

THE COVER-UP

WHITEWASHING UZBEKISTAN'S WHITE GOLD

Persecution of Independent Monitors to Cover Up Mass Forced Labor in the Cotton Sector

Uzbek-German Forum for Human Rights e.V., March 2016

RECOMMENDATIONS



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To the Government of Uzbekistan

- Enforce national laws that prohibit the use of forced and child labor in alignment with ratified ILO conventions;
- Make public, high-level policy statements condemning forced labor, specifically including forced labor in the cotton sector, and making clear that all work should be voluntary and fairly compensated;
- Instruct government officials at all levels and citizens that act on behalf of the government to not use coercion to mobilize anyone to work, including farmers, children, students, public-sector workers, private-sector workers, pensioners, mothers and others receiving public welfare support, and the unemployed;
- Initiate fair judicial processes that conform to international standards against government officials found to have forced citizens to pick cotton and hold accountable those found guilty with penalties that reflect the severity of the crime and serve as a deterrent for future crimes;
- Allow independent journalists, human rights defenders, and other individuals and organizations to document and report concerns about the use of forced labor without fear of reprisals;
- Ensure an immediate, prompt, independent and effective investigation into reprisals against independent monitors, including the arrest, conviction, and ill-treatment of Uktam Pardaev; the arrests and ill-treatment of Elena Urlaeva and Malohat Eshankulova; and the detentions, ill-treatment, harassment, and home burning of Dmitry Tikhonov, and hold accountable any officials found responsible;
- Ratify and implement ILO Convention No. 87 on Freedom of Association and Protection of the Right to Organize so farmers and farmworkers can form independent organizations to represent their interests, speak out against and seek redress for violations such as forced labor, and negotiate for better working conditions; and
- Initiate a time-bound plan to reform root causes of forced labor in the agriculture sector, including:
 - Cease punitive measures, including “re-optimization” and Oibolta [Cleaver], against farmers for debts and not meeting state-mandated production quotas for cotton and other agricultural products;
 - Increase financial transparency in the agriculture sector, including by ensuring national budgets reviewed by the Oliy Majlis include expenditures and income in the agriculture sector, eliminating the Selkozfond, ensuring taxes paid in the sector go to the national budget, and replacing the dual system of credit and banking operations with a transparent system of banking that provides farmers’ access to cash and credit;
 - Abolish mandatory production quotas and grant farmers autonomous management of agricultural land;

- Ensure the state-established procurement prices for cotton, wheat and silk reflect the costs of production, including costs of voluntary labor at market rates, and, over time abolish the state monopsony on cotton, wheat and silk purchasing;
- De-monopolize agricultural input suppliers; and
- Conduct a complete survey of the condition of agricultural land to create an updated inventory and use the results to guide reform of the tax system for participants in the chain of cotton production – cultivation, production, processing, and sale – to ensure equitable distribution of the tax burden throughout the production chain.

To the International Labor Organization

- Establish, monitor and report on clear benchmarks for the government of Uzbekistan to fulfill its commitments to implement the fundamental labor conventions of the ILO, including the elimination of state-orchestrated forced labor of children and adults in the cotton sector;
- Ensure the participation of the IOE, ITUC, and International Union of Food Workers (IUF) as well as regular consultation with independent Uzbek civil society groups in the development and implementation of all monitoring and technical assistance activities in Uzbekistan;
- Raise concerns about the safety and access of independent monitors publicly and at the highest levels and make clear that their ability to work unimpeded is a vital sign of the government's good faith and requirement for ILO assistance;
- Conduct a survey of the application of ILO Convention No. 105 on the Abolition of Forced Labor and ensure that all forms of coercion are reported as forced labor;
- Ensure ILO-led monitoring in 2016 and going forward includes the participation of independent Uzbek civil-society members and uses and reports on all ILO Indicators of Forced Labor; and
- Ensure that public awareness measures be accompanied by steps to end coercive recruitment and real, public accountability measures against officials for illegal practices.

To the World Bank

- Suspend disbursements until the Uzbek government demonstrates meaningful progress reforming the root causes of forced labour, its financial system that incentivizes officials to use coercion and repression of citizens who report violations;
- Engage and work with the Uzbek government to develop and implement a time-bound plan to reform root causes of forced labor in the agriculture sector, including the steps recommended to the government above;
- Ensure robust and fully independent third-party monitoring of compliance with core labor conventions in the project areas;
- Establish a confidential and accessible grievance mechanism and provide effective remedies, including legal and financial, to any person who is subjected to forced labor in the project areas;
- Take all necessary measures to prevent reprisals against community members, journalists, and independent organizations for monitoring or reporting on human rights violations in

these areas, for engaging with the Bank's project monitors, or for filing complaints, including by seeking an enforceable commitment from the government that it will not interfere with independent reporting and engagement; and

- Raise concerns about the safety and access of independent monitors publicly and at the highest levels and make clear that their ability to work unimpeded is a vital sign of the government's good faith and requirement for World Bank financing.

To the United States and European Union

- Urge the government of Uzbekistan to end its use of forced labor including by implementing the specific recommendations above.
- In the U.S., place Uzbekistan in Tier 3 in the 2016 Global Trafficking in Persons Report and until the state-orchestrated forced-labor system for cotton production is ended.
- Exclude cotton from Uzbekistan from benefitting from trade preferences under the Generalized System of Preferences (GSP) until the government of Uzbekistan ends its forced-labor system of cotton production.
- Exercise 'voice and vote' at the World Bank and European Bank for Reconstruction and Development to prevent any investment that would benefit the Uzbek Government's forced-labor system for cotton production.
- Investigate and prosecute companies that are benefitting from or contributing to the forced labor system of cotton production that are in violation of international and national laws.
- Publicly communicate to other companies operating in Uzbekistan the importance of fulfilling their human rights due diligence responsibilities, as established in the United Nations Principles for Business and Human Rights and Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises.
- Prior to providing any development assistance to Uzbekistan, consult independent civil society organizations (in the country and in exile), require that the government of Uzbekistan demonstrate financial transparency and accountability around cotton production as a condition for releasing project loans, and publicly report on progress.

To Companies That Use Cotton

- Sign the Cotton Pledge "to not knowingly source Uzbek cotton for the manufacturing of any of our products until the Government of Uzbekistan ends the practice of forced child and adult labor in its cotton sector;"
- Communicate directly to the Uzbek government that products made with forced labor cannot be used, and communicate to other governments and international institutions to urge the Uzbek government to end its forced labor system; and
- Implement the Pledge by:
 - Establishing a policy that prohibits the use of Uzbekistan's cotton and prohibits business with companies that are either invested in the cotton sector in Uzbekistan or using

Uzbekistan's cotton, including explicitly all companies of Daewoo International, Indorama Corporation, Youngone and other companies operating in Uzbekistan;

- Mapping the full supply chain, engaging all supply-chain partners, including raw materials suppliers, and incorporating language into vendor agreements and purchase orders that effectively prohibits suppliers from doing business with all companies that are either invested in the cotton sector in Uzbekistan or using its cotton;
- Requiring suppliers, suppliers' subsidiaries and suppliers' affiliates to implement steps these steps as well;
- Verifying compliance with the company policy by incorporating into supplier social compliance assessments a check on implementation of the ban on business with companies that are either invested in the cotton sector in Uzbekistan or using its cotton; and
- Publicly reporting implementation of these steps.

