



COTTON REFORM | Fall 2020

Case Study:

Uzbekistan Eliminates Systemic Forced Labor in Cotton Harvest

One of the most successful areas of reform for the Republic of Uzbekistan under President Shavkat Mirziyoyev, has been in the eradication of forced labor in the Uzbekistan cotton harvest. The problem developed over time, after decades of systematic abuses.

It became so entrenched, it was tragically difficult or impossible to unwind without disruptive changes.

2016: Mirziyoyev Prioritizes Human Rights

When he was elected in 2016, President Mirziyoyev placed human rights at the top of his reform agenda. Forced labor cut directly against his vision for the country. As he said at the U.N. General Assembly in 2017, the government should work for the people, not the other way around. The proposed solution to the problem was simple in concept but extraordinarily complex in execution: privatize certain state enterprises. Easier said than done.

2017: Five Year “Action Plan” of Reform

Nevertheless, the President and Parliament have since taken determined and deliberate action. These actions have checked the long-standing issue to great effect and in a relatively short period of time. A series of presidential decrees and new laws fundamentally changed the system of cotton production in the country. Private businesses took over key functions that the government formerly provided. International monitoring and reporting have been welcomed, and penalties for violations significantly increased. Today, the practice is not only illegal, it is criminalized, and enforcement is strict. An array of human rights advocates acknowledge that it does not exist institutionally, though they argue for additional measures to stamp out abuses and ensure it does not return.

A Troubled History of Forced Labor

To trace the problem back, when the country gained independence from the Soviet Union in 1992, cotton made up 90 percent of Uzbekistan's total exports. It accounted for 10 percent of GDP, or gross domestic product. This was a deliberate agricultural strategy adopted by a newly independent nation that had yet to find its way. The program was tightly organized to maximize efficiency and revenues. The state controlled the means of production in the



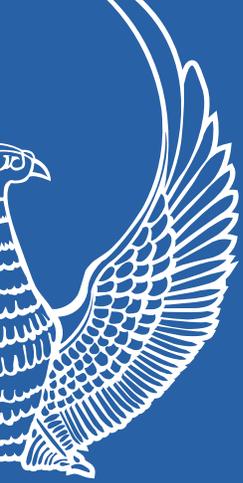
Soviet style. It owned the land, distributed seed, fertilizer, and water. Every shred of the raw Uzbekistan cotton harvest was transported by the government to market and for export. Unfortunately, the system had its downsides. It forced Uzbekistan to be overly dependent on a single crop. Also, it put a strain on the arable land for a crop that is relatively water intensive in a region where water is scarce. More than that, the export market began to dry up. The western world began to see that the system depended on child labor and forced labor in order to meet target quotas the government set.

“Cotton Clusters” Shift Country To Privatization

The strategy to rip out the old structure in 2017 and replace it with a new one was ingenious, systematic and effective. It began with pilot programs to introduce “cotton clusters” in one small area first, to ensure it worked. Uzbekistan’s cotton cluster concept was a way to privatize the industry. The clusters were groups of individuals, businesses and investors who provide capital and source the means of production to farmers. Instead of relying on the state, farmers negotiated contracts with clusters to buy what they needed to produce cotton. The first pilot program was effective in 2017. The initiative was expanded to a larger region in 2018. When it worked at a wider scale in 2018, the cotton cluster program was nationalized in 2019. The state was gradually removed from the center of the system. It began to provide an oversight role and ensure enforcement of laws to protect workers’ rights.



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2019: ILO Report Shows No Systemic Forced Labor

The most recent report from the International Labour Organization (ILO) —a highly respected tripartite agency of the United Nations that was created in 1919 as part of the Treaty of Versailles— confirmed that child labor has been eradicated and systemic forced labor is a thing of the past. The report published at the end of 2019 showed a reduction of 40 percent year-over-year in the use of forced labor in the Uzbekistan cotton harvest. Unfortunately, the rapid move toward privatization had not fully penetrated to every cotton worker in the country. But, the conclusion of the report demonstrated that forced labor in Uzbekistan is isolated and indiscriminate.

2020: Quotas Abolished

In March of 2020, the government took another major step to eradicate the last vestiges of coercion that still may exist locally. Abolishing quotas and price setting removed a key incentive for forced labor. Moreover, a new law criminalizing the behavior was passed following the 2019 Uzbekistan cotton harvest and will be in effect for 2020. International monitors and human rights groups will be watching closely to see if violations still exist. Stepped up enforcement will investigate and swiftly address issues according to the law. In 2020, the government will guarantee another steep increase to the minimum wage for worker. Wages are anticipated to be more than 6x greater than in 2015. New regulations will hold businesses accountable, rather than laborers. The government has also promised transparency and taken steps to open reporting methods for public review. In addition to eliminating forced labor, the results of the effort have dramatically improved the freedoms of workers, increased their income potential, allowed farmers more control over their businesses, and developed the foundation for a competitive, ethical export product to world markets.