest steel companies in the world, cannot wait for the Uzbek government and should fulfil their human rights due diligence duties as multinational companies. It is a crime under U.S. law [18 U.S.C. §1589] for any person to “knowingly benefit, financially or by receiving anything of value, from participation in a venture which has engaged in the providing or obtaining of [forced labor].” It is also a crime for any person to bring goods made “in whole or in part” with forced labor into the United States [19 U.S.C. §1307], including products containing cotton from Uzbekistan. Appropriately, the U.S. Departments of Homeland Security and Justice are conducting investigations into potential violations of US laws related to Daewoo and other companies’ use of cotton from Uzbekistan.

We therefore call on Daewoo and its parent company POSCO to urgently take the following actions:

1. Direct a public letter to the government of Uzbekistan communicating that Daewoo International and all of its subsidiaries will cease all purchases of cotton from Uzbekistan immediately and until the ILO verifies that the government of Uzbekistan has ended forced labor of children and adults in the cotton sector.

2. Establish independent human rights monitoring and public reporting of Daewoo International's operations and supply chains in Uzbekistan, conducted by designated Uzbek civil society and international experts.

The [Cotton Campaign](#) is a global coalition of human rights, labor, investor, and business organizations coalesced to end forced labor of children and adults in the cotton sector in Uzbekistan. For further information, contact: [cottoncampaigncoordinator@gmail.com](mailto:cottoncampaigncoordinator@gmail.com).

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<sup>1</sup> See Cotton Campaign, "Review of the 2013 Cotton Harvest in Uzbekistan," 2013,

[http://www.cottoncampaign.org/wp-content/uploads/2013/11/2013CottonHarvest\\_end\\_report.pdf](http://www.cottoncampaign.org/wp-content/uploads/2013/11/2013CottonHarvest_end_report.pdf)

<sup>2</sup> International Labour Organization, "ILO High Level Mission Report on the Monitoring of Child Labour During 2013 Cotton Harvest in Uzbekistan," 19 November 2013, paragraph 7, page 5.

<sup>3</sup> *Ibid* Annex D, page 77.

<sup>4</sup> *Ibid*, paragraphs 35-36, page 13.

<sup>5</sup> See "How cotton is grown in Uzbekistan," *UzNews*, 21 March 2014, <http://www.uznews.net/en/economy/25583-how-cotton-is-grown-in-uzbekistan> and "'Little Thorn' in Jizzakh province protests against growing cotton," *UzNews*, 1 August 2014, <http://www.uznews.net/en/human-rights/27043-little-thorn-in-jizzah-province-protests-against-growing-cotton>.

<sup>6</sup> See "Cotton 2014: A Chronicle of Forced Labour of Children and Adults, Issue 1, May 15, 2014," *Uzbek-German Forum for Human Rights*, [http://uzbekgermanforum.org/wp-content/uploads/2014/05/Chronicle-2014\\_Issue1-May-193.pdf](http://uzbekgermanforum.org/wp-content/uploads/2014/05/Chronicle-2014_Issue1-May-193.pdf) and "Kokand doctor: 'Every morning we are taken to the cotton fields. And we have to pay for our transportation.'" *UzNews*, 31 July 2014, <http://www.uznews.net/en/human-rights/27025-kokand-doctor-every-morning-we-are-taken-to-the-cotton-fields-and-we-have-to-pay-for-our-transportation>.

<sup>7</sup> The Conference Committee on the Application of Standards, a standing tripartite body of the International Labour Conference and an essential component of the ILO's supervisory system, examines each year the report published by the Committee of Experts on the Application of Conventions and Recommendations. Following the technical and independent scrutiny of government reports carried out by the Committee of Experts, the Conference Committee provides the opportunity for the representatives of governments, employers and workers to examine jointly the manner in which States fulfil their obligations deriving from Conventions and Recommendations. The Officers of the Committee also prepare a list of observations contained in the report of the Committee of Experts on which it would appear desirable to invite governments to provide information to the Conference Committee, which examines over 20 individual cases every year. The report of the Conference Committee is submitted for discussion by the Conference in plenary, and is then published in the Provisional Record.

<sup>8</sup> See "Fight against child labor? I've heard nothing." *UzNews*, 16 June 2014, <http://www.uznews.net/en/commentary/1225-fight-against-child-labor-i%E2%80%99ve-heard-nothing> and "Child labor reports unread in the Uzbek media," *UzNews*, 11 June 2014, <http://www.uznews.net/en/human-rights/26663-child-labor-reports-unread-in-the-uzbek-media>.