



December 5, 2013

To: Ms. Eileen Muiragui
Division Chief, Latin America and Caribbean
OCFT, Bureau of International Labor Affairs
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Re: Supplement to the petition filed on September 19, 2013 to the Bureau of International Labor Affairs (ILAB) regarding the Brazilian apparel sector in the forced labor list

Dear Ms. Muiragui,

The Brazil Industries Coalition (BIC), on behalf of the Brazilian Textile and Apparel Industry Association (Abit), hereby submits this supplement to the petition filed on September 19, 2013, to report the new developments on eradicating forced labor, promoting decent work and social integration for immigrants in Brazil.

We look forward to our upcoming interactions and dialogue with representatives from the Bureau of International Labor Affairs at the U.S. Department of Labor on these topics.

If there is a need for additional information or clarification on this supplement, please feel free to contact Celia Feldpausch at celia@bic-org or (202) 471-4020.

Respectfully,

Brazil Industries Coalition
Brazilian Textile and Apparel Industry Association

*Supplement to the petition filed by Abit to the USDOL regarding the
Brazilian apparel sector in the forced labor list – new developments*

Apparel Brazil



December, 2013

Supplement to the petition filed by Abit (Brazilian Textile and Apparel Industry Association) to the USDOL regarding the Brazilian apparel sector in the forced labor list - new developments

On September 2012, the United States Department of Labor (USDOL) published the annual report: "List of Goods Produced by Child Labor or Forced Labor". To our surprise, the report states that "there is reason to believe that there is forced labor" in the Brazilian apparel production.

Abit has already submitted two documents to USDOL, in February and September, 2013, requesting the Department to review such inclusion in the list. This current document presents new developments regarding the comprehensive, intensive, and successful work conducted by the Brazilian government, with cooperation from the private sector, to prevent the occurrence of forced labor.

Since September 2013, when we submitted the most recent document to USDOL, Brazil (and particularly the city of São Paulo) has created new institutions, signed new commitments and agreements, developed existing programs and launched new projects focused on eradicating forced labor and promoting decent work. Some of the most relevant examples of such developments are detailed below.

- City of São Paulo:

On October 7, World Day for Decent Work, São Paulo mayor Fernando Haddad signed a decree that regulates and establishes the **Municipal Commission for the Eradication of Slave Labor (COMTRAE/SP)**, whose goal is to bring together several sectors of the society to prevent and eradicate forced labor and child labor practices, as well as human trafficking for labor and sexual exploitation. São Paulo is Brazil's first city to implement a commission to eradicate slave labor, controlled by the Municipal Department of Human Rights and Citizenship (Annex I).

An agreement between the **São Paulo City Hall and International Labor Organization (ILO)** was also signed to promote an agenda of public policies and social dialogue regarding decent work (Annex II). The agreement establishes that by December 20, 2013 the **Municipal Agenda for Decent Work (2014-2016)** should be created. The **Municipal Committee for Decent Work** was created to coordinate such agenda, comprised by nine City Hall representatives and one ILO representative (Annex III).

Another initiative that represents a concrete measure developed within the Municipal Agenda for Decent Work was the signature, between City Hall and the ILO, of the public term of **Commitment for Decent Work in the World Cup** - a nationwide movement supported by ILO. São Paulo was the first FIFA World Cup (promoter of the world soccer cup) host city to sign such Commitment, which will be voluntarily supported by union entities, employers and corporate organizations, civil society organizations, and other public entities (Annex IV).

Also regarding the city of São Paulo, the City Hall and Caixa Econômica Federal (Federal Savings Bank) signed, on October 4, 2013, an agreement to **facilitate bank account opening procedures for immigrants** from Mercosur and other Associate countries to the economic block living in the city, such as Bolivians.

According to City Hall, such measure will benefit over 400,000 people, enhancing safety, promoting citizenship, and encouraging the legalization of such population in the city. Caixa Econômica announced that immigrants will also have access to microcredit, bilingual services, and wire transfer tax exemption in operations up to US\$ 3,000 (Annex V).

- Appreciation of immigrant culture:

In order to promote social and cultural integration between different communities, the Coordination of Immigrant Policies (CPMig), from the Department of Human Rights and Citizenship of the São Paulo City Hall, is employing all efforts to **legalize and develop fairs of immigrant communities** in the city. Some of the most relevant activities of CPMig that relate to the Bolivian community are the: Arts and Crafts Fair at Rua Coimbra, Bolivian Cultural Fair at Largo do Rosário and Praça Kantuta, which is an important reference for the Bolivian community in São Paulo (Annex VI).

- Entrepreneurship courses – focus on immigrants who work in the apparel sector:

In addition to the measures to legalize labor relations promoted by Labor Inspection, the Regional Superintendence of Labor and Employment of the State of São Paulo (SRTE-SP), along with the Brazilian Service of Support for Micro and Small Enterprises (SEBRAE-SP), developed a course focused on the professional integration of immigrant workers (particularly Bolivians) in São Paulo sewing shops.

To discuss such course's curriculum, a seminar was held on October 15, 2013 attended by Bolivian owners of sewing shops in São Paulo, members of the Bolivian consulate in São Paulo, representatives of the National Confederation of Textile, Clothing, Leather and Footwear Industry Workers (Conaccovest) and Abit (Annex VII).

A meeting was held to assess corporate stages regarding the Bolivians and the knowledge/training needs to enhance performance and productivity (SEBRAE assessment detailed in Annex VII), ultimately establishing the optimal course curriculum. A group of approximately 20 Bolivians, owners of sewing shops, has already begun the "pilot course" provided by SEBRAE-SP, which includes legal contents regarding company incorporation and employee registration, financial, and administrative procedures, among others. After this maiden class "graduates", the course is expected to be applied to other classes, expanding the knowledge

network and disseminating good work practices within the Bolivian community, therefore promoting entrepreneurship among immigrants.

In order to further clarify the project's objectives, the attributions of partner institutions and potential outcomes of such pilot-project, a **Term of Technical Cooperation** will be signed between SRTE-SP and the partner institutions (SEBRAE-SP, SENAI-SP, General Bolivian Consulate in São Paulo, Department of Development, Labor and Entrepreneurship - SDTE - of the city of São Paulo, and Abit). The purpose of such term is to develop initiatives regarding the implementation of the entrepreneurship project for professional and management development and technical instruction to immigrant workers, small business owners and their families in the city of São Paulo, operating in the textile and apparel sector, which may be extended to other cities of the State of São Paulo.

- Employment Record Card

According to SRTE-SP, a total of 5,431 employment record cards were issued between January and June, 2013, registering a 23% increase compared to the same period last year, when 4,411 foreigners received their employment cards. Immigrants who most received employment record cards this year were Bolivians (2,432), Peruvians (303) and Paraguayans (281). These workers are mostly concentrated in the apparel sector (Annex VIII).

- International recognition:

Brazil was appointed as a global example for its efforts against modern slavery by the United Nations (UN) High Commissioner, due to the São Paulo state law that suspends the Tax on Circulation of Goods and Services (ICMS) registry for companies that employ slave labor or any similar activities in any of its production process (Law no. 14.946/2013).

According to the UN Special Rapporteur on Contemporary Forms of Slavery, Gulnara Shahinian, such São Paulo law is innovative because its main goal is the protection of human rights.

Other states, such as Rio de Janeiro, Tocantins, Mato Grosso do Sul, and Maranhão also created similar initiatives, and the minister of Human Rights, Maria do Rosário, has stated her intentions to nationalize the measure that has already gained international projection (Annex IX).

- Evolution of the National Pact for the Eradication of Slave Labor:

The National Pact for the Eradication of Slave Labor, whose mission is to implement tools to ensure the business sector does not market products from suppliers that use slave labor, was recently restructured. On

November 19, 2013, the **InPacto –The National Pact for the Eradication of Slave Labor Institute** was launched aiming to strengthen the initiative from an institutional perspective and to ensure its financial sustainability.

Among the reasons that motivated the creation of the new structure are: the continuous increase in the number of signatories, the greatest demand to "reply" to the needs of the signatory companies relating to commitments made, the increase in international projection demanding more attention to the internationalization of the initiative.

Based on the information and data presented on the document filed on September 2013, supplemented by the present document, we hereby reiterate our request to remove the Brazilian garment from the list of forced labor published by USDOL on September, 2012.

Broad and successful supervision activities carried out by the Brazilian government identified cases of immigrant labor in the apparel industry not in full compliance with Brazilian labor laws. Such cases have been identified and solved to legalize immigrant workers, improve their working conditions and quality of life, and promote social inclusion. However, the labor conditions currently identified by the media, cannot be classified as the same forced labor conditions set forth by the ILO and adopted by USDOL.

Annexes

Annex I - Municipal Commission to Eradicate Slave Labor - COMTRAE/SP

Annex II - Decent Work agreement between the São Paulo Department of Development, Labor and Entrepreneurship and ILO

Annex III - Municipal Committee for Decent Work

Annex IV - Commitment for Decent Work in the World Cup

Annex V - Agreement to facilitate bank account opening for Mercosur immigrants

Annex VI - Appreciation of immigrant culture

Annex VII – Entrepreneurship courses – focus on immigrants who work in the apparel sector

Annex VIII - Employment Record Card

Annex IX - International recognition



Request for the exclusion of the Brazilian apparel sector from the DoL's list of Forced Labor

Summary and Main Arguments

December, 2013

- **Abit**
- **Sector Profile**
- **Supplemental Comments Summary** (petition of September 2013)
- **New developments** (petition of December 2013)
- **Immigrant workers in the Brazilian apparel production**
- **Conclusion**

The image features a dark blue background. On the left, a horizontal light blue bar extends from the edge towards the center. A thin vertical line marks the end of this bar. To the right of this line is the word "Abit" in a bold, orange, sans-serif font. A stylized ribbon, colored in a gradient from light blue to orange, loops around the letters, starting from the left, passing behind the 'A', looping over the 'b', and ending behind the 't'.

Abit

ABOUT US

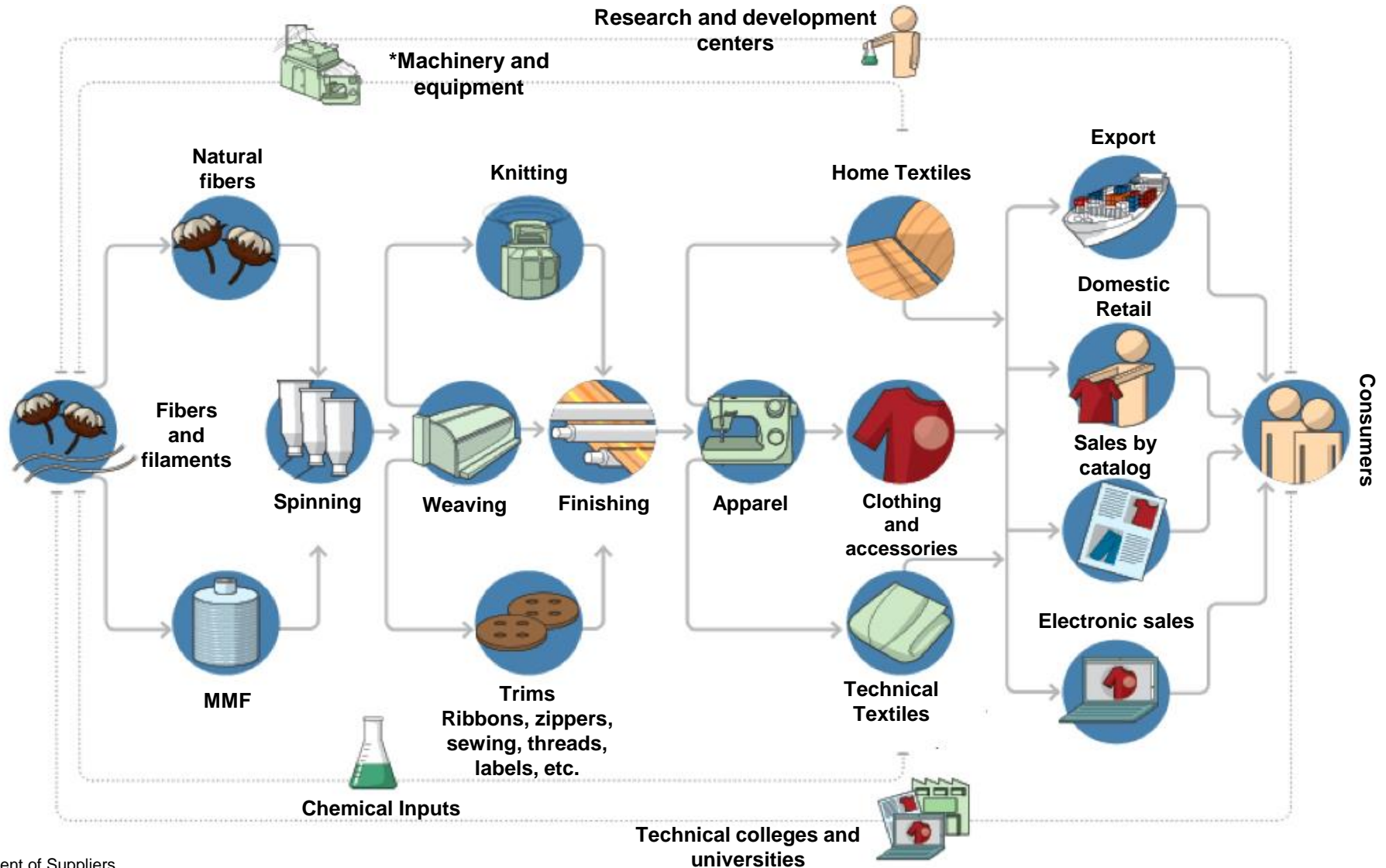
- The Brazilian Textile and Apparel Industry Association (Abit), founded in 1957, is one of the most important entities from the private sector of the country.
- Today, Abit gathers members of all over Brazil that manufacture products of all links of the productive chain, from natural to chemical fibers, including spinning, weaving, finishing, sewing, and others.



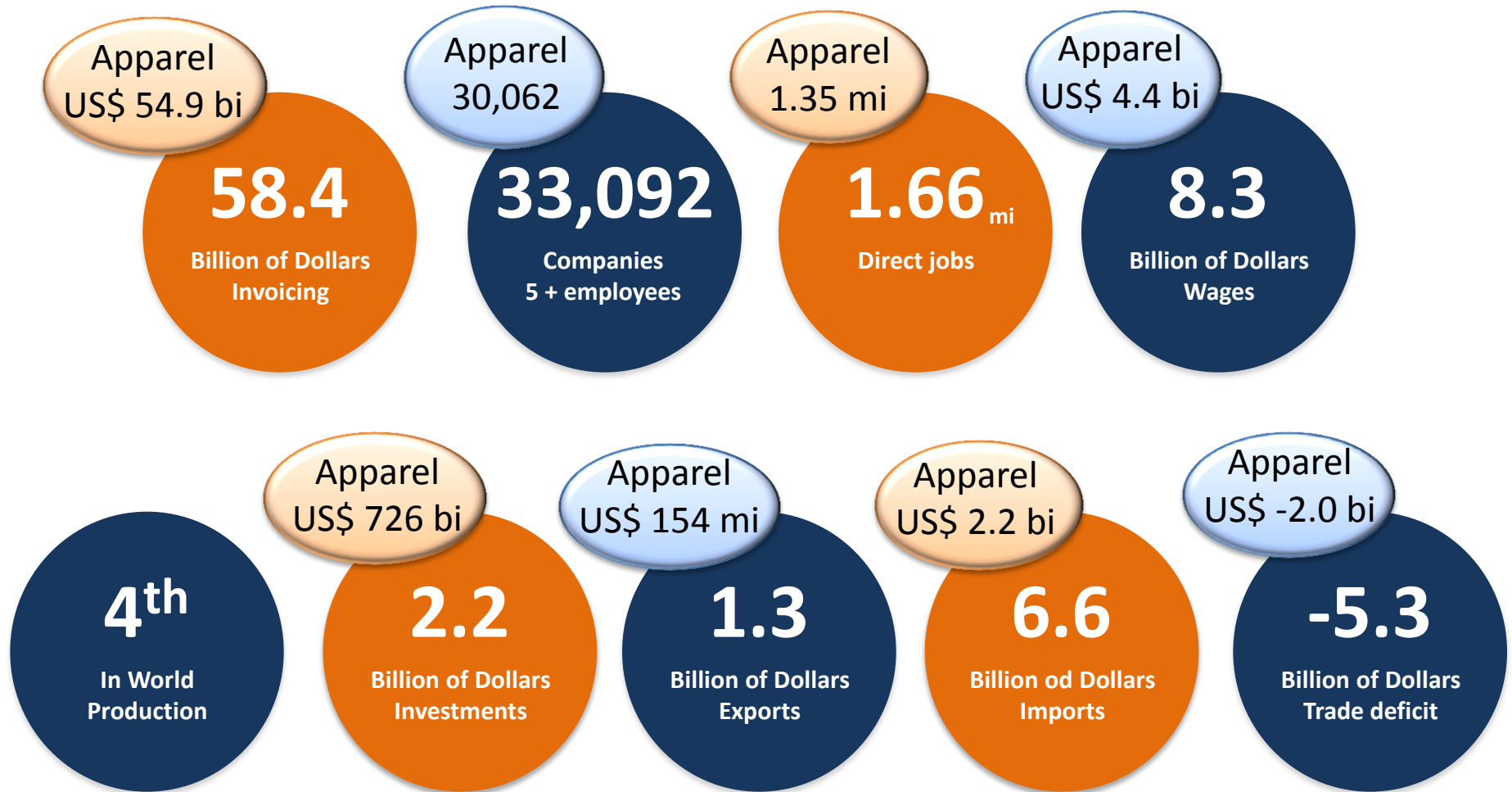
Sector Profile

INFOGRAPHIC

► Structure of production, distribution of textiles and apparel



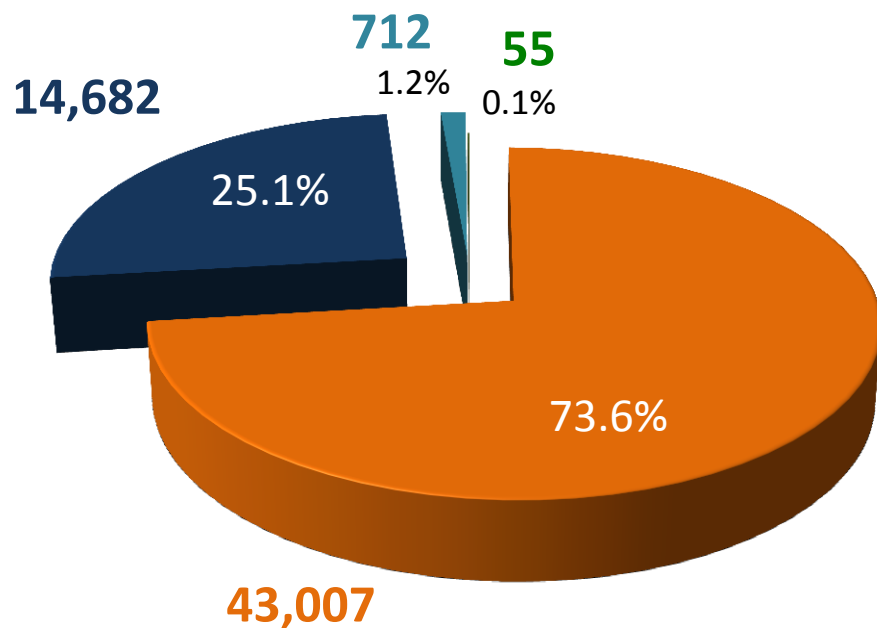
TEXTILE AND APPAREL SECTOR PROFILE (2012)



Brazilian Apparel Sector

Companies profile by Number of Employees

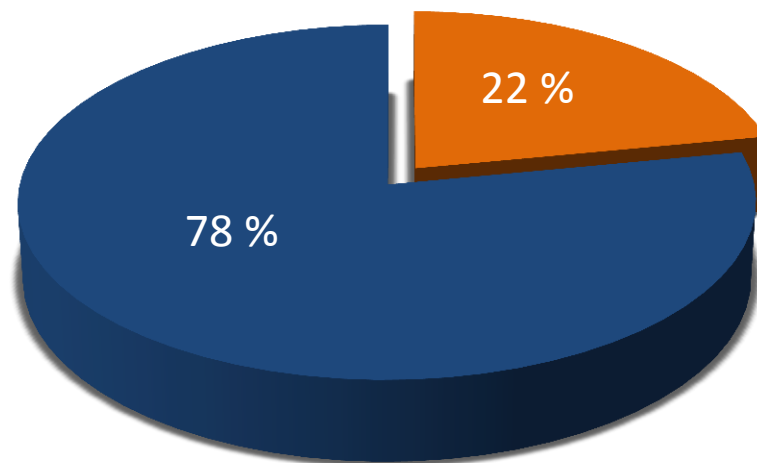
Total 58,456 companies



0 - 9 10 - 99 100 - 499 Above 500

Individual "Microentrepreneurs"

Total 98,321



SP Other States



Supplemental Comments Summary

(petition of September 2013)

Summary

1. The Brazilian Textile and Apparel Industry Association and the Industry's Outlook

2. The relationship between Brazil and the United States

3. Brazil and the fight against forced labor

- 3.1 Institutional framework
 - 3.1.1 Judicial Branch
 - 3.1.2 The Public Ministry of Labor
 - 3.1.3 Ministry of Labor and Employment
 - 3.1.4 Commissions
- 3.2 Legal framework
- 3.3 Governmental actions
 - 3.3.1 At the Federal level
 - 3.3.2 At the São Paulo State level
- 3.4 Public-private and private sectors actions
 - 3.4.1 At the Federal level
 - 3.4.2 At the São Paulo State level
- 3.5 Civil society organizations

4. Conclusion

3.1 Institutional framework

- Brazil has one of the most comprehensive and strict labor laws in the world.
- A sector of the Brazilian Judicial Branch is devoted exclusively to labor issues.
- The Public Ministry of Labor, one of the branches of the Federal Public Ministry, has functional and administrative autonomy and acts independently from the Legislative, Executive and Judiciary Branches.
- Ministry devoted exclusively to topics related to work and employment, a permanent structure to enforce laws and programs aimed specifically at the eradication of any eventual child or forced labor.
- Most of the ongoing projects being discussed by the Brazilian Congress are focused on labor issues, seeking to modernize and expand the workers' rights and benefits.
- Commissions in different spheres of government to propose and monitor public policies for the eradication of slave labor. (CONATRAE, COETRAE-SP, COMTRAE-SP)

3.2 Legal framework

GENERAL

- **Brazilian Constitution:** Articles 7 and 8 includes a regulation which is exclusively focused on disciplining and ensuring workers' labor and trade union rights, whether urban or rural.
- **Federal level:** Decree-Law No. 5452/1943 - Consolidation of Labor Laws (CLT)
- **Criminal Code:** Decree-Law No. 2848/40, specifically in Articles 149, 203 and 207
- **Regulatory Standards and Ordinances** from the Ministry of Labor and Employment

IMMIGRANTS

- Ministry of Justice and Ministry of Labor and Employment implemented legislation as **Normative Resolutions**, which regulates the **employment of foreigners** in Brazil, and controls the entire bureaucratic process to obtain work visas.
- **National Immigration Council** – Ministry of Labor
- **Free Traffic and Residence for Nationals** - Decree No. 6964 dated September 29, 2009
- Law No. 11961/2009 - **Migratory Amnesty Law**

3.3 Governmental actions

3.3.1 At the Federal level

- ⇒ National Plan for the Eradication of Slave Labor
- ⇒ Proposal for Constitutional Amendment (PEC) regarding Slave Labor (No. 57-A/1999)
- ⇒ “Blacklist” (companies)
- ⇒ Parliamentary Investigation Commission (CPI) regarding Slave Labor – House of Representatives
- ⇒ Senate Bill No. 290 – Brazil
- ⇒ Pronatec and its extension to immigrants

3.3.2 At the São Paulo State level

- ⇒ Law No. 14946/2013 – State of São Paulo

3.4 Public-private and private sectors actions

3.4.1 At the Federal level

- ⇒ The UN's Global Compact
- ⇒ National Pact for the Eradication of Slave Labor
- ⇒ The Qual Seal
- ⇒ Qualification Program for Retail Suppliers - Brazilian Association of Textile Retail (Abvtex)

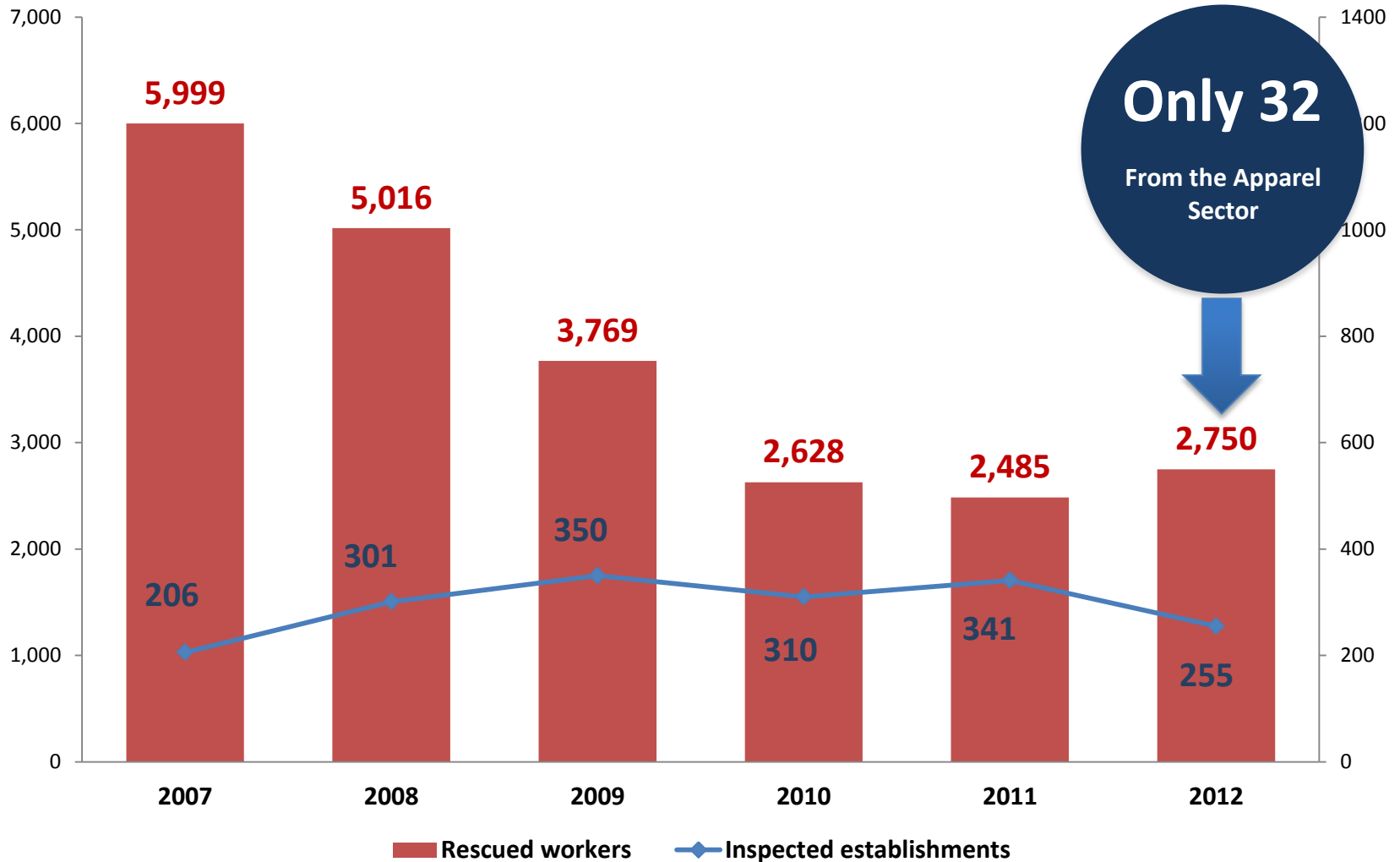
3.4.2 At the São Paulo State level

- ⇒ Pact Against Precarious Work and for Decent Labor and Employment in state of São Paulo - Apparel Manufacture Production Chain

3.5 Civil society organizations

- Migrant Support Center – CAMI
- Migrant Pastoral Center - Peace Mission
- Center for Human Rights and Immigrant Citizenship – CDHIC
- Ethos Institute / Uniethos - Training and Development of Socially Responsible Management
- Repórter Brasil
- International Labor Organization - ILO in Brazil

Inspected establishments x Rescued workers





New Developments

City of São Paulo

- ⇒ Creation of the **Municipal Commission for the Eradication of Slave Labor (COMTRAE/SP)**
- ⇒ Agreement between City Hall and Caixa Econômica Federal (Federal Savings Bank) to **facilitate bank account opening procedures for immigrants** from Mercosur and other Associate countries to the economic block living in the city, such as Bolivians.
- ⇒ Agreement between the São Paulo City Hall and International Labor Organization (ILO): **Municipal Agenda for Decent Work (2014 to 2016)** and **Municipal Committee for Decent Labor**
- ⇒ São Paulo was the first FIFA World Cup host city to sign the public term of **Commitment for Decent Work in the World Cup** - a nationwide movement supported by ILO.

Appreciation of immigrant culture

⇒ The Coordination of Immigrant Policies (CPMig), from the Department of Human Rights and Citizenship of the São Paulo City Hall, is employing all efforts to **regulate and promote fairs of immigrant communities** in the city.

⇒ Some of the most relevant activities of CPMig relate to the **Bolivian community** are the: Arts and Crafts Fair at Rua Coimbra, Bolivian Cultural Fair at Largo do Rosário and Praça Kantuta.

Entrepreneurship course – focused on immigrants operating in the apparel segment

⇒ SEBRAE-SP course in partnership with the SRTE-SP focused on the **shaping and improvement of immigrants entrepreneurs owners of the sewing shops** which includes legal contents regarding company incorporation and employee registration, financial, and administrative procedures, among others.

⇒ **Term of Technical Cooperation:** it will be signed between SRTE-SP and the partner institutions (SEBRAE-SP, SENAI-SP, General Bolivian Consulate in São Paulo, Department of Development, Labor and Entrepreneurship - SDTE - of the city of São Paulo, and Abit) to develop joint initiatives regarding the implementation of the entrepreneurship project for professional and management development, technical instruction, and support to immigrant workers, small business owners and their families in the city of São Paulo, operating in the textile and apparel segment.

Employment Record Card

⇒ According to SRTE-SP, a total of 5,431 employment record cards were issued between January and June, 2013, registering a **23% increase** compared to the same period last year, when 4,411 foreigners received their employment cards.

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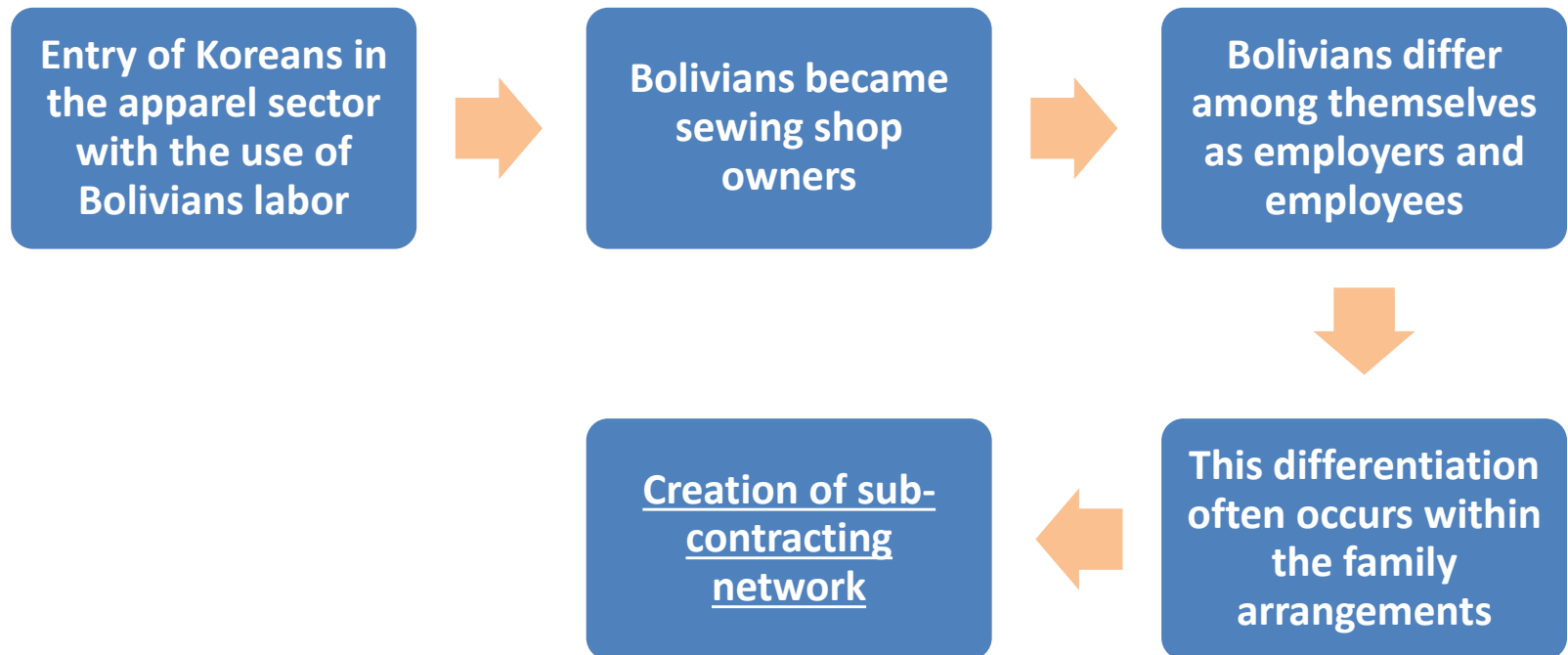
⇒ Main reasons:

- the continuous increase in the number of signatories.
- the greatest demand to "reply" the needs of the signatory companies relating to commitments made.
- the increase in international projection demanding more attention to the internationalization of the initiative.

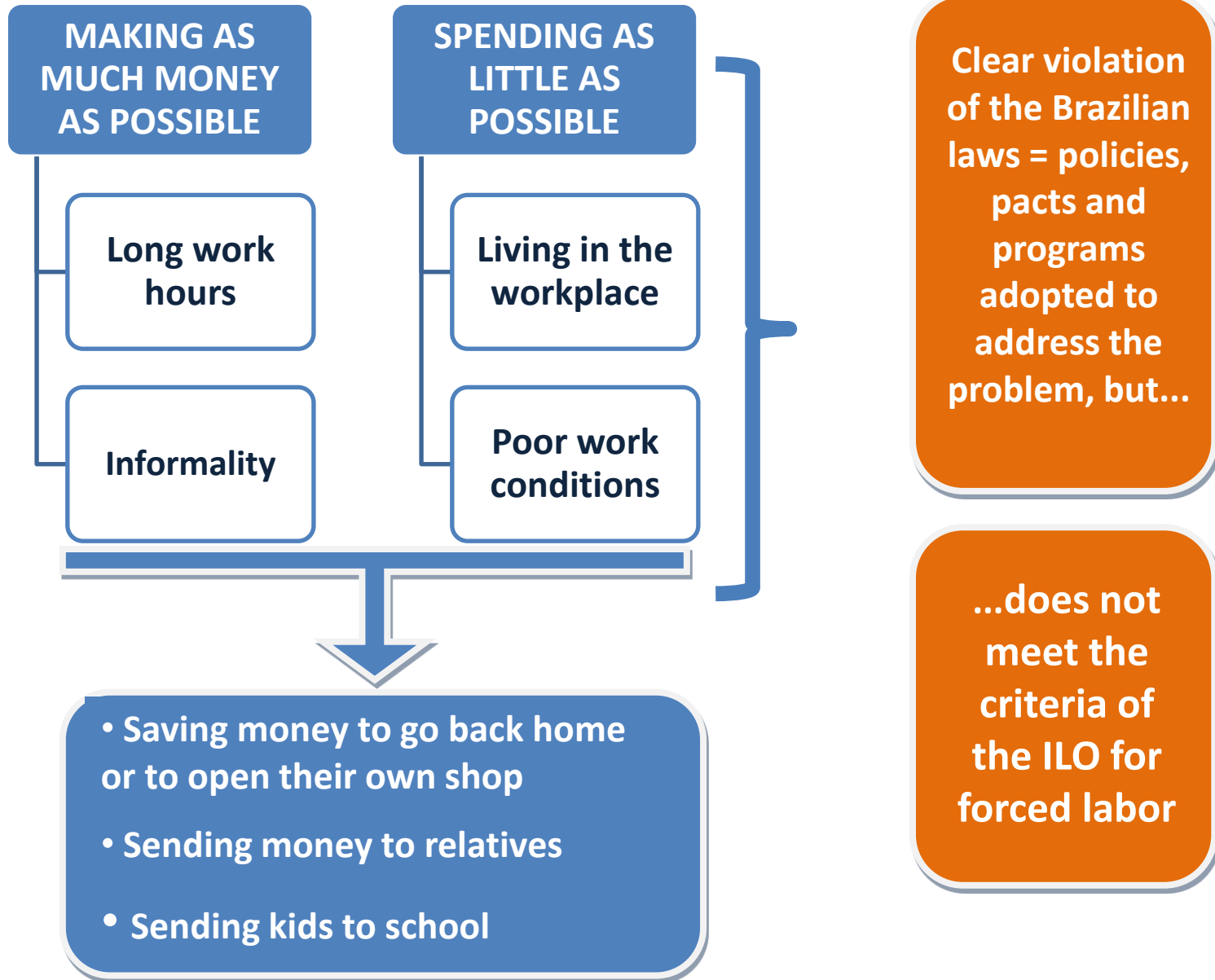


Immigrant workers in the Brazilian apparel production

- Regional inequalities boost migration in search of work, opportunities and better life quality.
- The entry of migrants in the apparel sector, is a constitutive phenomenon of the major urban centers.
- History of the Bolivian immigrants in the sewing shops in São Paulo:



▪ Cases of Immigrant labor in the apparel sector in Brazil





Conclusion

- ⇒ We need to be careful about the sources of information regarding forced labor in Brazil. ABIT would like to be a permanent source of information to the DoL (adding to other important sources)

- ⇒ Brazil has higher standards to typify forced labor (comparing to ILO conventions), which means:
 - ⇒ That we need to carefully analyze case by case;
 - ⇒ That listing Brazil due to its high standard is inappropriate.

- ⇒ Insignificant number of cases for a sector that employs over 1.35 million direct workers;
- ⇒ Even the insignificant number of recent cases are strict related to violations of local law rather than violating ILO/DoL standards;
- ⇒ The violations of the Brazilian law and eventual use of forced labor by bad actors are being addresses by many actions presented to DoL. These actions should be continued and enlarged.
- ⇒ This is a permanent work not because Brazil wants to get out of the DoL list, but because this is a National Public Interest.