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The Advisory Committee on Labor Diplomacy
Report to the Secretary of State
And the President of the United States

A Labor Diplomacy Strategy for the Muslim World

Foreword

This is the Committee's third report. The first, released in September 2000, focused its recommendations on organizational changes needed in the Foreign Service and the Department of State to strengthen the labor function in U.S. diplomacy. The second report, submitted at the end of 2001, took a broader look at the concept of "labor diplomacy" in the context of U.S. foreign assistance programs and multilateral relations. Reacting to the al-Qaeda terrorist attack of September 11 of that year, the second report offered some preliminary observations on labor discontent in Muslim countries and its impact on the war on terrorism. The report's recommendations focused on labor diplomacy, broadly defined, as a tool in strengthening U.S. national security through democracy-promotion.

In response to that report, the Department of State asked the Committee to consider recommendations for labor programs that the United States should conduct in the Arab and Muslim world[1].

Executive Summary

This third report to the Secretary of State by the Advisory Committee on Labor Diplomacy recommends policies and programs which the U.S. Government should undertake in the area of labor diplomacy to lessen the threat of Islamic extremism and, at the same time, to improve relations with the Arab and Muslim mainstream. The report starts from the

[1] Where used in this report, "Muslim world" refers to those countries with a majority Muslim population, or countries with populations that include more than a million Muslims (See **Appendix A**). The Committee recognizes the wide diversity among countries with a majority Muslim population in terms of form of government and economic system and conditions, but uses the term as shorthand in this report where it believes that the condition being described prevails in most Muslim countries.

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understanding that poverty, unemployment and social injustice are critical underlying factors spawning and sustaining the spread of extremist Islamist ideologies and terrorism and that the road to overcoming this threat over the longer-run lies in modernization, democratization and the integration of the Muslim world with the global economy.

The report proposes a "Labor Diplomacy Strategy" toward the Arab and Muslim world, comprising all the tools at the government's disposal, including a strengthened Foreign Service labor officer corps of Arabic speakers and Islam experts; job-creation, labor development, and trade union assistance and training programs; public diplomacy activities focused on the shared interests of Muslim and non-Muslim workers alike as they face the problems of the modern workplace in an economically integrating world; and the promotion of workers' rights and the rule of law in industrial relations through every appropriate lever, including U.S. trade and aid relationships and the programs of the international development banks.

Among the problems that workers currently face throughout the Arab and Muslim world, there are four issues or trends that have particularly caught the Committee's attention:

First is the degree of government repression and lack of freedom of association which constricts the ability of trade unions to operate freely and to adequately defend the interests of the workers. While many of the unions suffer from internal weaknesses of their own, they are nonetheless unique national institutions in the Arab and Muslim world--secular membership-organizations capable of improving the lives of the workers they represent and bridging the religious, tribal and linguistic differences among the working class in their respective countries.

Second is the opportunity which expanding trade relations provide to promote workers' rights in a positive sense, but also the pressure modern trading relationships put on the Arab and Muslim countries to modernize their industrial relations systems if they wish to take full advantage of the benefits of an increasingly globalized world. At the same time, the impending phase-out of the Multi-Fiber Agreement in January 2005 is going to lead to serious economic setbacks and a new surge of unemployment in those Muslim countries that have benefited under the agreement from the manufacture and export of garments and textiles over the past decade or more.

Third is the lack of empowerment of women throughout the Muslim world which constitutes an enormous development deficit as well as a human loss and deprivation of political and human rights. This raises the need for comprehensive initiatives ending gender bias in labor markets and promoting new employment opportunities for fully half the adult population of these countries.

Lastly, there is the pervasive issue of migration in the Muslim world affecting millions of workers who are forced to leave their home countries to provide a means for their families to survive, often exploited by professional traffickers and deprived of the most essential human rights at every turn in the countries in which they find work.

The Labor Diplomacy Strategy contained in this report offers avenues to peaceful,

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gradual reform, wider respect for human rights, and concrete steps towards democratization and the modernization of economies. The Committee proposes a comprehensive set of recommendations including technical assistance and public diplomacy programs aimed at strengthening constructive industrial relations systems, workers' rights and legal aid programs for workers, special job-creation and micro-credit programs, worker health and safety, social safety net, and vocational skills training and economic literacy programs, exchanges and scholarships, and special programs for women and migrant workers. This strategy will send a strong message that America is interested in the conditions of workers in the Arab and Muslim world, and will help build friendship, understanding, and trust based on shared, internationally recognized, democratic values.

Recommendations

The Committee wishes to emphasize the importance of the recommendations contained in its first two reports, some only partially implemented thus far, and offers the following additional recommendations:

The U.S. Government should significantly increase its foreign assistance for trade unions, women workers and migrant workers in the Arab and Muslim world.

To maximize its potential effectiveness, the trade union assistance should aid the development of fraternal ties between American organized labor and the workers of the Arab and Muslim countries within the general framework of the international democratic trade union movement. The Middle East Partnership Initiative should devote more of its resources toward this objective. U.S. aid should include capacity-building assistance for trade unions in the Arab and Muslim countries in the context of U.S. trade relations with those countries. Assistance for women workers should be stepped up, including micro-credit programs run under trade union auspices. Assistance should also be provided the trade unions to defend the rights of migrant workers and U.S. diplomatic activity should focus on getting the countries which receive Arab and Muslim migrants to ratify and apply the corresponding International Labor Organization workers' rights conventions.

The Department of State should inaugurate a special program to assign language-, area-, and labor-qualified officers to full-time labor officer positions in all the major Arab and Muslim countries.

The Committee believes this will require a special program to recruit Arabists and graduates of Islamic and labor studies from outside the Foreign Service and retain them in the Service. The mission of these officers would be to reach out to the workers of these countries, demonstrating a genuine U.S. concern for the state of their rights and working conditions, playing a galvanizing role in identifying and securing appropriate U.S. funding and assistance efforts, and developing special information and reporting expertise on a large and volatile sector of society that is vital to the political and economic future of the host-country. Labor officers should be allowed to do labor work and a dedicated effort is needed to minimize their being

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diverted to secondary tasks. In those Arab and Muslim countries where it is not possible to assign a full-time labor officer, the Embassy should designate a declared position which shall be dedicated to labor work on a part-time basis for clearly allocated portions of the officer's time.

A Regional Labor Advisor Position should be created in the Bureau of Near East Affairs to backstop the labor officers in the region and the Bureau of Democracy, Human Rights and Labor should monitor the work of the labor officers serving throughout the Muslim world.

These officers should be encouraged to network with each other, sharing relevant information and lessons learned. DRL should be engaged in tasking these officers with reporting assignments, coordinating with the Near East Bureau labor advisor, and other relevant USG agencies, such as the Department of Labor, as to their reporting needs,.

A labor and employment expert should be detailed to the new Office of Reconstruction and Stabilization.

The recent experience in Afghanistan and Iraq amply illustrates the need for including job-creation and training programs in the reconstruction of failing, failed nd post-conflict states.

The U.S. should undertake a major effort through the Middle East Partnership Initiative or Greater Middle East Initiative to promote legal reform and the enforcement of ILO workers' rights standards in Arab and Muslim countries.

This effort is better carried out multilaterally rather than bilaterally. Funding support should be provided to the ILO to conduct this program, in consultation with the U.S.

U.S. assistance efforts should be dedicated specifically to promoting social dialogue and collective bargaining among workers, employers and governments in the Arab and Muslim countries and improving the economic literacy of worker representatives.

In developing countries especially, wages and working conditions need to be set through transparent collective bargaining between responsible worker and employer representatives in order to promote constructive industrial relations in a democratic setting. In addition, an effort to establish a more equitable "social contract" for workers in Arab and Muslim countries will require the consensus of the relevant stakeholders, including the trade unions, derived through a social dialogue among the partners. The U.S. should support these efforts through training programs for government, union and industry leaders in coordination with the ILO, which has special expertise in tripartite social dialogue initiatives, and also in cooperation with the democratic international labor movement and relevant international business organizations. A special effort is also needed to improve the economic literacy and technical knowledge of trade union leaders if they are to participate effectively in social dialogue with government and the employers.

There is need for a reinvigorated labor technical assistance program which the Department of Labor should take the lead in funding and implementing, but funding support will also

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be needed from USAID and other U.S. government agencies

There are at least five priority areas in which labor technical assistance should be concentrated: strengthening Labor Ministry services in Arab and Muslim countries, job-creation efforts (including through non-official initiatives such as the Youth Employment Summit network active in the Arab and Muslim world), the strengthening of social safety nets, child labor alleviation programs, and women's assistance programs.

The State and Labor Departments should explore the feasibility of short-term work/ training experiences for labor relations professionals from Arab and Muslim countries in U.S. companies with best practices in industrial relations. A similar program for labor leaders and union staff could offer work/training experience with American unions.

A temporary work program for young professionals and young labor leaders and staff from Arab and Muslim countries to gain labor relations experience in U.S. companies with best practices could have a significant impact in opening the visions and modernizing the outlook of these visitors. The State Department would need to work imaginatively to establish such a program in cooperation with Homeland Security.

The Department of State should undertake greatly expanded public diplomacy and cultural initiatives targeted on labor and academic audiences.

These should include:

- A more systematic effort by the DRL Bureau and the Department of Labor to take advantage of the annual ILO conference in Geneva to coordinate dialogues between American government, trade union and employer delegates and their counterparts from Arab and Muslim countries and to report back to the relevant Embassies so that they can follow-up these discussions at post with the aim of advancing cooperative initiatives in the host-country.

- An interfaith dialogue among the clergy of the major religions and representative labor and business leaders from around the world exploring how each religion approaches the question of workers' rights and ethical practices in the workplace and looking to the development of a common statement expressing universal faith-based support for these values, which trade union and business leaders could also endorse. This dialogue would best be conducted under the auspices of the ILO. A special effort should be made to bring Muslim religious authorities into this initiative. In addition, multinational companies with major investments in Arab and Muslim countries should be encouraged to endorse and participate in this effort as a special corporate responsibility initiative.

- International visitor and exchange programs bringing labor-management specialists from Arab and Muslim countries to the United States for dialogue and discussion with American counterparts and academics.

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- U.S. support for the establishment of industrial relations programs in universities in Arab and Muslim countries and scholarships for labor-management study in the United States.

- A special effort, spearheaded by the DRL and Public Affairs Bureaus, to bring the U.S. message supporting workers' rights and "decent work" to the Arab and Muslim "street" by securing time on local TV and radio stations for news spots and roundtable discussions in which U.S. experts might be invited to participate.

Regional and Country-specific recommendations:

Western Europe

The U.S. labor officers serving in West European posts should inform themselves about the efforts of the national trade union confederations of these countries to recruit the increasingly significant numbers of Muslim immigrant workers on the continent as union members, defend their rights and provide them the protections afforded by European labor law and, in cooperation with the AFL-CIO, explore ways to cooperate with and strengthen these activities.

The labor officers should develop relationships with working-class Muslim immigrants and the advocacy groups that support them. They should develop special expertise concerning the ideological and religious currents which influence Muslim workers in Europe and take on the responsibility at their posts for reporting significant developments affecting these matters

Iraq

The Committee hopes that the Government of Iraq will continue the pursuit of reforming its labor law to bring it into conformity with ILO standards on a priority basis, with the support of the ILO.

New measures underway to employ Iraqis are welcome, but greater efforts are needed to develop emergency, short-term employment programs to absorb the dangerous unemployment of at least 2.5 million more Iraqi workers.

Reconstruction guidelines are needed requiring contractors to hire more Iraqi workers. . The U.S. should also support skills training in the construction trades. Last but not least, a qualified labor officer should be assigned to the Embassy in Iraq as soon as possible.

Afghanistan

Reports of skill shortages and the need to import foreign skilled workers persist. A major skills training program, centered on construction and maintenance, is needed to equip more Afghan workers to work in the reconstruction of roads, buildings and infrastructure.

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Skill training centers should be established in Kabul, Kandahar and Mazar-I-Sharif.

Micro-credit programs could significantly aid efforts to generate employment and provide opportunity for Afghan workers, including women.

Israel and Palestine

The Committee applauds the President's intention to play an active role in attempts to spur progress in the peace negotiations. The government should also support joint programs on job creation that include the participation of the Palestinian and Israeli unions, and should support the ILO's Palestine Fund for Employment and Social Protection proposal.

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A Labor Diplomacy Strategy for the Muslim World

Taking note of what retired Ambassador Ronald Spiers and others have called "the swamp of poverty" which spawns and sustains terrorism, the focus of the Committee's attention in this report is on the labor dimension of improving U.S. relations with the Arab and Muslim world, recommending policy initiatives and programs targeted specifically on Muslim workers and the industrial relations arena to achieve these ends. The Committee is aware of the shocking levels of hostility towards America, particularly in Arab and Muslim countries, registered in the PEW survey of 2003 --noted also by the Advisory Group on Public Diplomacy for the Arab and Muslim World[2]-- and reported to be intensifying in more recent polls, especially since the U.S. military occupation of Iraq. In order to reduce the hostility and to counteract the recruiting efforts and appeal of extremist groups in Muslim countries–to reduce the sea of tacit popular support and resentful acquiescence in which the terrorists swim–the Committee believes there is an indispensable need for a comprehensive set of policies and programs aimed at putting idle, unemployed labor to productive use, improving working conditions, living standards and social protection, empowering workers through the strengthening of labor rights and the rule of law, and promoting democracy and human rights.

[2] **Changing Minds/Winning Peace**: A New Strategic Direction for U.S. Public Diplomacy in the Arab & Muslim World, Chairman Edward P. Djerejian, October 1, 2003.

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In addition to briefings from U.S. Government officials and academics, the Committee's views have been shaped by the combined experience of its members' own interactions and discussions with representatives from Muslim countries in meetings of such entities as the International Labor Organization (ILO), the International Confederation of Free Trade Unions (ICFTU), the International Construction Institute (ICI), and international business organizations. As further background information on the Arab countries, the Committee found particularly helpful the two reports on Arab Human Development prepared by a committee of Arab intellectuals and published under the auspices of the United Nations[3], as well as the World Bank's Middle East and North Africa development report of 2004.[4]

Our study leads us to conclude that the long hard road to overcoming the appeal of Islamist extremism among Muslim peoples lies in modernization, democratization and the integration of the Muslim world with the global economy. We believe that far-reaching economic, political and social reforms are needed to deal with the poverty, unemployment, inadequate social protection, political despotism and instability that chronically afflict much of the Muslim world, particularly in the Middle East. At the same time, we recognize that in the case of al-Qaeda and related groups, terrorism is in part a reaction to the unsettling effects of Western cultural influence (including, for example, the call for greater gender equality), technology and rapid modernization on traditional ways of life. For this reason, we believe that democratization of the Arab and Muslim world cannot succeed if it appears to be imposed artificially or by force from the outside, by the U.S. or the West. Democratization has to come from within, but it can be inseminated and supported in subtle and effective ways from without.

Private sector-led growth and greater integration into the global economy are already beginning to replace the government-dominated economic model that has existed in many Arab countries since their independence from European colonialism. But, as the Committee noted in its previous report, reliance on market forces alone is not enough.

In principle, the Committee welcomes the World Bank's concept that "a new social contract" is needed in Arab countries "that integrates market-based strategies of growth and inclusiveness and accountability with long-standing commitments to social equity"[5]. In practice, for labor market flexibility reforms to succeed, they require the consent of the workers. This can only be achieved through a consultation process and a grand social bargain in which genuinely representative worker leaders actively participate, along with private sector employers and governments. In turn, this requires an environment of greater trade union rights for workers. It also requires an economically knowledgeable labor leadership.

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[3] UNDP: **Arab Human Development Report 2002**: Creating Opportunities for Future Generations; UNDP: **Arab Human Development Report 2003**: Building a Knowledge Society.

[4] The World Bank MENA Development Report: **Unlocking the Employment Potential in the Middle East and North Africa**: Toward a New Social Contract, 2004.

[5] **Ibid**, p. 16.

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In the past, U.S. foreign assistance and public diplomacy programs targeted political, economic, and educated elites abroad, assuming that free market forces alone would do the heavy lifting to solve most economic problems and leaving it to American pop-culture to reach the masses. This is no longer enough. In our transformed, post-9/11 world, the U.S. needs a strategy to reach entire populations, especially those of the Arab and Muslim countries, through people-to-people programs -- a strategy that appeals to the material interests of common people to improve their standard of living and satisfies their spiritual need for self-dignity and control over their own destinies.

This **"Labor Diplomacy Strategy for the Muslim World"** is aimed at drawing and building on the ethical and social justice norms inherent in Islamic tradition. It is inspired by the belief that work is as powerful a source of identity as religion --an idea captured in the Arab proverb: *'Work is another form of worship"*.

To assist Arab and Muslim countries in developing a new social contract to underpin private sector-led economic growth policies and democracy-building initiatives, the Committee recommends that the U.S. Government apply a holistic approach, using and integrating all the 6tools of the Labor Diplomacy Strategy at its disposal. These tools, all of which are in the so-called "soft power" category, include:

- the Department of State's labor officer program
- strengthened labor assistance and training programs by U.S. government agencies, including State, Labor and USAID.
- support for the efforts of the democratic international labor movement to promote workers' rights, free trade unions and the economic literacy of workers
- visitor programs, international labor conferences and public broadcasting
- augmented workers' rights and social protection programs by multilateral organizations such as the ILO and the Bretton Woods Institutions.

A central element in this strategy is based on our recognition that worker organizations are currently one of the strongest secular countervailing forces against religious extremism in the Muslim world. To cite a relatively recent incident as an illustration, in early April 2004 aluminum and sanitary supplies factory workers in Nasiriyah, Iraq, reportedly refused to evacuate their workplaces so that the militia of Muktada al-Sadr could convert them into military positions against U.S. and Italian troops[6]. Trade unions are one of the few membership organizations with wide geographic presence bridging all or most of the ethnic, religious, tribal, and linguistic groups in many countries of the Arab and Muslim world. If they wish to modernize, industrialize and join the global economy, Muslim societies need to develop modern industrial relations systems in which independent trade unions organized by workers according to their own choosing are permitted to operate freely and to defend the economic and political interests of their members within the rule of law.

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[6] April 8, 2004 press release of the Federation of Worker's Councils and Unions in Iraq-FWCUI:Baghdad

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The Labor Diplomacy Strategy which the Committee proposes would provide avenues to peaceful, gradual reform, wider respect for human rights, and concrete steps towards democratization and the modernization of economies. It would empower women and minorities. It would offer transparent channels for the organization and expression of political opposition. In addition, this approach should help to soften the hostility of ordinary citizens of Arab and Muslim countries accustomed to believing that Americans are indifferent to their economic and political situation, if not in some ways responsible for it. This strategy will send a strong message that America is interested in the conditions of workers in the Arab and Muslim world, and will help build friendship, understanding, and trust based on shared, internationally recognized, democratic values.

The Advisory Committee is pleased to note that the 9/11 Commission concluded that an aggressive "Agenda of Opportunity" is needed for the United States to prevent the continued growth of Islamist terrorism and that the Commission's proposed agenda identifies some of the same areas of opportunity which the Advisory Committee explores in making our recommendations. Among its recommendations, the 9/11 Commission anticipated the need for vocational education and economic development programs in the Muslim world and recognized the value of attracting Muslim countries as full participants in the rules-based global trading system, as the United States considers lowering its trade barriers with the poorest Arab nations.

This report will offer a comprehensive set of recommendations including technical assistance and public diplomacy programs aimed at strengthening constructive industrial relations systems, workers' rights and legal aid programs for workers including, in the context of trade, capacity enhancement initiatives associated with the Administration's proposed free trade agreements, special job-creation programs, micro-credit programs, worker health and safety programs, social safety net programs, vocational skills training and economic literacy programs, exchanges and scholarships, and special programs for women and migrant workers. Some of these recommendations can best be carried out bilaterally by the U.S. Government, others through multilateral agencies.

This strategy would build on an already existing international culture and framework– international tripartite networks (government-union-business organization) in which Arab and Muslim leaders and organizations already participate. The democratic international labor movement in particular has over a 100-year history of uniting the trade unions of the world in an international movement aimed at globally defending workers' rights which the unions from Arab and Muslim countries are eager to be part of. The U.S. should take advantage of this structure and tradition to promote better relations with the workers of the Arab and Muslim world. Working through and supporting international bodies such as the ICFTU and the ILO has the additional merit of avoiding the impression of ethnocentric U.S.-imposed solutions or designs. Efforts should also be made to coordinate U.S. assistance programs with those of the EU, G-8 OECD, the World Bank and other IFIs.

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Trade Unions, Trade, Women and Migrant Workers

In the Arab and Muslim world, trade unions face many difficulties both internal and external. While many governments have ratified a number of ILO Conventions (with the notable exceptions of Conventions 87 and 98 related to freedom of association and the right to organize and bargain collectively) political and bureaucratic constraints on the activities of trade unions by ruling elites continue to present serious obstacles to the development of free, representative organizations. The policies of governments range from outright opposition (Saudi Arabia), to manipulation (Egypt, Syria, Libya, and Lebanon) to relative freedom under the watchful eye of intelligence and military services (Indonesia, Malaysia, Jordan, Kuwait, Yemen). Ruling autocrats remain wary of the wide constituencies labor movements represent and through legal and extra-legal methods seek to limit their efforts to develop political and economic independence from central authority.

At the same time, many labor organizations in the Arab and Muslim world suffer from a lack of internal democracy, weak leadership, personalization of power, and the absence of transparency and accountability in decision-making. Many of these internal shortcomings are the direct result of the repressive environments in which trade union leaders and activists must work. A lack of knowledgeable staff and resources are also limiting factors. The challenges facing workers and trade unions in the countries covered by this report are further compounded by the increasingly rapid changes taking place in their workplaces and in their societies as a result of globalization. Other issues, such as the need to incorporate more women into the workforce, migrant workers, the casualization of labor, and the growing numbers of young, unemployed workers are also taxing the resources of trade unions to respond effectively.

Despite the weaknesses of some trade unions in the Arab and Muslim world, they remain one of the few secular membership organizations in that world with wide geographic presence that reflects all or most of a country's ethnic, religious, tribal, and linguistic groups. There also exist important examples of "Islamic" trade union structures that function as legitimate unions at the workplace level. As such, with appropriate levels of external political and economic support, unions can play a key role in promoting economic growth and democracy. They provide a venue for national consensus building around issues of common workplace and community concern and they can effectively communicate democratic political values and modern economic principles down to the workplace level.

Free trade unions in the Arab and Muslim world are engaged in the struggle against extremism and terrorism. Union leaders are acutely aware that political instability, extremism, and terrorism can undermine any economic and political gains negotiated for workers at the bargaining table or with their governments. As such they remain strong advocates for political moderation, stable markets, and the rule-of-law, values that we Americans share.

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Trade Negotiations

Expanded trade relations can be an important aspect of developing closer ties between the U.S, and the Muslim world. Trade can advance the mutual prosperity off the trading partners. In addition, workers whose livelihood and income are derived from or dependent on trade have an economic incentive to support international peace and cooperation. Moreover, there is a built-in feature of U.S. trading relationships that can promote an added win-win situation in advancing workers' rights among the U.S. trading partners. U.S. foreign trade and investment legislation since the 1980's has recognized the inherent link between trade and development issues and workers' rights., requiring our trading partners to respect minimal labor rights as a condition for receiving special trade and investment concessions, such as through the Generalized System of Preferences (GSP) program. While failure on the part of the country receiving trade concessions to "take steps" to improve its workers' rights situation could ultimately lead to negative trade sanctions, this provision can be even more effective when trade negotiations are accompanied by a promotional effort on the part of American diplomacy encouraging our trading partners to take positive measures on their own to strengthen respect for workers' rights as a condition for winning or maintaining special U.S. concessions. The U.S.-Jordan Free Trade Agreement is an example where these provisions have been applied in a positive way and serves as a potential model for FTAs with other Arab and Muslim countries.

As the US negotiates new trade agreements with countries in the Arab and Muslim world the need for those countries to modernize their industrial relations systems and labor markets becomes even more urgent. Modern industrial relations systems supported by rule-of-law are necessary components of free markets and trading regimes that benefit both trading partners. The Committee is aware of US government programs to promote trade and to assist governments in the Arab and Muslim world to develop their capacities to engage in international trade. However, sound market economies also require enforcement of international labor rights and standards. The relationship between human development and human rights is self-evident and the enforcement of international labor rights and standards results in the creation of social capital, which is integral to more productive workplaces. Thus, sustained US government support for trade union development in the Arab and Muslim world will not only help to support democratic values and practices and promote understanding and trust, it will also help to address labor-market needs brought about by globalization, trade, and economic transition.

The Multi-Fiber Agreement

Some Arab and Muslim nations now face a pressing challenge: How will they maintain employment growth in their garment industries when all quotas allocating market share in textiles and clothing under the Multi-Fiber Arrangement are eliminated on January 1, 2005? Because of generous quota allotments or special trade agreements, a number of countries in the Arab and Muslim world have seen substantial growth in the last few years in their garment industries; Egypt, Jordan, Bangladesh, Indonesia, Malaysia, and Thailand, stand out in this regard. They and other nations are now entering a period of political and economic risk. In Bangladesh, for example, the garment industry employs 1.8 million people and generates related employment for four to ten times that number. It also earns 84 % of the country's foreign exchange.

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It is widely agreed that the end of the quota system will result in major shifts in the location of textile and apparel production, as companies relocate to take advantage of more efficient and lower cost producers formerly constrained by quotas. International organizations such as the United Nations and the World Bank, as well as national governments in both the market countries and the producing countries, academics and non-governmental organizations, have all expressed grave concerns at the social impacts that are the likely result of the elimination of textile and apparel quotas. Studies commissioned by the U.S. government and other sources anticipate that job loss resulting from the movement of production is will be massive, threatening social and political stability in these countries. The larger Asian countries, especially China and India, will gain market share, and many of the smaller and less efficient producers, such as Bangladesh and Indonesia, will lose market share, causing many factories to close and many textile and apparel workers to lose their jobs. The Dhaka office of the United Nations Development Program has predicted that Bangladesh may lose as many as one million jobs because of quota phase-out. Job losses of these magnitudes will have a major impact on employment opportunities for the growing numbers of young workers entering the workforce for the first time. In addition, the expected increase in migration of unemployed workers will exacerbate the already difficult situation of migrant workers worldwide.

US retailers and brands should be encouraged to enter into dialogue with governments, supplier companies and trade unions in the Arab and Muslim countries to improve labor standards and labor relations practices, so that the apparel industry becomes a force for development and for sharing the benefits of trade in those regions. Capacity building for unions and government ministries of labor should be supported, as should industrial upgrading projects for supplier companies that adopt high-road approaches.

The Committee recommends US government support for public/private programs that encourage government, business, and worker stakeholders to establish an on-going dialogue around the issue of quota phase-out, and extend that dialogue to other areas of concern, such as democratic governance, labor law reform, fiscal policy and infrastructure development, etc. The role of labor officers and US embassies can be critical to success at the national level, as demonstrated by the involvement of the Labor Reporting Officer in Bangladesh during the recent discussion of a new labor law extending trade union rights to the export processing zones.

Working Women in the Muslim World

Much has been written about the situation of women in the Muslim world. The highly acclaimed Arab Development Report, released under the auspices of the UNDP and the Arab Fund for Social Development, notes that one of the "three deficits" to human development in the Arab World is the lack of empowerment of women. In a stunning summary of the plight of women in the Arab world, researched and compiled by experts from the region, the Report notes the following: "Women suffer from unequal citizenship and legal entitlements, often evident in voting rights and legal codes. The utilization of Arab women's capabilities through political and economic participation remains the lowest in the world in quantitative term. Qualitatively, women suffer from inequality of opportunity, evident in employment status, wages and gender-

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based occupational segregation. Society as a whole suffers when a huge proportion of the population is stifled, resulting in lower family incomes and standards of living."

Sadly, the Arab world is depriving itself of the creativity and productivity of half its citizens. Women in Arab countries have amongst the lowest rate of participation in the work force anywhere in the world.

Any effective strategy to advance labor diplomacy in the Muslim world must strengthen the role of working women and tap their potential. The feminization of unemployment must be reversed by removing gender bias in labor markets, including gender-based occupational segregation and wage differentials, and addressing gender gaps in the quality and relevance of education and skill-training programs. Priority should be given to women entrepreneurs when strengthening local capacity to deliver micro-finance services.

Migrant Workers

Many countries of the Muslim World are either major importers or exporters of migrant workers from South and Southeast Asia. Many hundreds of thousand of Muslim workers are employed outside their home country and many countries actively encourage exporting their laborers as part of their economic development strategies.

The Gulf economies are major importers of immigrant workers. In two Gulf states, the United Arab Emirates and Kuwait, migrants make up the majority of the population, 73.8 and 57.9 percent, respectively, in 2000 (UNDP 2002: 4).

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Workers are encouraged to migrate by dire economic need and slim employment chances at home. As ILO Director General Juan Somavia has said "people want decent jobs where they live." Migrant workers - even legal migrants - typically take the least desirable jobs and face discrimination at work.

Without the protection of internationally recognized core labor standards, and without the foundations for broad-based human development that the exercise of fundamental rights at work brings, legal migrant workers will be exploited. Migrant workers are vulnerable and frequently victims of employers' abuses, not only in the Gulf States but throughout the world.

Faithful observance and enforcement of ILO standards by the receiving nations could go a long way toward alleviating the exploitation of these workers. The eventual development of representative labor unions in the receiving countries, open to full participation by migrant workers, will provide the only truly effective vehicle for insuring respect for fair employment practices and decent work.

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Recommendations for a Special Labor Diplomacy Effort In Arab and Muslim Countries

Many of the recommendations made in the Committee's previous two reports remain of vital importance. The Committee wishes to highlight these recommendations, especially those offered in its second report issued on December 31, 2001 after the tragic events of September 11. A summary of those recommendations is contained in **Appendix B**. The Committee also offers the following additional recommendations to advance labor diplomacy in the service of democracy and development in the Muslim world. These recommendations were developed based on consultations with government officials, union professionals, and academic researchers. **Appendix C** lists the persons who appeared before the Committee or with whom the Committee consulted in formulating these recommendations.

Staffing and training needs in the Foreign Service and Department of State

Recommendation 1. Labor Officer Assignments in the Muslim World

Strengthening the Department's overseas labor officer program has been the leitmotif of the Committee's deliberations since its inception and has been a key recommendation in its two earlier reports. Unfortunately, other Departmental priorities have prevented any significant enlargement of the labor officer program up until now. However, the posting of labor officers to Arab and Muslim countries is an indispensable element in any effort to coordinate a comprehensive, stepped-up labor diplomacy program involving technical assistance and public diplomacy in these countries and we believe that resources to support such an expansion must be found.

On this point, the Committee's recommendations are:

Labor Officer Positions in all Major Arab and Muslim Countries.

The Committee strongly recommends the establishment of new labor officer positions in key Arab and other Muslim countries where they do not exist today, such as Iraq, Afghanistan, Pakistan, Egypt, Lebanon, Palestine, Saudi Arabia, and at least one of the Central Asian republics of the former Soviet Union (serving as a regional labor officer servicing all of the Central Asian countries). If diplomatic relations are reestablished with Iran, a labor officer is one of the core positions that should be considered for Teheran when that post reopens. In the two war-torn countries, Afghanistan and Iraq, where Foreign Service Officers serve in provincial units, we recommend that such officers have some familiarity with labor issues so that they can better contribute to job creation efforts and other labor related reconstruction questions which they face.

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A labor-qualified officer should be assigned to in all countries abroad which have a significant Muslim population. In countries where it is not possible to create a full-time, labor-designated officer position, the Embassy should designate a declared position which shall be dedicated to labor work on a part-time basis for clearly allocated portions of the officer's time. These officers should be identified as assigned to carry out a special labor diplomacy program under the general direction of the Bureau of Democracy, Human Rights and Labor (DRL). Agreements should be made with the regional bureaus to permit this with an aim of arriving at firm commitments as to the percentage of the officers' time at each post that is to be spent on this special labor diplomacy effort, it being clearly understood at the time of assignment of a new officer that he/she is expected to put in a dedicated part-time effort on such labor work. These positions should be designated in the assignment bidding process as "Muslim country labor-diplomacy positions".

Special University Recruitment Program.

The Committee recommends the inauguration of a special program to recruit graduates and young academics from University programs in Near East or Islamic studies and related languages to serve as labor officers in these posts. Ideally, such academics should demonstrate an interest, and have completed additional course work in labor, economic, social or development issues. Special arrangements should be made so that these recruits can be brought on board and allowed to fill labor officer positions in the Arab and Muslim countries for a number of tours as a specialized career assignment.

This is a recommendation which has been discussed in previous reports, but which is always met with the inflexible nature of the Foreign Service recruitment practices. In a world changing as rapidly as ours, with the need for special skills to be immediately available, the Department cannot wait for these new recruits to pass through the usual years of consular service, language training, etc. If this can't be done within the current structure of the Foreign Service, then such specialists should be recruited through the Department of Labor and designated to serve as labor officers or seconded to the Department of State to serve in designated embassies or regions.

The first generation of State Department labor attaches was composed largely of labor historians and economists, recruited from U.S. universities in this fashion in the 1940s and 1950s, and enriched the Foreign Service in untold ways. This generation produced a Golden Age of uniquely qualified labor attaches who set a standard for intellect and erudition seldom equaled since, not only by the career Foreign Service Officers who followed in these labor positions, but by the Foreign Service as a whole. Such a recruitment program would infuse new life and a new standard of achievement into the labor officer program which has been allowed to deteriorate in recent years.

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Language and Area Training for all Labor Reporting Officers.

Labor officers will not be effective in Arab and Muslim countries if they cannot converse with workers in the national language of the country, nor if they are without grounding in its history or in Islamic culture. Language and area training should be expanded so that officers who do not have the qualifications are trained in the language and versed in the culture before they are assigned to labor officer or labor reporting officer positions in Arab and Muslim countries.

Labor Officers must be allowed to do labor work.

The Committee strongly recommends that effective steps be taken to ensure that Embassy officers currently serving in labor-designated positions in Arab, other Muslim or key adjacent countries, such as Morocco, Tunisia, Turkey, Egypt, Israel, Nigeria, Kenya, Bangladesh and Indonesia are permitted the time they need to perform their labor assignments with quality and distinction and not be drawn off or diverted into secondary tasks that reduce their effectiveness as labor officers. The DRL Bureau should initiate the necessary steps in the Department to bring this about.

DRL should coordinate labor officer work.

The Democracy, Human Right and Labor Bureau (DRL), in close cooperation with the Near East Affairs Bureau (NEA) labor advisor (see Recommendation 2 below), should monitor the work of the labor officers serving in Arab and Muslim countries, encouraging them to work as a team and to network with each other, sharing relevant information and lessons-learned, e.g. on how to strengthen constructive U.S. relations with the working class of these countries, on successful attempts to promote job-creation, on understanding the nexus between religion and labor, and on how to encourage workers to become constructive members of society and supporters of democracy.

Recommendation 2. A Regional Labor Advisor for the Bureau of Near East Affairs

While this committee has recommended in its earlier reports that there should be a Labor Officer Advisor in each of the geographic bureaus of the Department of State, there is special need for a regional labor advisor position to be reestablished immediately in the NEA bureau to coordinate all labor assistance activities funded by the Department of State under the MEPI, GMEI and other programs affecting the Middle East. In coordination with DRL, the NEA labor advisor should work closely with the labor officers assigned to Arab and Muslim countries.

Recommendation 3. A Labor Technical Advisor in the Office of the Coordinator for Reconstruction and Stabilization

The recently created Office of the Coordinator for Reconstruction and Stabilization within the office of the Secretary was designed to coordinate and manage the planning and development of policy options in response to failing, failed, and post-conflict states. In the discussion below of

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the U.S. experience in Afghanistan and Iraq, we make the case for stepping up badly needed job creation programs in those two countries. We believe those experiences amply illustrate the need for labor and employment planning to be specifically included in any U.S. reconstruction and stabilization efforts undertaken in the future. The Committee therefore recommends the assignment of a labor and employment advisor to carry out this function in the Office of Reconstruction and Stabilization. The adviser could be recruited from the Department of Labor, which has several experts who have served in Iraq in this capacity.

New Policy Approaches and Programs and Strengthening Coordination

Recommendation 1. Promoting ILO core labor rights through U.S. and multilateral initiatives to promote democratic reforms and develop economic and trade capacities.

In three speeches over the past year (the 20th anniversary of the National Endowment for Democracy, the State of the Union, and the inauguration of the Winston Churchill exhibit at the Library of Congress), President Bush recognized the importance of trade unions in promoting democratic political reform in the Middle East. The recent agreement between the Departments of State and Labor, whereby the latter will administer funds under the Middle East Peace Initiative (MEPI) to assist the Gulf Region and North African countries improve their capacity to implement the labor provisions of Free Trade Agreements or Trade Investment Framework Agreements with the United States is a positive step. It should begin a major initiative through MEPI to promote legal reform and the enforcement of International Labor Organization workers' rights standards in Arab and Muslim countries in cooperation with the ILO. This technical cooperation will be provided on a bi-lateral and sub-regional basis.

The Advisory Committee welcomes this agreement and hopes these funds will also be used to support and enhance the capacity of free trade unions in these countries to defend and promote workers' rights in the context of these trade and investment agreements. The committee trusts that more programs will emerge from the MEPI and from the Broader Middle East Initiative (BMEI) directly assisting trade unions to play their role in promoting democratic political reform in the Middle East, as envisaged in President Bush's statements.

Recommendation 2. Promoting Social Dialogue, Collective Bargaining and Economic Literacy

The key to economic growth and progress, in many Arab countries particularly, is to reinvigorate the private sector and to move toward a free market system and greater integration with the world economy. This may require privatization of public enterprises, layoffs from an inefficient and/or corrupt public service, and greater flexibility of hiring and firing rules in the private sector – all of which create tremendous social turmoil and increase political instability. As the most recent World Bank MENA study concludes, a thorough-going reform of this nature requires a new social contract entailing adequate social safety nets and protections that has the support of the workers because they recognize that there will be an overall net economic benefit

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to themselves and their families, as well as to the country at large. This can only be accomplished through the active participation of genuinely representative worker leaders in the negotiation of the new social order in which there is genuine give-and-take with the other stakeholders in the society. There have been some efforts by the governments of Egypt, Morocco, Tunisia and Jordan to involve industry and labor leaders in the discussion of labor market reforms, but these will need technical support and assistance.

The United States should support these efforts through training programs for government, union and industry leaders, in coordination with the ILO, which has special expertise in tripartite social dialogue initiatives. This program should also be aimed at strengthening the collective bargaining process in the private and public sector in the Arab countries.

For Arab trade unions to wisely and effectively defend their members' interests in collective bargaining, as well as in social compact discussions over national economic and political reform, a special effort is necessary to improve their economic literacy, and technical knowledge and capacity. An effort should be made to actively involve the democratic international trade union movement in such a training program as it has a similar interest in strengthening the technical capacity of its member unions in Arab and Muslim countries. The involvement and cooperation of the international business organizations should also be sought. This training should be linked to the public diplomacy initiatives recommended below.

Recommendation 3. Need for reinvigorated Labor technical assistance programs

From the technical assistance standpoint, the needs are so great that they require a coordinated effort, not only among U.S. Government agencies, but also with the relevant regional and multilateral bodies such as the EU, G8 and OECD, the ILO, the World Bank and other IFIs, as well as the various Arab development funds. The United States does not have sufficient resources to undertake a massive poverty-alleviation or job-creation program in Arab and Muslim countries on its own, but it should explore with the other regional and international agencies presently working in these areas how the U.S. can use its comparative advantage to play a more significant role than at present. Six areas in which the U.S. might concentrate its efforts are:

Strengthening of Labor Ministry services.

Developing the capacity of Labor Ministries in the Arab and Muslim world to collect and publish more reliable labor statistics, conduct labor market research, assist in job creation and placement, develop and manage sustainable vocational training programs in collaboration with the private sector, promote the health and safety of workers, promote the development of fair and effective governmental and Alternative Dispute Resolution systems, and insure compliance with national labor laws, is critical to a successful transition to sustainable market economies in the region. The U.S. Department of Labor has the technical expertise, but lacks adequate funding to undertake a much needed expansion of this effort in the region. As the proposed MEPI and BMEI initiatives do not appear to contemplate such programs and USAID no longer provides assistance in this field, the Labor Department should be encouraged to request an adequate budget

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to undertake this initiative.

Job creation efforts.

A surplus of idle, unemployed middle class youth, including many who have received a University education for professional positions in the civil service that no longer exist, are increasingly prey for radicalization in some Arab and Muslim countries. The United States needs to take a higher-profile role in helping these countries to promote employment, especially youth employment. This should include vocational training for jobs in which there is an economic growth potential.

The Committee notes that there are non-governmental initiatives such as the Youth Employment Summit (YES 2002) in Alexandria, Egypt, which launched a Youth Employment Summit Decade Campaign of Action to promote youth employment on a global basis. This was followed by another Summit that took place in October of this year in Mexico. This initiative has spurred the creation of YES country networks, which are youth-led national-level coalitions focused on promoting youth employment, including in several Arab and Muslim countries. Embassy labor officers should develop contacts with such networks where they exist or are planned and explore lending possible assistance. (See also Recommendation 4 below.)

Strengthening of social safety nets.

Most Arab and Muslim countries have inadequate social security programs which protect a select minority of workers in the formal economy to the exclusion of workers in the informal economy and others. Unemployment insurance and pension programs are practically nonexistent. DRL and the Department of Labor should lead an interagency effort, which should include USAID and the Social Security Administration, to explore ways that the U.S. could make a more significant contribution to helping Arab and Muslim countries design modern, effective and expanded social safety net systems, with the cooperation of the relevant multilateral agencies such as the World Bank and the ILO.

Child labor alleviation programs.

The Department of Labor currently has funding for child labor programs which remove underage children from full-time work, often under forced labor situations, and provide them educational opportunities that greatly strengthen their productive capacity and potential when they reach adulthood, as well as promoting the overall economic growth of these countries. DOL should target more of its child labor alleviation program effort towards Arab and Muslim countries.

Women's programs.

Unlocking the employment potential of women is one of the most promising ways to promote economic growth, alleviate poverty and strengthen political democracy in Arab and Muslim countries. Women face significant barriers to employment, particularly in the private

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sector. Programs are needed to support working women to articulate and press for legal and governmental policy reforms that can affect their fundamental rights and deal with discrimination, illiteracy, health and safety, social insurance benefits coverage, and worker rights.

Increased support for vocational skills training programs directed towards women is needed to provide them with skills that will allow them to compete for jobs in the formal sector. Micro credit programs can also play a significant role in improving the economic situation of women in the informal sector. The U.S. Government should be more actively involved in women's employment programs in Arab and Muslim countries. DRL and the Department of Labor should lead an interagency effort to explore ways that U.S. assistance for women's programs in Arab and Muslim countries could be significantly increased and made more effective.

Recommendation 4. Short-term work training experiences for labor relations professionals in U.S. unions and companies.

DRL should explore the feasibility of developing a program with American multinational companies and unions to open the visions and modernize the outlook of professionals and union leaders and staff from Arab and Muslim countries, by sponsoring visits to the United States under the temporary work visa program so that they can engage in actual paid work experiences in U.S. unions and in companies with best practices in labor relations for limited periods of time. The Department could complement these temporary job assignments by organizing home visits with American families, cultural programs, and discussions for these candidates

Recommendation 5. Middle East Trade Initiative.

All trade agreements, including the proposed Middle East Free Trade Agreement, should contain a binding obligation to adhere to the ILO's core labor standards, and effective measures to enforce this obligation. Trade agreements should build on the existing workers' rights conditions in the U.S.-Jordan Free Trade Agreement, the Cambodia textile agreement, and U.S. unilateral trade preference programs. It would be inadequate to require parties to the envisioned MEFTA merely to enforce their own labor laws, as those laws do not meet minimal international standards.

The U.S. Government should ensure that trade agreements are accompanied by generous and effective technical and financial assistance to improve labor standards. Strengthening workers' rights protections in the MEFTA country labor laws should be considered an integral part of preparing these countries for participation in the free trade area and funding should be included for this in USTR's trade capacity enhancement program. Trade assistance programs for those who may be adversely affected by increased trade should also be improved and fully funded.

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Recommendation 6. Preparing for the Phase-out of the Multi-Fiber Arrangement.

The Multi-Fiber Agreement encouraged a booming textile and garment industry throughout the developing world and has proven a great boon to employment-creation outside the U.S., including in many countries with large Muslim populations, such as Pakistan, India, Bangladesh, Indonesia, Malaysia, Indonesia, and the Arab countries. The phase-out of the MFA under WTO rules in 2005 will have devastating consequences in many of these countries, as manufacturing will move to even lower cost countries, mostly China. These countries should be planning now alternative employment schemes and other ways to alleviate the economic and social impact.

The U.S Government should play a prominent role in mobilizing an international initiative to assist these efforts through the World Bank and other international institutions. The Departments of State and Treasury and USTR should take the lead in encouraging the IFIs and other relevant international agencies to focus more effectively on this problem and on getting discussions underway on how to assist the affected countries. As this is an issue which affects entire communities in the impacted countries, the union and industry organizations of these countries should be brought into the dialogue as stakeholders and consulted on the measures to be taken.

Public Diplomacy Initiatives

Recommendation 1 - The ILO Conference

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The State Department should regularly take advantage of the annual ILO conference in Geneva in June and identify beforehand the most significant tripartite delegates (Government Labor Ministry officials, trade union leaders and management representatives) who come to the conference from Arab and Muslim countries, encouraging U.S. tripartite delegation members to develop a constructive relationship with their respective counterparts on the margins of the ILO conference. U.S. worker delegates already carry out an active dialogue of their own with worker colleagues from other countries during the conference, including with representatives of the pan-Arab trade union organization, the International Confederation of Arab Trade Unions (ICATU). U.S. employer delegates engage in similar contacts with their counterparts.

DRL and the Geneva labor attache should seek to support this dialogue by reporting back more systematically to the U.S. Embassies in the relevant host countries on the highlights of these informal civil society contacts, as well as the government to government contacts at the conference, encouraging our Embassies to build on these relationships when the delegates of all three constituencies -- labor, management and government--return home after the conference. Discussion topics of mutual interest flow naturally from the ILO Conference agenda, i.e. international trade and development issues, international cooperation in promoting job creation, "decent work" and "social dialogue", etc. A major item, migrant laborers, is a relevant topic for a longer term dialogue with representatives from Muslim countries. Attempts to get conversations begun in Geneva on these subjects should provide a basis for further exchanges and conferences between the labor-management specialists of these countries with those of the United States.

Recommendation 2 - An Interfaith Labor Dialogue.

In many countries of the world worker movements historically received the blessing and support of the respective religious establishments of those countries. The Catholic Church, for example, developed the social encyclicals in the 19th and early 20th centuries promoting a humanistic philosophy of social and economic progress, inspired the creation of Catholic workers organizations and even a worker priest movement and encouraged the development of a Christian-oriented trade union international. Known today as the World Confederation of Labor, this organization later became more ecumenical to appeal more broadly to workers of other faiths as well and to draw in trade union members from the developing world. In Jewish and Protestant thought, teaching and action there were and are similar expressions of support for workers' movements.

Islam also has a well-defined philosophy towards issues of social justice and the ethical value of work. In Islam, work is considered the only legitimate basis for all richness and property. This is both a right to work and a right to the product of that work. Work must always have an ethical component, either in itself or in its outcome, e.g. establishing a charity contributing to the community[7] . The ILO in recent years has sought to convene gatherings of

[7] Tidjane Thiam, Group Strategy and Development Director, Aviva plc, London, "A Muslim perspective on Decent Work," in *Philosophical and Spiritual Perspectives on Decent Work*, ed. Dominique Peccoud, ILO, 2004, p 155.

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representatives of the major religions of the world to explore the philosophical and spiritual underpinnings of its "decent work" agenda. In the United States, the AFL-CIO and its affiliates have long worked with religious leaders of all faiths to gain local community support for workers' needs and social and economic demands.

DRL should build on these experiences, promoting an international ecumenical dialogue among religious leaders of various faiths, making a special effort to bring in Islamic leaders, to focus on the human rights of workers worldwide and the need for trade unions to enjoy the support of their respective religious communities. DRL should work toward the convening of a summit conference, in the U.S. or in Geneva, under the auspices of the ILO, inviting Islamic religious leaders together with trade union representatives from Arab and Muslim countries to meet with their trade unionist and clerical counterparts from the United States and discuss an international labor agenda which all religious communities can endorse and actively support.

Recommendation 3. **Labor-Management Exchange Visits & Conferences**

In recent years, very few leaders engaged in industrial relations in Arab and Muslim countries have been invited to the United States on official exchange programs. DRL should breathe new life into this program, encouraging our Embassies to make a concerted effort to identify and invite labor and management figures from the Arab and Muslim world on visits to the United States and to promote the visit of American industrial relations experts and practitioners on speaking tours in these countries. DRL should take whatever steps are necessary to bring this about, seeing to it that this is built into the Mission Program Plans of the relevant Embassies and ensuring that there is adequate funding to support a much beefed-up labor diplomacy exchange program. To illustrate the types of exchanges we envisage, the Department might consider the following:

- A regional program to explore the practical connections between concepts of worker rights and human rights in Arab and Muslim countries.
- An International Visitor (IV) Program targeting the writers and editors of trade union publications from Arab and Muslim countries. In concert with our Embassies, DRL should determine whether it would be better to conduct this as a regional program aimed solely at these countries or as a global program in which candidates from Arab and Muslim countries would be mixed in with those from elsewhere around the world.
- A sub-regional IV Program on "Women in Workers' Movements," targeting Afghanistan, Pakistan and Bangladesh (perhaps adding India and Sri Lanka). This would focus on women's leadership training and empowerment, in a labor union context.
- A similar sub-regional IV Program for women trade unionists from Turkey and Arab countries such as Syria, Jordan, Lebanon, Egypt, Palestine, and Iraq if feasible, and possibly including Iran.

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- A sub-regional conference bringing U.S. specialists together with labor and management experts from the Gulf States to discuss possible U.S. cooperation with their efforts to promote the transition from dependence on often-exploited foreign labor to national work forces. Bahrain, with its new labor law, is in the vanguard of this effort, but most of the Gulf countries have been consulting the ILO about needed reforms, and even Saudi Arabia is taking cautious steps in the direction of greater workers' rights. This program could target government and private sector representatives (such as chambers of commerce), journalists who write on labor issues, as well as labor leaders from the countries which already have trade unions like Bahrain, Yemen and Kuwait. The ILO, and possibly also the Arab Labor Organization (a sub-regional Organization of the ILO), could be invited to help organize this program along tripartite lines.

- A sub-regional conference for trade unionists, labor-management experts, government officials and economists from the Maghreb countries, possibly including Libya, which could focus on the issues involved in privatization and globalization, including the protection of workers' rights. Morocco, Algeria, and Tunisia, with their weak economies and growing populations of alienated youth, feel threatened by the developed world. Workers' rights have been a key issue in the negotiations for a U.S.-Morocco FTA and will be in the TIFA discussions with Tunisia and Algeria. The labor-management experts of the Maghreb countries are interested in the lessons to be drawn from the American free market system and earlier American free trade agreements, and a conference bringing American labor and management experts together with their counterparts from the Maghreb to discuss their common experiences and outlooks might contribute to better understanding in light of the trade negotiations under way.

- Besides the formal IVP formula, DRL should encourage U.S. Embassies in Arab and Muslim countries to make greater use of the Voluntary Visitor (VV) Program to supplement and enrich the visits of labor-management specialists from Arab and Muslim countries who plan to travel to the US independently on professional or private business. DRL should also explore ways to strengthen labor exchanges under the Fulbright program, provide financial support for the Harvard Trade Union Program to invite candidates from the Arab and Muslim countries to participate, and to take advantage of the regular meetings of the Industrial Relations Research Association (IRRA) to put the labor problems of Arab and Muslim countries on its discussion agenda and to invite speakers and participants from this part of the world.

Recommendation 4. Support Industrial Relations Programs in Arab and Muslim Universities and Scholarships for Study in the United States.

The U.S. Government should support academic institutions in the Arab and Muslim world to help create degree programs in industrial relations. This includes support for programs which link U.S. and Arab/Muslim educational institutions and which support two-way exchange visits between U.S. and Arab/Muslim world academics in the field of industrial relations. The U.S. Government should also fund scholarships for Arab and Muslim students to engage in the study of industrial relations in universities in the United States.

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Recommendation 5. **Taking the Workers' Rights Message to the Arab and Muslim "Street"**

The DRL and Public Affairs Bureaus should make a special effort to bring the U.S. message on workers' rights, decent work and modernization of the economy directly to the Arab and Muslim "street" by requesting time on the radio and TV stations of these countries, including al-Jazeera, for news and analysis programs on these subjects, including public debates and roundtables with the participation of U.S. trade union leaders and labor-management experts.

Regional / Country Specific Recommendations

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Iraq

Immediately after the fall of the Saddam Hussein regime, organizations and political parties that had been banned or worked "underground" started operating openly inside Iraq. Leaders and activists who were imprisoned or in exile returned to resume their activities and in spite of the security situation, trade union organizing began in both the private and public sectors.

Several distinct labor groupings have now emerged in Iraq, organized largely along political lines (especially at the national and regional levels) as follows:

- the General Federation of Trade Unions, which is a continuation of the old Ba'athist union
- the newly formed International Federation of Trade Unions which is closely associated with the Communist Party of Iraq
- the Kurdish Trade Union Federation(PUK) and the Kurdish Trade Union Federation (KDP)
- the Union of the Unemployed/Congress of Workers' Councils & Unions in Iraq
- a number of professional associations including Journalists, Teachers, and others

At the same time, there appear to be active worker organizations emerging at the enterprise level and along sectoral lines, attempting to represent the interests of workers, especially with regard to wages, job security and working conditions. In addition, there are smaller trade unions closely aligned with Islamist Shiite political parties.

Prior to the transfer of sovereign authority to the Interim Iraqi Government in June the Coalition Provisional Authority worked with the Iraqi Governing Council (IGC), encouraging it to revise the Iraqi labor code in order to bring it into compliance with the ILO's international labor rights and standards conventions. The CPA is to be commended for its active engagement with the IGC and the Ministry of Labor and Social Affairs to create an inclusive process, including a role for the ILO, in the drafting of the revised labor code**.** The Advisory Committee trusts that the government of Iraq will be able to continue to pursue, with the ILO's support, the quest for labor law reform on a priority basis. This is an important issue, since until such time as the labor law is reformed, the Saddam Hussein labor laws, with their anti-freedom of association bias will remain the law.

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The Committee also notes the positive information provided by Secretary Powell concerning efforts to establish one-stop employment centers and to generate employment that were initiated by U.S. Department of Labor staff attached to the CPA and working with the Iraqi ministry of labor and social affairs. [See copies of the Donahue-Powell exchange in Appendix D]. The Committee also welcomes the fact that a substantial amount of reconstruction funds have now been reallocated to smaller, short-term projects which have a greater potential to employ more Iraqi workers. Given the continuing high level of violence wrought by the insurgency, these smaller, more decentralized reconstruction efforts can be contracted out to Iraqis and provide more employment for Iraqi workers at lower cost.

The Committee recommends strengthening guidelines for all US government contractors requiring them to hire Iraqi workers to the maximum extent possible rather than foreign workers.

The Committee understands that among the plans developed by the advisors from the U.S. Department of Labor, there were proposals for construction-skills training projects. In a recent statement, Iraqi minister of Labor Leyla Abdul Latif acknowledges the need for more vocational training centers as a critical part of the job creation effort[8] The committee believes that the construction trades are one of the principal areas in which vocational training of Iraqis is needed and hopes that the U.S. will continue to offer assistance in this area to the Iraqi government.

Finally, given the political nature of many of the labor organizations active in Iraq, the Committee is pleased that the State Department plans to assign a qualified labor officer to Baghdad. We hope this assignment will be made in the near future and that a labor officer, expert in the language and the region and possessing the requisite political outreach skills, will be able to operate out of the U.S. embassy in Baghdad as soon as security conditions permit.

Afghanistan

The Committee recognizes the important progress made by the people of Afghanistan toward the reconstruction of their country and the establishment of democratic governance. The adoption of a new Constitution, the installation of an elected President and scheduled Parliamentary elections, are significant steps forward in the national effort to restore normalcy, enhance stability and provide the Afghan people with the hope and opportunity to improve their daily lives. The Committee is concerned, however, that the vast majority of Afghans have yet to realize a "peace dividend" in the form of employment and income generating opportunities.

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A substantial amount of deal construction has been going on in Afghanistan in many areas of the country, which has the potential to provide quality employment for substantial numbers of Afghan workers. Such work provides an invaluable alternative for young men in particular, many of whom now belong to the militias as their only form of employment. However, it has been widely reported that labor is being imported into Afghanistan for road construction, building construction, and other types of work because of a shortage of skilled Afghan workers. An

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8 The Minister's Interview

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important employment generation opportunity is being lost.

A major program is needed immediately to equip Afghan workers with the skills they need to find employment, particularly in the construction and maintenance sectors. Such a training effort should include an effective job placement component. There are successful examples which can be applied such as the Building Crafts Training Centers established in Poland after the fall of the communist government, and the skill centers established in South Africa and elsewhere.

Specifically, the Committee believes a need exists to establish skills training centers in at least three areas of the country: Kabul, a city in the south or southeast (Kandahar or Jalalabad), and a city in the north (Mazar-I-Sharif).

In addition to programs that generate skilled employment, the Committee sees a profound need to find ways to support less traditional income-generating approaches. The Committee notes the success of micro-credit programs in South Asia, many of which have gained international attention and praise. These schemes, which are not very costly and have a degree of self-sufficiency built into them, have been instrumental in providing the means to establish various small-scale, self-employed and cooperative income generating activities. Many of the most successful programs in the region are run by worker organizations themselves such as the Self Employed Women's Association (SEWA) in India. A micro-credit program in Afghanistan could make a significant contribution to the broader effort to generate employment and other income opportunities and represents one important approach to provide a means of livelihood for Afghan women.

The Committee recognizes that there is a significant problem in Afghanistan with regard to child and bonded labor. All efforts to generate employment and other income opportunities should have as a fundamental objective the elimination of the worst forms of child labor and bonded labor. In this regard, it is imperative that fostering and improving the education system remain a focus of development assistance. Part of that process involves active engagement with, and skills development for, teachers.

Israel and Palestine

The lack of progress toward a just and lasting peace for Palestinians and Israelis is an impediment to substantial progress toward democracy and development in many other parts of the region. The Committee urges the Administration to play an active role in helping to reduce the violence and terrorism and bring the parties together for ongoing negotiations until an agreement is reached.

There are worker organizations established in the West Bank and Gaza including the ICFTU-affiliated Palestine General Federation of Trade Unions (PGFTU). The PGFTU maintains contact with Histadrut, the Israeli national trade union center.

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The employment situation for Palestinian workers remains bleak. It is in Israel's interest to cooperate actively in efforts to generate employment opportunities for Palestinians. The U.S. government should support joint programs on job creation that include the participation of the Israeli and Palestinian unions in the context of the broader peace process. Independent union groupings in Jordan, Lebanon, and perhaps Egypt, should also be encouraged to participate in such discussions. To this end, the Committee recommends U.S. support for the ILO's Palestine Fund for Employment and Social Protection proposal, which seeks to identify public/private resources to support the development of the private sector in Palestine, create job opportunities, and contribute to the upgrading of skills of the labor force.

Western Europe

In his latest book, French scholar Gilles Keppel[10] makes the case that Europe has emerged as a major battlefield on which the future of global Islam will eventually be decided. Over ten million immigrants from Muslim countries live in Western Europe. In countries such as France, Britain and Germany, large Muslim populations are living in secular, democratic societies. All the tensions and contradictions of the larger Muslim world are compressed into the lives of these European Muslims. Keppel maintains that it is in Europe that Islam may finally find its accommodation with modern life and that, through their exposure to democratic secularism, Europe's young Muslims have the potential to serve as purveyors of democratic values to the Muslim countries from which they and their families emigrated. Or, conversely, the rigid Islamic identity of these young people could lead them to reject cultural integration into the European environment and to embrace cultural separatism, causing some to resort to violence as an expression of social resentment and hatred justified on religious grounds. French officials, for example, fear that the social malaise felt by Muslims in the suburbs of France's major cities, living for the most part in below-standard housing projects and experiencing relatively high rates of unemployment, will be expressed as religious extremism, leading eventually to increasing acts of violence and terrorism.

The national trade union federations of virtually all the countries of Western Europe, supported by the European Trade Union Confederation, engage in some level of effort to combat discrimination against Muslim immigrants, help them find jobs, assimilate them into the labor movement, and provide them access to the European social safety net system. The labor attaches in U.S. Embassies in Western Europe should track the efforts of these trade unions to integrate Muslims into the European economy and society and, in collaboration with the AFL-CIO, explore ways to cooperate with and strengthen these activities. These attaches should also, as feasible, directly cultivate relationships with working-class Muslim immigrants, especially trade unionists, as well as the advocacy organizations which work to integrate them into European society. The labor attaches should develop expertise concerning the ideological and religious currents which influence Muslim workers in Europe.

Conclusion

10 Gilles Keppel, "The War for Muslim Minds: Islam and West; Belknap Press, Harvard University Press, 2004

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By focusing on the professional and social issues of the world of work that are critical to improving the livelihoods of workers in Arab and Muslim countries, the assistance and public diplomacy programs recommended here will go a long way toward building friendly and constructive American ties with a vital sector of Arab and Muslim society--and through these inroads begin to contribute to a more positive public opinion at large in these countries towards the United States.

These programs should send a signal that the United States genuinely cares about working conditions and living standards in these countries and is prepared to invest its resources seriously in promoting an improvement in those conditions. They would also serve to demonstrate that there are common problems affecting workers in the United States and the Muslim world in an increasingly globalized economy and that there are values and interests which American and Muslim workers worldwide share.

To have the desired effect, the United States must be willing to invest sufficient resources in these activities. The proposed recommendations are relatively inexpensive in cost terms, but they do require a commitment and sustained investment, which have been lacking to date. The Committee believes that the objectives laid out in this report are matters of vital concern not only for the Department of State, but also the Department of Labor and USAID, among other agencies.

The Middle East Partnership Initiative run by the Department of State is a logical source of potential funding for many of the activities recommended here, and the Department's Public Affairs Bureau should take a lead hand in considering the public diplomacy program that we recommend. USAID should also be asked to review our recommendations for proposed activities that relate to its assistance programs and we believe that the Department of Labor has a major role to play, particularly on the labor technical assistance side of the programs which we have recommended. USTR is another relevant agency in the matter concerning enhancement of the economic literacy and technical capacity of trade union leaders in the context of U.S. trade agreements.

Lastly, we cannot overemphasize the central importance of an indispensable human resource in the Department of State's Labor Diplomacy toolkit, which is key to the success of the war for the mind of Muslim workers worldwide. This is the Embassy Labor Officer, who should be the nerve center of all government activities in the host country aimed at influencing workers' opinions, advancing workers' rights and economic democracy, and promoting economic development activities in the labor field, as well as serving as the Embassy's primary reporting source on what goes on in the labor arena in the country that is salient for the U.S. Government. Hence, the importance which we give to the Department of State's posting full-fledged, fully-qualified Embassy labor officers in all the major Arab and Muslim countries and mounting a special program for recruiting and retaining academics, area specialists and labor experts who can fill, and excel in, these positions. The Department, unfortunately, has allowed the labor officers to be diverted from their primary labor function in recent years by taking on other responsibilities, taking a toll on the vital outreach aspects of the function. This needs to be reversed, especially if Embassy labor officers are to manage the very dynamic and activist roles in the Arab and Muslim

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world which we envisage in this report.

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Summary Notes on Other Labor Movements in the Muslim World

(*The following section presents a summary view of labor movements in most of the countries with a significant Muslim population (more than 50% Muslim or over one million Muslim population) but we have not been able to cover all of such countries. The nations of Sub-Saharan Africa, India, and others are obviously important but time did not permit the necessary research in those areas. We have also excluded from this paper, as beyond the purview of the State Department, any discussion of the Muslim population of the U.S.)*

North Africa

Independent trade unionism has a long tradition in North Africa in the former French colonies of Morocco, Tunisia, and Algeria. The labor movements in these countries continue to be recognized as important national institutions as a result of their role in the anti-colonial struggles against French rule. The trade union centers in Morocco, Tunisia, and Algeria are affiliated to both the International Confederation of Free Trade Unions (ICFTU) and to the International Confederation of Arab Trade Unions (ICATU), and consequently represent important links between the international trade union movement and other Arab national and regional trade union structures. Since many ICATU affiliates are closely aligned to their governments and ruling parties, the more independent trade union movements of Morocco, Tunisia, and Algeria represent important models for independent trade union development throughout the region.

Unfortunately, these unions are under siege. For the past decade there has been increased government interference in union operations. Attempts by private sector workers to organize into unions have been resisted by employers, often with the active support of government. Despite their present difficulties, the Committee wishes to highlight the central role the unions of North Africa can play as models of independent, representative trade unionism in the Arab world particularly. U.S. policies should be directed towards encouraging North African governments to enforce ILO core labor standards including freedom of association.

The negotiations between the United States and Morocco for a bilateral free trade agreement were completed earlier this year and the agreement should be signed shortly. It is the Committee's hope that this agreement will generate much needed employment and at the same time promote respect for basic worker rights.

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Libya

The Libyan national center, the General Federation of Producers Trade Unions, is completely controlled by the government and administered by the "People's Committees". Migrant workers may not join the federation.

With the recent lifting of most US economic sanctions against Libya and with Qaddafi's announced plans to privatize much of the Libyan economy, major American companies are making plans to expand their interests in Libya. Libyan trade union leaders understand that economic liberalization measures will slowly force changes in the nature of the relationship between the General Federation and the government and have reached out to US and European trade union centers for information and support. For the first time in decades there is now an opportunity to engage the Libyan government on the enforcement of the ILO's international rights and standards, and to work with Libyan civil society organizations independent of government control.

Egypt

The Egyptian government recognizes the Egyptian Federation of Trade Unions (ETUF) as a constituent organization and consults with its leadership regularly on labor-related issues. A new labor law has been passed and partially promulgated after ETUF aggressively campaigned for its passage.

Although the ETUF leadership sees some benefit in maintaining close relations with the Mubarak government, they are becoming increasingly aware that as the Egyptian economy transitions to a more market-based economy the ETUF must establish more space between itself and the government and become more responsive to its rank-and-file members. Local federation elections in 2000 saw the replacement of many long-time incumbents with new, younger leaders. These changes are symptomatic of broad dissatisfaction and unease by rank-and-file workers as a result of Egypt's push to privatize its national industries and move toward a market economy. While current political and economic trends in Egypt are challenging those traditional unions they are also challenging them to reform internally to remain relevant to their members.

Egypt’s political importance in the Arab world is underscored by its role in the Israel-Palestine peace process and President Mubarak’s relations with the Western world and Arab neighbors. Given that significance in the region, the Committee believes that the placement of a full-time labor attaché in Cairo should be a priority.

Jordan

Jordan holds promise as the most forward looking country in the Levant in terms of modernizing its economy and political structures. As in most countries in the region, Jordan suffers high unemployment, mismatched skills and jobs, and a growing informal sector

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increasingly filled by women with low incomes and few social protections. Jordan's labor unions, which claim to represent 30% of the workforce, have varying views on how to respond to the changes taking place in the country. Although the General Federation of Jordanian Trade Unions (GFJTU) and many of its 17 affiliates continue to maintain close ties to the government, some leaders within the organization recognize the opportunities for growth and representative collective bargaining created by the gradual loosening of political control.

A few union leaders see the US-Jordan Free Trade Agreement as an employment generating vehicle which will test their skills as organizers and negotiators. They understand that the country, lacking a diverse economy, is vulnerable to global competition which can draw whole industries out of the country on short notice, leaving significant numbers of semi-skilled workers suddenly unemployed. The same union leaders recognize that previous government oversight was a detriment to their ability to represent workers and are now looking for assistance to help build more independent institutions.

The GFJTU is affiliated to both ICATU and the ICFTU. The latter affiliation has introduced Jordanian trade union officers to counterparts in the ICFTU and given them access to new perspectives on democratic trade union responsibilities and accountability.

Syria

Freedom of association and the right to bargain collectively are recognized in Syrian law, but not in practice. Centralized Ba'athist Party political authority and domination give labor unions little room to function as representative organizations. All unions are required to belong to the Ba'athist controlled General Federation of Trade Unions (GFTU), whose president is a senior member of the Ba'ath party. The GFTU is a de facto extension of the government apparatus.

ICATU is headquartered in Damascus and receives financial and political support from the Syrian government through its affiliate, the GFTU. ICATU enjoys the shelter provided by Syria, and is exploiting the increasing regional concerns about American intentions in the Middle East. At the same time, ICATU realizes that the political and economic landscape is changing in the Arab region as reform-minded governments respond to global influences. Some in ICATU are working to develop more outreach to the international free trade union movement, including the ICFTU, and the World Confederation of Labor (WCL), in order to position ICATU to influence the economic liberalization and democratization policies of these organizations and to monitor their relationship with Arab trade union movements.

The US government should develop a concerted strategy of discussions, exchanges, and study tours involving key ICATU and Syrian trade union representatives to introduce them to alternative approaches to skills training, unemployment services, and market-based collective bargaining, which can create work incentives and more responsive trade unions.

Lebanon

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Sometimes seen as a cosmopolitan, internationalist country, Lebanon is also defined by its political and ethnic fiefdoms, whose energies are expended on internecine battles. This web of political tension is reflected in trade union organizations that are also aligned with various political groups. The most viable labor federation, the General Confederation of Labor (GCL)) represents workers in a broad swath of private industries and businesses. Public sector workers are not permitted to join unions.

Because labor organizations are not unified, their ability to effectively represent workers and protect them from anti-union discrimination is diminished. The divided unions are unable to correct deficiencies in labor law, including limits on freedom of association and job discrimination, and are ineffective in promoting labor-management relations initiatives.

Lebanon hosts a number of international labor-related organizations, including the ILO Workers' Bureau (ACTRAV) whose Middle East regional office is in Beirut. Similarly, two Global Union Federations, the Public Service International (PSI) and the International Federation of Building and Woodworkers (IFBWW), maintain offices there. However, the fractured labor movement in Lebanon is unable to take full advantage of these international organizations because of internal bickering or insufficient sectoral representation.

The labor federations are affiliated to both ICATU and ICFTU. US support of labor development in Lebanon has been sporadic over the years.

The Gulf States

With few exceptions the Persian Gulf area is generally without effective labor laws and has few established unions. Workers who suffer the most, in the absence of any representation structure, are often the migrant workers, who account for up to 90% of the labor force in many Gulf States. In many countries, such as Saudi Arabia and Kuwait, government policies of replacing migrant workers with their country's nationals have been in breach of the most basic human rights. Most migrant workers in the Gulf are badly paid and strictly controlled by their employers, who often confiscate their passports and exploit them in conditions of near slavery.

Bahrain

Developments over the last couple of years in Bahrain may represent a breakthrough in a region long associated with a fundamental lack of respect for basic worker rights. A new trade union law promulgated in September 2002, for the first time introduced freedom of association in Bahrain and partially lifted the ban on the right to strike. Of particular note, the new law envisions union membership for migrant workers, who make up a majority of the labor force, and may even allow them to be elected to leadership positions.

Saudi Arabia

The Committee cautiously welcomed the announcement by Saudi Arabia that it would allow Saudi and foreign workers to establish "workers committees" at workplaces employing

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over 100 people. However, trade unions remain strictly banned, so these committees can have only minor effects. The Committee encourages the U.S. government to work with Saudi Arabia and other Gulf States to, at a minimum, adopt and expand similar labor rights measures and to move quickly toward full recognition of the right of freedom of association. (A protocol entered into between the Gulf Coordinating Committee and the ILO already commits the Gulf States to promoting core labor rights in the region.).

Yemen

Yemen's legacy of civil war and difficult reunification have left marked divisions within society, produced poverty, high unemployment, and most recently relative isolation caused in part by terrorist activity including the attacks on the USS Cole and the French tanker, the Limburg. The economic impacts of these attacks were significant. Shipping and other insurance rates increased by 400 percent. Investment slowed dramatically and the country's import-export sectors withered. Only now is the situation beginning to change for the better.

The Yemeni government has publicly disavowed terrorism and renewed its international commitment to root out terrorists and recently signed a Framework Agreement with the USTR to begin discussions on expanding trade. And, while Yemen appears to be gradually becoming a more democratic state, ready to modernize its economy, efforts to decentralize state-run monopolies are meeting resistance by those in the Yemeni government who stand to benefit from the status quo.

Workers and their organizations understand the need for economic transformation but are concerned about jobs in an economy with 37 percent unemployment and a nation in which 40 percent of the population lives in poverty. For change to proceed, unions must be included in the dialogue about economic restructuring. To the extent they participate in these discussions, democracy in Yemen will form deeper roots and help secure sustainable economic changes.

The General Federation of Workers' Trade Unions of Yemen (GFWTUY), claims a total membership of 350,000 members within 14 affiliated unions, and is slowly healing the wounds of the mid-1990's secession and civil war. During that period the federation suffered ideological and political clashes, union leadership schisms, and confiscation of union property and other resources. Rebuilding the democratic infrastructure of the GFWTUY and building unity among the unions of the north and south through common programs are priorities of the federation.

South Asia

Pakistan

Some of the most democratic, independent trade unions in South Asia exist in Pakistan. Pakistan’s unions provide a positive model for the sub-region and for countries with large Muslim populations. The ICFTU has three affiliates in Pakistan that have been engaged in merger talks that should culminate this year. A fourth national center, the Muttiheda Labor Federation (MLF), has held discussions with the ICFTU affiliates regarding its participation in the merger.

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These unions not only represent their members effectively on the job but have strongly resisted efforts of the government to suppress their activity and have consistently called for free and democratic national elections. As political institutions, the broader struggle between Islamic extremists and more moderate leaders is often being played out in these unions and they represent a major counterforce to extremist elements within Pakistan.

The Workers-Employers Bilateral Council of Pakistan (WEBCOP) was formed four years ago. All three International Confederation of Free Trade Unions (ICFTU) affiliates – All Pakistan Federation of Labor, All Pakistan Federation of Trade Unions, and the Pakistan National Federation of Trade Unions – are members, along with the Employers Federation of Pakistan. The primary aims and objectives are to generate employment and promote employability, increase industrialization, develop sound labor relations while improving productivity, and improving the quality of the product and the quality of working life.

This joint effort represents a sophisticated approach to the developmental problems of Pakistan and has the potential to be a model not only for the sub-region but also for the larger Muslim world.

Bangladesh

Bangladesh is going through a tumultuous period of transition which will likely be exacerbated very soon. The driving force of the Bangladeshi economy is its garment industry, which now accounts for 85% of the country's export revenues and employs 1.5 million workers, the vast majority of whom are women. The Dhaka office of the United Nations Development Program has predicted that Bangladesh may lose as many as one million jobs in a three-year period following the end of the global garment/textile quota system because of the phase-out of the Multi-Fiber Agreement. Government and industry are grappling with structural adjustment strategies to position Bangladesh to compete with China's huge, low-cost and high-quality garment industry when trade is no longer regulated by quotas.

While Bangladesh generally has a reputation for being a moderate Islamic country, it is bitterly divided between political parties which often put their own interest before the nation's. The Committee notes that with the phase out of the MFA, the attendant job loss has the potential to fuel social and political instability. Unfortunately, most of the Bangladesh trade unions are organizations captured by political interests and ill-equipped to play a strong role in addressing this challenge. There is the need to promote a voice for workers through independent labor organizations to deal with the changes in the economy and a need to develop a partnership between workers, government and investors to manage this transition, as well as to address the implementation of freedom of association and ILO core labor standards in the country's Export Processing Zones.

Southeast Asia

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The Philippines

The Committee believes that civil society organizations including the labor movement have a role in reducing the conflicts between Muslim and Christian workers, as well as promoting investment and new jobs as a means to redress economic disparities. Trade unions and their members in Mindanao, including the local union chapters affiliated with the Trade Union Congress of the Philippines (TUCP), have suffered setbacks as a result of the ongoing conflict in the area. Thousands of organized plantation workers, for example, have been sidelined, or have seen their income plunge. As part of its basic mandate to promote the economic well being of its members, the TUCP has a vested interest in the development of peace and stability in the region.

Thailand

After nearly three years of rule by the Thai Rak Thai (TRT) Party led by Prime Minister Thaksin Shinawatra, democratic civil society in Thailand and international observers are seriously concerned about the Thai government's lack of commitment to democratic principles, including freedom of association, freedom of the press, and human rights. Some observers, such as former U.S. Ambassador to Thailand Morton Abramowitz, have written that "Thailand, a close friend, is undermining U.S. efforts to foster democracy and the rule of law in an important region. . ." This view was echoed by United Nations human rights envoy Hina Jilani in an April 17 report to the 60th session of the Commission on Human Rights in Geneva, in which she characterized Thailand's human rights situation as "worsening." She also pointed out how this deteriorating human rights environment negatively affected minorities and migrants, such as the Burmese.

This weakening of commitment to democracy, and a security approach to solving social issues, has resulted in increased abuses of minorities by the security forces which has exacerbated Muslim grievances in Southern Thailand. This deterioration of law and order has had a ripple effect in other parts of society and impacts also the labor movement.

Regulatory efforts to ensure that employers follow the Labor Protection Act of 1998 have declined as provincial labor inspectors take less interest in enforcement, especially in rural, newly industrializing provinces such as those in the South where the Muslim population is largest. Attacks on freedom of association for workers, failure of employers to comply with the law of the land, and weak government enforcement are creating an atmosphere in which disputes are increasingly being settled by street protests.

It is in the interest of the U.S. to support programs in Thailand which enhance the rule of law, institutionalize core ILO labor standards, including freedom of association, and improve the human rights environment aimed at preventing an escalation of Muslim grievances and backlash.

Indonesia

In the wake of the Asian economic crisis and the subsequent eruption of deadly ethnic

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conflict between Muslims and Christians, Indonesia has begun a transition to a fragile democracy.

Free and fair elections were held in 1999 for the first time in a generation. By the end of that year Indonesia was then the only Southeast Asian country to have ratified all eight core ILO conventions, including freedom of association and collective bargaining.

As a part of the overall political thaw and the ratification of ILO Convention 87 in June 1998, the Indonesian trade union movement blossomed, and for a few years became the fastest growing labor movement in the world. Freed from their Soeharto-era restraints, unions organized millions of new members, engaged in public policy debates, educated voters and engaged candidates during the elections, and joined like-minded NGOs to pursue civil society efforts such as promotion of the rights of migrant workers and election monitoring. Given the demographic realities of Indonesia, the vast majority of these workers were Muslim. New emphasis by the labor movement was also placed on educating and elevating women into positions of responsibility.

Malaysia

Despite labor restrictions found in Malaysia, the country has one of the region's more important and solid labor organizations in the Malaysian Trades Union Congress (MTUC), the sole national labor congress in the country, representing more than 600,000 workers. In a region where labor disunity tends to be the norm, and multiple national labor centers spring up, the MTUC is a positive example of the power of labor unity.

As the largest mass-based organization in the country dedicated to increasing democratization and political reform, the MTUC continues to play a crucial role in resisting the absolutism of the Malaysian Barisan Nasional government, until recently led by now-retired Prime Minister Mahathir Mohamad and the UMNO. The Committee notes that the MTUC is unique in its efforts to target and educate grassroots workers from all ethnic backgrounds and from all areas of the country—peninsular Malaysia, Sabah, and Sarawak—on democracy and trade union rights. In this way, the MTUC continues to promote an alternative vision of Malaysia as a multi-racial democracy, moving away from the racial/ethnic definition of political participation that still defines much of the country's political culture.

Central Asia

In Central Asia, authoritarian governments remain the dominant political model. Restrictions on freedom of association have stifled the growth of independent media, opposition political parties, and free trade unions. Citizens have little opportunity to express their dissatisfaction in peaceful ways through the political process or the media. The arbitrary use of executive power and the lack of rule of law continue to increase public cynicism.

Trust in democratic institutions and ideals is not automatic in Central Asia and must be built slowly, one step at a time. In some of the Central Asian countries, the governments must also contend with the increase in activity by Islamic extremists. As various ethnic groups feel

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excluded from political and economic participation in society, they have begun to seek avenues of expression in extra-societal institutions, including radical Islam. In response, the governments have begun to show signs of escalating repression against peaceful Islamic activities, an action that could radicalize youth and push them closer to the extremists. Trade unions, with their large membership and a sustained interest in defending workers' rights, and their potential to respond to the challenges facing the region, represent a large segment of Central Asian societies that cannot and should not be ignored.

Kazakhstan

All Kazakh unions are faced with multiple challenges to freedom of association and the right to organize and bargain collectively. The Kazakh government has rapidly implemented economic restructuring without clear rules for tendering, financial transparency, or standards for corporate social responsibility, and has been willing to attract foreign investors by suppressing unions. The current Kazakh labor law clearly violates international labor standards and makes it difficult for unions to survive at any level. The law allows employers to create "alternative" company unions, fully controlled by management. An employer needs to sign up only ten employees (including management staff) to form a union. At the TenghizChevrOil Company, employers created two alternative unions in order to weaken the ability of the existing union to defend its members' rights. The company then signed agreements with all three, placing the legitimate union automatically in the voting minority and effectively annulling the collective agreement.

Kyrgyzstan

The Federation of Trade Unions of Kyrgyzstan currently groups 22 sectoral unions and six regional councils, uniting about one million workers (about one-third of the workforce).

In the early years of Central Asia's post-Soviet transition, the Kyrgyz Republic began a promising move toward democracy. However, during the past several years the country has regressed in its development. Almost 500,000 Kyrgyz have migrated to Russia and 60,000 to Kazakhstan in their search for work, and many of these men, women, and children have become victims of human trafficking. Child labor is a problem in the agricultural sector. Women have been especially hard hit by the economic decline and drop in living standards, and have moved in increasing numbers into the expanding, unregulated informal economy, where much of the country's economic activity now occurs. These major issues continue to dog the government of Kyrgyzstan, and are challenging the trade unions to play a constructive role in any attempts to implement responses to these issues.

Uzbekistan

Uzbekistan's economy and labor relations system have remained close to their origins under Soviet rule. Three-quarters of Uzbekistan's workers remain in the state sector and organized labor is heavily concentrated in industrial sectors. The Uzbekistan Trade Union Federation (UTUF) claims 6.5 million members, structured into 13 sector unions and 14 regional

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trade unions. The federation works closely with the government but it has manifested its independence in suing the government over wage arrears. The UTUF, uniquely in this part of the world, is lead by a woman president, with more than three-quarters of its leadership being women.

Tajikistan

Tajikistan, which gained its independence from the Soviet Union in 1991 and then suffered through a five-year civil war, remains politically and economically unstable. Economically, 80 percent of the country's 6.4 million people live in poverty, according to the United Nations. Forty-six percent of children under five suffer chronic malnutrition. As a result of the dire economy, more than 500,000 Tajiks leave the country each year in search of work, according to the International Organization for Migration (IOM). However, trade unions and other organizations are beginning to exert some strength and to participate in the effort to forge a more democratic government. Trade unions in Tajikistan are an important part of the developing market economy. In 1991, Tajikistan was the first former Soviet Republic to pass a law governing trade unions. The Tajikistan Trade Union Federation has 1,300,000 members. Agriculture, education and government unions predominate although the TTUF represents all sectors of the economy

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