

Regarding Companies Operating in Uzbekistan and Contributions to the Forced-Labor System  
By the Cotton Campaign, 8 September 2015

With the cotton harvest underway in Uzbekistan, corporate contributions to the Uzbek government's forced-labor system of mobilizing cotton pickers remain a serious concern. The statements on the issue by General Motors, TeliaSonera, Telenor and Vimpelcom raise as many questions as they provide answers. The Cotton Campaign urges the companies to fulfill their business and human rights due diligence responsibilities and ensure they are no longer complicit in this human rights crisis.

Teliasonera explained today that contributions are “involuntary” and [last year](#) to its investors that contributions to the harvest are a requirement to do business in the country. It is positive that after its “extensive dialogue with many stakeholders,” Teliasonera explained to the Uzbek government that it is “not in a position to support directly or indirectly the cotton harvest.” Teliasonera should now clarify whether its dialogue with the Uzbek government means it will not be contributing to the 2015 harvest in any form, and whether the Uzbek government has changed its policy on requiring contributions to the harvest.

Telenor states it expects Vimpelcom Ltd., in which it is a minority shareholder, to apply the UN Guiding Principles on Business and Human Rights. Notably, the UN Principles (and the OECD Guidelines for Multinational Enterprises) establish companies' responsibilities to identify, prevent and mitigate actual and potential human rights violations that are linked to their operations, products or services even when the companies have not contributed to or caused the rights violation, and the Principles apply to investors, as John Ruggie [reiterated](#) earlier this year. To understand if it is following Telenor's advice, Vimpelcom should also clarify what changed in Uzbek government policy that allows the company to not be “supporting the cotton harvest,” and whether “supporting” includes all forms of contributions.

GM's stated commitment to “the highest level of ethical standards” is welcome, yet in its statement the company merely reiterates the participation of GM Uzbekistan workers in the cotton harvest and reports expanded GM involvement in the Uzbek cotton industry by “supporting mechanization.” Given the systematic nature of forced labor in the Uzbek cotton sector, any participation of GM employees in it and GM investment in the sector raise serious concerns. Since 2012, GM Uzbekistan employees have reported participation in the cotton harvest motivated by fear of losing their jobs, and the Cotton Campaign has raised concerns with GM. Each time, we have also noted that under U.S. [law](#) it is a crime to “knowingly benefit, financially or by receiving anything of value, from participation in a venture which has engaged in the providing or obtaining of [forced labor].”

While unacceptable, companies' hesitation to decline requests to contribute to the Uzbek cotton harvest is not surprising. The World Bank downgraded Uzbekistan in its latest [index](#) for protecting investors; the U.S. government currently [reports](#) “a pattern of expropriations and politically motivated business inspections;” and ten companies have succumbed to [hostile takeovers](#) in the country since 2006. The Cotton Campaign therefore asked the U.S. government to urge the Uzbek government to stop asking companies to contribute, but the companies refused to support the U.S. communicating this message on their behalf. The companies could also approach the Uzbek government together.

Now the annual cotton harvest is underway in Uzbekistan, and state-orchestrated forced labor is expected to continue. It is time for the companies to cease contributing. Following their statements this week, the Cotton Campaign urges GM, TeliaSonera, Telenor and Vimpelcom to:

1. Sign the public [Commitment Against Forced Labor in Uzbekistan](#), refuse demands to contribute personnel, cash or in-kind to the cotton harvest, and report requests for such contributions publicly and to their home-country governments.
2. Establish an independent human rights monitoring and public reporting program of the company's operations and supply chain in Uzbekistan.
3. Divest from Uzbekistan if involvement in the forced labor system persists as a requirement to operate in the country, after using all available leverage with the Uzbek government to convey that continued investment requires an end of the practice.

*The Cotton Campaign is a global coalition of human rights, labor, investor and business organizations dedicated to eradicating child labor and forced labor in cotton production. For reporting on forced labor in Uzbekistan and Turkmenistan, visit: [www.cottoncampaign.org](http://www.cottoncampaign.org)*