

Daewoo International Corporation's response to Cotton Campaign's statement regarding forced labour in Uzbekistan

The Business and Human Rights Resource Centre invited Daewoo International Corporation to respond to the following item:

- "Daewoo International: Time for Action" 05 September 2014, Cotton Campaign

<http://business-humanrights.org/en/uzbekistan-daewoo-international-time-for-action>

Daewoo International Corporation provided the following response on 24 September 2014.

I am writing you this letter on behalf of both POSCO and Daewoo International Corporation and we would appreciate your concern to invite us to respond to a statement by Cotton Campaign, regarding to the human rights issue in Uzbekistan.

As we already mentioned before, we are endeavoring to solve the forced labor issue in Uzbekistan as a top priority and are steadily requesting active intervention of Uzbekistan Government to eliminate forced labor issue and making conversation with the Chamber of Commerce and Industry. On September 2, 2014, we sent the letter under the name of President & CEO of Daewoo International Corporation, asking to improve the human rights issue in Uzbekistan and to share with us the details of cooperation between Uzbekistan Government and International Labour Organization (ILO), such as the progress of a Decent Work Country Programme (DWCP).

As you already know, a MOU of Decent Work Country Programme between the Uzbekistan Government and ILO Moscow Office was signed on April 25, 2014 with three strategic areas of technical cooperation. According to the news from Embassy of the Republic of Uzbekistan in the Federal Republic of Germany, As part of the implementation process of this technical cooperation programme, on May 27, 2014 the Cabinet of Ministers of Uzbekistan issued a Decree on "Additional measures to implement the ILO Conventions ratified by the Republic of Uzbekistan in 2014-2016". The document provides for a wide range of actions aimed at reinforcing observance of international labor norms, in particular adoption of a law on social partnership, new edition of the law on protection of labor, amendments to the current legislation to

improve labor norms for women and youth, cooperation with IPEC, organization of national monitoring activities on the basis of the ILO methodology, conduct of awareness raising campaigns on international labor standards, strengthening the capacity of state labor inspections, improvement of labor conditions and recruitment mechanisms, including creation of an institutional basis for free hiring of cotton pickers by farmers through the labor market, training activities, translation and publication of the relevant ILO Conventions and guidebooks in the Uzbek language, etc.

Besides, in the framework of cooperation with the ILO and other international partners **a joint seminar** on “Enhancing cooperation in implementing key provisions of the ILO conventions on child and forced labor” (March 12-14, 2014) and **an international conference** on “Ensuring labor rights: experience of Uzbekistan and international labor standards” (April 25, 2014) were held in Tashkent. Another **Uzbekistan-ILO joint round table** on labor conditions is planned to be held in Tashkent on August 7-8, 2014.

Currently, **a joint research** on labor conditions in agriculture, including on the impact of mechanization of cotton harvesting on labor market, is being carried out in cooperation with the ILO Special Action Programme to combat forced labor.

All of the cotton produced in Uzbekistan (in 2013 more than 3.3 million tons) is grown by private farmers (70 thousand farms in total with 1.4 million workers). The cotton harvesting period is no more than 30-40 days. Cotton pickers are engaged through **individual employment contracts** generally motivated by a desire to earn additional revenues.

Uzbekistan takes necessary measures to ensure **mechanization of 80-85% of cotton harvesting** in the coming years. This will cardinaly reduce manual cotton-picking practices. Moreover, the acreage under cotton is being reduced each year. For over the years of independence, the acreage was reduced almost 2 times.

For your reference, here is the website address of Embassy of the Republic of Uzbekistan in the Federal Republic of Germany as below:

<http://www.uzbekistan.de/en/nachrichten/nachrichten/measures-undertaken-uzbekistan-implement-ilo-conventions-forced-labor>

Along with a series of the effort by Uzbekistan Government, POSCO and Daewoo International Corporation will continue to maintain our communication with Uzbekistan Government to eliminate the human rights issue in Uzbekistan cotton industry. During this cotton harvest period, we expect the steps of DWCP helps to eradicate of forced labor and improve the working conditions in agriculture of Uzbekistan.

Once again, thank you for your kind interest in our business in Uzbekistan and please do not hesitate to contact us if you have further questions.