Turkmenistan: Forced Labor in 2021 Harvest

Forced Labor Turkmen Cotton in Global Supply Chains

Report Launch: July 18, 2022, 10 am ET / 4 pm CET
Agenda

1. Working to End State-Imposed Forced Labor in Turkmenistan
   (Raluca Dumitrescu - Cotton Campaign Coordinator, GLJ-ILRF)

   (Ruslan Myatiev – Director, Turkmen.News)

   (Farid Tukhbatullin – Chairperson, Turkmen Initiative for Human Rights)

4. How Forced Labor Turkmen Cotton Enters Global Supply Chains
   (Allison Gill - Cotton Campaign Steering Committee Member and Forced Labor Program Director, GLJ-ILRF)

5. Urgent Need for Human Rights Due Diligence Legislation and Forced Labor Import Bans
   (Rocío Domingo Ramos - Business and Human Rights Policy and Research Officer, Anti-Slavery International)
Working to End State-Imposed Forced Labor in Turkmenistan

Raluca Dumitrescu
Cotton Campaign Coordinator, GLJ-ILRF
Leading human rights advocacy to end forced labor and promote decent work in Uzbekistan and Turkmenistan

Multi-stakeholder coalition of labor and human rights organizations, independent trade unions, academics, investors, and brand associations

At the forefront of the global movement for transparency and full traceability of the global cotton supply chains

On the Steering Committee of the End Uyghur Forced Labor Coalition
Report Launched Today

- Forced Labor in the 2021 Cotton Harvest
- The Situation of Farmers
- The Risk of Forced Labor Turkmen Cotton in Global Supply Chains
- Forced Labor, Child Labor, and Extortion to Produce Silk Cocoons
- Recommendations
2021 Harvest Monitoring Report
Forced Labor Findings

Ruslan Myatiev
Director, Turkmen.News
Forced labor of public sector employees to pick cotton was widespread and systematic

- Employees of state organizations and enterprises, including schools, hospitals, and factories
- Also reports of service members and vulnerable groups, migrant workers, people with registered addictions
- Workers forced to pick cotton, or – as alternatives – pay money, or hire a replacement worker

Child labor was used in the harvest

- Key drivers: state-imposed forced labor system and poverty
- Children working in the fields along with their parents or as replacement workers for their parents
The forced labor system is orchestrated by the government, top-down

- Top level of government → district levels → heads of local organizations

- “You bring doctors’ notes to avoid picking cotton. These notes are no longer acceptable. Young teachers bring them while the older ones go and pick cotton. Aren’t you ashamed of yourselves?”, said the director of one city school

- “We’re fed up of having nothing to do. There’s nothing to pick, but people are sent every day. There’s lots of work to be done in school – we’re cleaning all day because of these shifts, but we’re still sent picking. And what about the extra cleaning to prevent coronavirus?”, said a school cleaner
Covid-19 in Turkmenistan

- Independent monitors documented a third Covid-19 wave that appeared to peak in August-September 2021, but Turkmenistan continued to deny the existence of COVID-19 in the country.
- No measures to contain the virus during the 2021 harvest.
- Workers were forced to travel to the fields in overcrowded buses and were not provided with protection masks.
- The Government tightened travel restrictions, preventing travel between regions and districts, making it difficult for the independent monitors to conduct field trips.
- The government has punished anyone who attempted to expose the real situation of the pandemic.
2021 Harvest Monitoring Report
The Situation of Farmers

Farid Tukhbatullin
Chairperson, Turkmen Initiative for Human Rights
Cotton Farmers in Turkmenistan

- The government maintains total control of cotton production
- The government forces farmers to meet official production quotas, under threat of penalty including loss of their land
- No material and technical support
- Shortage of fertilizers
- Selling the cotton: illegal deductions from payments
Low Yields in 2021

- Drought and problems with supplies of seeds, fertilizers, and equipment -> low yields

- Despite official reports that the state plan for cotton production had been met, in reality, farmers could not grow enough cotton to meet the quotas

- Cases of farmers being fined or having their land confiscated, as a result of not being able to meet the cotton quotas
How Forced Labor Turkmen Cotton Enters Global Supply Chains

Allison Gill
Cotton Campaign Steering Committee Member and Forced Labor Program Director, GLJ-ILRF
Supply Chain Research Findings

- Turkmen cotton and cotton products enter global markets in violation of laws governing human rights due diligence, supply chains, and imports.
- Turkey is a primary manufacturer of garments and textiles using Turkmen cotton.
- Russia, China, Armenia are top importers of Turkmen yarn.
- EU countries Portugal, Poland, Italy, Spain produce finished goods with Turkmen cotton, yarn, fabric.
- U.S. and Canada import Turkmen cotton finished goods (through intermediaries).

Sources: Import data made available through the UN Comtrade and OEC databases for 2020; and Cotton Campaign on commercial trade databases.
Case Study 1: U.S. Imports of Turkmen Finished Goods

Examples of U.S. e-commerce marketplaces retailing towels produced in Turkmenistan:

- K-mart
- Overstock

-> In May 2021, Cotton Campaign wrote to Overstock requesting to remove the goods, request their suppliers to stop using Turkmen cotton, and conduct enhanced due diligence to ensure a forced labor free supply chain

-> No response to the letter

-> Following the letter, Overstock removed Turkmen products from their website

-> Research conducted in July 2022 shows that the products are back online
Case Study 2: Canada
Imports of Turkmen Finished Goods

Research on commercial trade databases shows that bed sets produced using Turkmen cotton were shipped to Canada in 2020, 2021, and 2022, via the U.S.

- Turkmenistan is noted as the country of origin for the products
- Products shipped to brand Bargain Home Textiles
- Products shipped by Boremaster Ltd, a company registered in Pakistan, which also operates a 100% owned subsidiary in Ashgabat, Turkmenistan
- Boremaster Ltd is engaged in the cotton trading business through its sister concern in Dubai, UAE – a Special Purpose Vehicle (SPV) that acts as the procurement arm for projects in Central Asia, including Turkmenistan
- The Dubai-based concern trades in cotton, yarn, and fabric
- The products are retailed on Amazon.ca

Question: Where (country) are these made?
Answer: These sheets are made in Turkmenistan. They are very well made and the cotton is quite thick and soft. I have washed a few times and they seem to get softer with washing. I have bought two sets: one in cream and the other is cream with orange and brown plaid. The plaid ones are very thick, but both are very comfortable.
By Heather Lambert on December 5, 2020
→ See more answers (1)
Case Study 3: Portugal
Imports of Turkmen Cotton, Yarn and Fabric

2020 imports from Turkmenistan, according to UN Comtrade and OEC Databases

- $1,477,069 worth of fabric
- $522,065 worth of raw cotton
- $118,302 worth of yarn

According to Open Apparel Registry:

- >1,200 facilities in Portugal listed by brands and retailers incl. Debenhams, El Corte Ingles, Fruit of the Loom, H&M, Inditex, Next, PVH
- List not exhaustive
Urgent Need for Human Rights Due Diligence Legislation and Forced Labor Import Bans

Rocío Domingo Ramos
Business and Human Rights Policy and Research Officer, Anti-Slavery International
Removing Forced Labor Turkmen Cotton from Global Supply Chains

Efforts needed both from companies and governments

- Smart mix of measures, including:
  1. Robust mandatory human rights and environmental due diligence legislation (mHREDD)
  2. Effective control mechanisms to ban imports of forced labour products across jurisdictions

- Legislative developments across the world including the US, Canada, Europe, Australia, etc.
Addressing State Imposed Forced Labour

Mandatory Human Rights and Environmental Due Diligence

- Identify, assess, prevent, mitigate and remedy human rights and environmental risks and impacts across their entire value chains, in line with UNGPs and OECD Guidelines for MNEs
- Hold companies accountable when they cause harms and when they breach the due diligence standard of conduct
- Enable effective access to judicial remedy for victims

Forced Labour Import Controls

- Block or seize the imports of goods made or transported in-whole or in-part with forced labour
- Companies would have to:
  1. Prove that goods imported are forced-labour free
  2. Take action to remedy the situation on the ground before these products are allowed to be imported

Complementarity between the two instruments
Recommendations to address shortcomings in the EU Commission’s proposal for a mandatory human rights and environmental due diligence law

- **Insufficient scope.** The directive must be amended by bringing the inclusion of SMEs under its scope. EU textile industry is currently largely excluded.

- The due diligence requirements across the value chain should not be limited to only ‘established’ business relationships.

- The proposal should focus on strengthening transparency and disclosure requirements, compelling companies to map and disclose their value chains to the raw materials.

- **Mandate meaningful stakeholder engagement in all due diligence stages.** In Turkmenistan, consulting with credible representatives and consultations with experts.

- Limitations on the financial sector should be removed.
In the design of the proposed EU legislative instrument to ban forced labor products from entering the EU, the EU Commission should:

- Ensure the proposed instrument is enforceable on a regional basis, such as all cotton from Turkmenistan
- Effective border measure that allows for the detention or seizure of imports of forced labour goods at EU borders
- Engage with representatives of the global Turkmen community to support financial aid to Turkmen refugees, including victims of forced labour, and Turkmen human and labour rights organisations
- International cooperation to ensure a global aligned approach on import controls
- A public list of forced labour import bans/withhold release orders should be created
Laws should be designed in order that they will **oblige companies to:**

- Fully map their supply chains to the raw material level and exclude cotton originating in Turkmenistan
- Establish a **binding policy that prohibits the use of Turkmen cotton** and prohibits business with companies that use it (requiring suppliers, sub-suppliers, and other entities to implement the same)
- **Verify compliance** with the company policy and ensure **purchasing practices** support its implementation (cease business with companies that refuse to discontinue using cotton from Turkmenistan)
- Publicly **release documentation** of these steps
- Meaningful **stakeholder engagement**. Support the advocacy efforts of the Cotton Campaign and its partners
Recommendations for the U.S. and Canada

**U.S. CBP should:**

- Publish the list of detentions made and the value of the shipments detained under the WRO against Turkmen cotton
- Share information and proactively engage with CSOs and experts in supply chain research to enhance efforts to trace

Encourage **enforcement of the labor provisions of the USCMA** and ensure that products subject to the U.S. WRO are not permitted to enter Canada

- Collaboration needed between CBP, U.S. Trade Representatives (USTR), Canada Border Services Agency (CBSA), and Employment and Social Development Canada (ESDC)
Import controls and mHREDD alone cannot drive the change required to address these root causes of forced labor.

These should be viewed as part of a wider regime to address forced labour, which includes:

- **Trade, diplomatic and foreign policy measures**, including the use of sanctions, to put pressure on the perpetrating governments to end the use of state-imposed forced labour.

- **Ensure public access to customs data** to facilitate the identification and monitoring of the importation of products made from forced labour.

- **Require independent and ongoing monitoring**, including support for civil society and independent trade unions to operate when transitioning from state-imposed forced labour.
Links and Contact Information

- Cotton Campaign website – https://www.cottoncampaign.org/
- Chronicles of Turkmenistan - https://en.hronikatm.com/
- Turkmen Cotton Pledge https://www.cottoncampaign.org/turkmenistan/#turkmencottonpledge
- Open Apparel Registry list of suppliers in Portugal [not exhaustive] https://openapparel.org/facilities?countries=PT
- Cotton Campaign submission to the EU Commission for a ban on forced labor products https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13480-Effectively-banning-products-produced-extracted-or-harvested-with-forced-labour/F3316136_en
- Contact information: Raluca Dumitrescu, Cotton Campaign Coordinator, GLJ-ILRF, coordinator@cottoncampaign.org