

Questions

&

Answers

DOL Q's & A's
of Labor Issues

Category #1

DEPARTMENT OF LABOR TRANSITION BRIEFING

This briefing book is an internal, confidential communication designed to assist the Secretary-designate in assuming her responsibilities in the Department of Labor. It contains materials that would not otherwise be disclosed to the public under the Freedom of Information and Privacy Acts. Release of these materials could significantly impede the transition process in the Department. Consequently, the contents of this book are labeled "~~Confidential~~" and no additional copies should be made except those needed to assist the incoming Secretary.

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Divider Title: **[Blank]**

TABLE OF CONTENTS

ISSUE	TAB
Views on Compliance Assistance vs. Enforcement	Overview
Views on the Workplace	Overview
Employment Service Privatization	Employment and Training
Immigration: Alien Labor Certification	Employment and Training
Job Corps	Employment and Training
Job Training: Accountability for Results	Employment and Training
Job Training: Consolidation	Employment and Training
Job Training: Effectiveness	Employment and Training
Job Training: Federal Responsibility	Employment and Training
Job Training: Framework Question - Skills	Employment and Training
Job Training Consolidation: Governance	Employment and Training
Job Training Consolidation: Legislative Outlook	Employment and Training
Job Training Consolidation: Skills Grants	Employment and Training
School-to-Work	Employment and Training
School-to-Work: Conservative Attack	Employment and Training
Skill Standards	Employment and Training
Welfare to Work: Current System	Employment and Training
Welfare to Work: New Initiative	Employment and Training
Youth Training: Summer Jobs	Employment and Training
Youth Training: What Works?	Employment and Training
Beck: AFL-CIO \$35 Million to Defeat Republicans	Labor Law
Beck: Appropriateness for Unions to Spend Money to Defeat Candidates for Public Office	Labor Law
Beck: Quit Union to Exercise Right Not to Contribute	Labor Law

Beck: Support for Political Causes Union Members Find Offensive	Labor Law
Relationship with Unions: AFL-CIO Role and the Department	Labor Law
Relationship with Unions: Role of Unions in Today's Society	Labor Law
TEAM Act: Clarification of Current Labor-Management Cooperation Law	Labor Law
TEAM Act: Dillion Stores	Labor Law
TEAM Act: Support for a Compromise Proposal to TEAM Act	Labor Law
Comp Time: Legislation	Labor Standards
Davis-Bacon: Repeal and Reform	Labor Standards
Davis-Bacon: Steps to Ensure Accurate Information Used in Wage Determination	Labor Standards
Family Medical Leave: Accuracy of Number of People Who Have Benefited under FMLA	Labor Standards
Family Medical Leave: Benefits of Expansion of FMLA	Labor Standards
Family Medical Leave: Effect of Lower Threshold for FMLA on Small Business	Labor Standards
Garment: Continuation of "No Sweat" Campaign and Use as Model for Other Enforcement Efforts	Labor Standards
International Child Labor: Labeling Legislation	Labor Standards
Fast Track, Labor and Chile	International
International Child Labor: Bangladesh Program	International
International Child Labor: DOL Agenda	International
International Child Labor Legislation: Import Ban and Labeling	International
NAFTA and Jobs	International
Affirmative Action: Contractors Due Process Protections Following OFCCP Compliance Review	Affirmative Action
Affirmative Action: Diversity Created by the Marketplace	Affirmative Action
Affirmative Action: Federal Contractors - E.O. 11246	Affirmative Action

Affirmative Action: Impact of the <u>Adarand</u> and <u>Piscataway</u> Cases on Federal Policies	Affirmative Action
Affirmative Action: "Mending not Ending"	Affirmative Action
Affirmative Action: Overlapping Jurisdiction of Federal Agencies -- Texaco Case	Affirmative Action
Affirmative Action: Plans to Mend	Affirmative Action
Additional Changes to the Health Care System	Health
Advisory Commission on Consumer Protection and Quality in the Health Care Industry	Health
Affordability of Coverage for Small Businesses	Health
Consumer Protections and Managed Care	Health
Decline in Health Care Coverage	Health
Health Care for Children	Health
Health Care for the Unemployed: Workers in Transition: Creation of New Federal Program	Health
Health Care for the Unemployed: Workers in Transition: Limits of President's Proposal	Health
HMO's and Medical Malpractice	Health
Implementation of Kennedy-Kassebaum (HIPAA)	Health
Retiree Health Care	Health
Role of the Labor Secretary with Respect to Private Employer-Provided Health Care System	Health
Bingaman-Jeffords Pension Pro-Save Proposal	Pensions
Commission on Retirement Income Policy	Pensions
Daschle Pension Proposal	Pensions
Economically Targeted Investments	Pensions
Need for Increased Retirement Savings	Pensions
Pensions: 401(k) Plan Protection: Employer Stock	Pensions
Pensions for Low-Wage Workers	Pensions
Pension Portability	Pensions

Pension Security: Audit Bill	Pensions
Role of the Labor Secretary with Respect to Private Pension System	Pensions
Tax Equity: Pension System	Pensions
Trends in Pension Coverage	Pensions
Future of Social Security	Social Security/Medicare
Medicare Trust Fund	Social Security Medicare
Social Security Advisory Council Report	Social Security/Medicare
CPI: Role of BLS	CPI
CPI: Views on Problems	CPI
Business Complaints About OSHA	Safety and Health
Cost-Benefit Regulatory Analysis	Safety and Health
Drop in the Number of OSHA's Inspections	Safety and Health
Ergonomics	Safety and Health
OSHA Reform: Codifying the "New OSHA"	Safety and Health
OSHA and Small Business	Safety and Health
Successor to Joe Dear	Safety and Health
The New OSHA	Safety and Health
Definition of "Good" Corporate Citizen	Corporate Issues
Examples of "Bad" Corporate Citizens	Corporate Issues
Examples of "Good" Corporate Citizenship	Corporate Issues
Future of Corporate Citizenship Initiative	Corporate Issues
Future/Proposed Corporate Welfare Cuts	Corporate Issues
Government's Role and Corporate Citizenship	Corporate Issues
Off-Limit Corporate Welfare Cuts	Corporate Issues
Promotion of Corporate Welfare Cuts to Balance Budget	Corporate Issues

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Divider Title: **Overview**_____

General Views on the Workplace

Q. Intense international competition, rapid technological change, and an aging workforce, are bringing about many changes in the workplace. As we move to the 21st century, what is the Federal role in the workplace? As the Secretary of Labor what will you do to address the challenges facing us in the workplace?

- A.
- o As we approach the 21st century, our need to compete in the expanding global marketplace is effecting dramatic changes in the way employers do business and the ways people work. New forms of work are emerging. For example, people can telecommute to work with employers that are hundreds of miles away. Employers and unions are experimenting with job sharing and flextime.
 - o New ways to do business are also emerging. Employers are seeking more and more flexibility by outsourcing large parts of their work. They are also seeking different types of relationships with their workers. In addition, we are seeing a growing commitment among employers to take affirmative steps to expand their workforces to include talented people who had been previously excluded --- women, people of color, and people with disabilities.
 - o As the workplace changes and relationships between workers and their employers change, the Labor Department has several important roles.

First, I believe it is important that workers have the opportunity to acquire the skills they need to compete effectively and obtain high-skill, high-wage jobs. You can't telecommute if you don't have computer skills. This is particularly true as we try to move millions of Americans from welfare to work.

Second, the principles underlying the worker protection laws that Congress has enacted must be preserved in the new world of work. Workers should be paid a living wage regardless of whether they are pushing a broom or operating sophisticated fiber optic equipment. Workers will need leave from their jobs to care for sick parents and newborn children whether they are working for a big corporation or one of its subcontractors. Workers not only need to know that their workplaces are safe and that their retirement savings are as well. Workers must have access to affordable health care. Finally, workers need to know that the workplace is free from discrimination.

- o The Labor Department should assure that it finds effective means to ensure that these basic protections are realized in the new world of work.

General Views Compliance Assistance vs. Enforcement

Q: The federal government might gain greater compliance of labor laws and also increase public approval by stressing compliance assistance rather than pursuing heavy handed enforcement. What are your views on compliance assistance as opposed to enforcement strategy?

- A:**
- o The goal of the Labor Department's efforts should be to assure that employers comply with the laws that Congress has adopted to protect workers. There are many ways to achieve this goal. Many responsible employers will comply with the law if we explain to them in clear and simple terms what the law is. Some other employers may inadvertently violate the law and may need more help understanding the law and a mild reproach to urge them to correct their problems.
 - o It is important to recognize, however, that there are bad actors in our society. There are employers who will violate the law regardless of how much information they receive and in spite of mild reproaches. Bad actors should be punished. They should be forced to comply with the law.
 - o This is an important balance that must be struck with great care.

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Divider Title: **Employment and Training**

Job Training Framework Question: Skills

Question:

What is your assessment of the direction we need to go to increase the skills of American workers?

Answer:

- o The Administration is committed to investing in education and training programs that help average Americans build a better future for themselves and their families.
- o More than ever before, a person's earning power is based squarely on what he or she learns, we must invest in our country's future by supporting the education and training needed to promote long-term economic growth and to give average Americans the skills they need to get high-wage jobs, and thus, raise living standards both now and in the future.
- o We also must take the steps needed to move people from welfare to work and to address the enormous employment problems of our cities by focusing our efforts to build the skills of and promote chances for education for our young people who live in our cities and for whom job opportunities are fleeting.
- o Meeting these challenges of ensuring that all American workers have an opportunity to develop good skills and access to good jobs is going to depend on all of us doing our part--businesses, the schools, families and the government--acting together, in partnership.

Federal Responsibility for Job Training

Question:

Why is employment and training a Federal responsibility?

Answer:

- o The President and I believe that there are compelling reasons for the Federal government to be involved in employment and training, even as we seek to enhance State and local flexibility to allow them a broader role.
- o As the President has articulated over the past four years, investments in education and training are critical to this country's future.
- o New technologies, global competition, and an increasingly integrated economy have reshaped the way we work and live. These forces are creating millions of new jobs, and more and more are good, higher paying jobs.
- o However, our greatest economic challenge is to raise the standard of living for ordinary American workers. This means helping those who have difficulty adapting to a dynamic economy and the demands of emerging jobs.
- o Training in job-related skills is the best way to ensure a rising standard of living for ordinary American workers. The right training and skills pay off dramatically in better jobs and high incomes--every year of training or education after high school boosts a person's lifelong earning power by 6 to 12 percent on average.
- o Job training is an investment in the future of this country: It increases the nation's productive capacity and raises incomes. It responds to the country's labor market needs.
- o It also strengthens people's economic security, while diminishing demands on social programs and providing more tax revenue.
- o In today's economy, one of the Federal government's key responsibilities is clearing the path to opportunity for all Americans who want to build their skills and earn better livings. Another is stimulating and supporting research to generate new ideas and determine what works and then, disseminate the results.
- o Unlike education, where there is a significant local investment (over 90%) and federal dollars serve as an equalizer, the primary investment in job training and employment services has historically been a federal one. And States and local communities have relied on Federal leadership in this area for over 30 years.

Job Training Accountability for Results

Question:

How do you propose to hold the job training system accountable for results?

Answer:

- o **JTPA's job training system has been among the first federal block grant programs designed to be results-driven and guided by a highly structured performance management system.** Local programs must meet federally-defined, State adjusted minimum levels of performance. These standards assist States in identifying higher performing programs that qualify for incentive awards and low performing programs in need of technical assistance.
- o As someone who is committed to results, I was pleased to learn that the Department has made a significant investment in management information to provide the Department, Congress, the public, and the job training community with detailed information on client backgrounds and services and their employment, earnings, and educational attainments. This information is useful in tracking the agency's progress in achieving its goals, and also enables States and local programs to compare performance results among programs serving diverse populations and providing varying services.

Job Training Effectiveness

Question:

What evidence do you have that our national investment in job training is paying off?

Answer:

- o I understand that both program performance data and evaluation studies indicate that job training is an effective investment:
 - For example, a random assignment study of over 20,000 applicants to JTPA programs for the economically disadvantaged found that the adult job training program pays for itself through increased earnings of participants within the first two-and-a-half years.
 - Programs for dislocated workers also have demonstrated their success: about 72 percent were employed when they left the program and, on average, they earned wages in their new jobs equal to more than 92 percent of their previous wages.
- o For out-of-school youth, a group that all agree are particularly important to serve but very hard to affect, the results from our National JTPA Study are not as encouraging. However, there is reason to believe from more recent information and analysis that the program may have positive, long term benefits. The President's proposal for Youth Opportunity grants builds on the model of what works and we are enthusiastic about its prospects for helping inner city youth in particular.

Job Training Consolidation

Question:

The GAO has reported that there are over 160 different job training programs and that there is no means of tracking the performance of these programs. Shouldn't these programs be consolidated?

Answer:

- o The President and I agree that there are too many separate employment and training programs, and that is one of the reasons why the President proposed to consolidate 70 programs covering adults and youth under his G.I. Bill for America's Workers.
 - o However, an equally important goal of the President's proposal was to create a system that is **driven by the needs of customers**, rather than by consolidation. A primary purpose was to make the labor market work for all Americans and to achieve this the proposal focused on Quality information, accountability and performance.
 - o I understand that the Department has taken steps to achieve what I see as "street-level consolidation" through the development of One Stop Career Centers. In many communities the lines between programs are invisible to the customers who can now access all programs through local One-Stop Career Centers.
 - o And finally, recent authority within the Appropriations bill has given States greater flexibility to transfer funds between programs to meet local needs and has given the Department new waiver authority to help States and localities remove barriers that previously made it difficult to serve customers in a seamless system.
- I am interested in learning more about implementing this new waiver authority.

Job Training Consolidation: Legislative Outlook

In 1995, the President proposed a "GI Bill for America's Workers", but legislation was never sent to the Hill. Instead the House passed the "CAREERS Act" and the Senate the "Workforce Development Act":

Question:

Do you expect the Administration to submit legislation to achieve job training consolidation?

Answer:

- o I know there was considerable bipartisan consensus in the last Congress on many elements in the President's G.I. Bill proposal.
- o The President and I are committed to working with this Committee and the Education and the Workforce Committee in the House to achieve meaningful and responsible job training reform that reflects the President's principles. These principles are:
 - Individual opportunity. Empowering workers who need skill training with the resources -- Skill Grants or vouchers -- and the information needed to make good choices, including information on the performance of training providers, occupations in demand, and skill requirements.
 - Leaner government. Replacing scores of separate programs with streamlined systems for youth and adults, organized in the One-Stop..
 - Greater accountability. Ensuring that systems at all levels are managed for results, and that programs that don't measure up will be held accountable.
 - State and local flexibility. Providing States, communities, and education and training systems with the freedom to tailor programs to locally determined needs.
 - Strong private sector roles. Ensuring that business, labor, and community organizations are full partners in systems design and quality assurance.

I understand that these principles were reflected to varying degrees in the House- and the Senate-passed bills. I would anticipate that many of the positive provisions of these two bills could be incorporated into new workforce development legislation -- which I hope would be bipartisan and crafted with the involvement of the Administration.

Job Training Consolidation: Skill Grants

Question:

The Administration's approach relied heavily on the use of vouchers ("skill grants") for adults to access job training. Will this remain a part of the Administration's proposal, and how do you answer the criticism that vouchers might result in participants being lured to "fly-by-night" or ineffective providers?

Answer:

- o Empowering workers who need skill training with the resources through Skill Grants or vouchers along with the information needed to make good choices, including information on the performance of training providers, occupations in demand, and skill requirements -- was one of the key principles of the President's G.I. Bill for America's Workers.
- o This principle received support both in the House and in the Senate. **I hope that any new workforce development legislation emerging from this Congress would incorporate skill grants.**
- o With respect to the possibility of vouchers being used for fly-by-night or ineffective providers, I understand that the G.I. Bill for America's Workers included specific "gatekeeping" provisions to prevent this.
- o For example individuals would get consumer reports on the quality of schools and their programs, so they could make their own informed choices. They could use their Skill Grants only at institutions that met strict eligibility requirements based on quality standards.

Job Training Consolidation: Governance

Question:

There was also a great deal of debate about governance of the new system -- with the Administration seeming to side with local (city and county) officials versus the Governors? What do you see as the relative roles of Governors and local officials in a workforce development system?

Answer:

- o All levels of government -- local, State and Federal -- should have significant roles to play in the workforce development system. The key is to try to achieve the appropriate balance.
- o As I understand it, the concern of the Administration with the Workforce Development Act -- a concern that was shared by Members of Congress, the counties, the mayors, and others -- was that the traditional role of localities was eviscerated.
- o The Administration supports a strong and substantive role for the States, but local governments must be partners in the decision making process..

[NOTE: The Senate bill (Workforce Development Act) and Conference report moved most authority for job training decisions from the local level (Mayors and county officials) to the Governors. The Administration supported local officials in an attempt to maintain their traditional role in planning and overseeing job training programs.]

Welfare to Work -- Current System

Question:

How does the current employment and training system address the needs of welfare recipients?

Answer:

- o One of my top priorities, working with others in the Administration, will be to ensure the successful implementation of the new Welfare Reform legislation.
- o It is important to keep in mind the President's objectives for welfare reform:
--to break the cycle of dependency in a way that promotes responsibility, work, and parenthood.
- o I believe that this Nation cannot afford to relegate anyone to the bottom rung of the economic ladder. The stakes are far too high.

To build a stronger, more competitive economy at a time of increasing global competition, we need the contributions of all Americans. We need everyone to actively partake in the society at large.

As the President often says, "We don't have a person to waste."

- o The goal of welfare reform is to move people from welfare to work and President Clinton and I are committed to ensuring that there are job opportunities for welfare recipients, and the Department of Labor will play a vital role in this effort.
- o The Department's existing job training programs and the One-Stop Employment Service delivery system currently play a vital role in successfully helping welfare recipients to become economically self-sufficient.
- o For instance, some 40% of JTPA disadvantaged training dollars are used to assist welfare recipients. Over 100,000 AFDC recipients transitioned into jobs through the use of JTPA services in 1995.
- o In addition, all of our at-risk youth programs provide early intervention in the lives of people who are potential recipients of public assistance.
- o DOL also administers the new Work Opportunities Tax Credit (WOTC) which provides tax subsidies to employers to hire and retain people, including welfare recipients, whom otherwise wouldn't have been hired.
- o The One-Stop Employment Service is the agency to which welfare recipients who are not in our training program can turn for job assistance.

Welfare to Work: New Initiative

Question:

What role will the Department play in implementing the new Welfare-to-Jobs Initiative?

Answer:

- o The new Welfare Reform legislation creates enormous pressure on the Department's employment and training system to meet these demands for service which are so vital to the success of the transition of people from welfare to work.

[NOTE: CBO estimates that the new welfare legislation has a \$12 billion funding shortfall over the next 5 years to meet the work requirements.]

- o In addition to the existing programs, the President has proposed a Welfare-to-Jobs Initiative--a \$3.4 billion initiative to create job opportunities for the hardest-to-employ welfare recipients. The key components are:
 - The Welfare-to-Jobs Challenge designed to help communities move 1 million of the hardest-to-employ welfare recipients into jobs by the year 2000. (\$3 billion over 3 years)
 - Expansion of the Work Opportunity Tax Credit (WOTC) to create new job opportunities for long-term welfare recipients.
 - Tax incentives to increase investment in distressed areas.
- o I want to work closely with you and other members of Congress towards enactment of this vital legislation in the coming months.
- o As Secretary of Labor, I also intend to work closely with HHS in addressing the worker protection issues raised by the new legislation (i.e., FMLA, minimum wage, OSHA, etc.). I am concerned that welfare reform doesn't simply put former recipients in jobs at the expense of other job seekers or low-wage workers and that labor protections for workers are not abrogated.

[CAUTIONARY NOTE: It is not public that the DOL will administer the Welfare to Work Initiative]

Employment Service Privatization

Question:

I understand that the Department is currently conducting a review of the issue of "contracting out" or privatization of certain Employment Service activities. Could you elaborate on your views of a public Employment Service and indicate what you expect to come out of the review?

Answer:

- o I am aware that privatizing or contracting out public labor exchange services to for-profit and not-for profit entities is an emerging issue in many States.
- o As I understand it, States and local jurisdictions have flexibility to contract out functions under the Job Training Partnership Act. However, the Wagner-Peyser Act provides for a national system of "public employment offices" to provide labor exchange services and is largely silent on privatization, out-sourcing and contracting out of basic labor exchange services.
- o I have learned that several States have raised questions regarding privatization of labor exchange services in the context of emerging new State workforce development systems. The Department has undertaken a broad review about the legal and policy issues related to the contracting out, privatizing and out-sourcing of Wagner-Peyser labor exchange services.
- o Before making any final decisions, I want to seek your ideas and those other Members of this Committee and the Senate Finance Committee -- and, of course, the appropriate House Committee Members -- in addressing this complex issue.

Youth Training: What Works?

Question:

There has been some disturbing evidence that training programs for out-of-school youth have not been effective. Do training programs for youth work? Are there some elements of successful programs that can be replicated?

Answer:

- o Out-of-school youth are a difficult group to serve in job training programs because they face complex challenges.
- o I was disappointed to learn that while a national JTPA Study found positive results for adult men and women, the results for both male and female out-of-school indicated that youth were not so positive. But the study tested for the most part "on the cheap" and short-term services -- spending perhaps \$3,000 for each youth in a program of about four months duration.
- o I was also heartened to learn, however, that there are some promising results coming out of other studies:
 - For example, the Center for Employment Training (CET) in San Jose, California appears to be highly effective in serving out-of-school youth -- boosting their earnings by as much as \$3,000 a year. The CET is highly structured, with strong ties to the private sector -- instructors have private sector experience in the fields in which they are training and there's a heavy emphasis on job placement. This model is now being replicated and will be evaluated to see if the good results hold up over time and in different communities.
 - The JOBSTART demonstration provided a combination of remedial education and occupational training to high school dropouts in a non-residential setting and appears to be successful working with young males who have prior arrest records. Their earnings were increased by almost \$2,000 a year during the last year of a four year follow-up.
- o The President's Youth Opportunity grant proposal is based on these models of what works and we are enthusiastic about its prospects for helping inner city youth in particular. I look forward to working with the Committee on this proposal and on other ways to improve programs for youth.

Youth Training/Summer Jobs

Question:

Critics say that the summer jobs program provides little real value in the way of job experience or learning, yet the Administration continues to advocate for a large investment in the program. How do we know it is effective?

Answer:

- o This program provides younger economically disadvantaged youth with valuable employment experiences -- experiences that most would not get from the private sector.
- o The Summer Jobs program typically serves over 500,000 youth each year. About 40 percent of the participants are 14 or 15 years old, and another 40 percent are 16 or 17 years old.
- o For the vast majority of youth in the summer program, it is the first time in their lives that they are earning an living and learning how to cope with the demands of the workplace.
- o Recent evaluations by the Department's Inspector General and Westat indicate that the summer program is well run, the work projects are worthwhile; and the youth respond to the discipline and work hard.
- o The program is very important to minority youth and youth living in high-poverty inner-city neighborhoods. I understand that the Department estimates that a quarter of summer jobs held by 16-17 year-old African American youth come from the Summer Jobs program, and that a fifth of jobs held by Hispanic youth come from this program. Not only does the program provide paychecks to these young people, it also provides valuable links to the larger community for many minority youth who live in inner cities areas.

Job Corps

Question:

The Job Corps is one of the largest single programs (\$1.1 billion) within the Department of Labor, yet its' results and cost effectiveness have been questioned. Should Job Corps remain a federal program or should it be transferred to the states as part of an at-risk youth block grant. What improvements can be made in this program?

Answer:

- o I am a strong supporter of the Job Corps and believe it should remain as a national program. Job Corps offers a unique residential setting to troubled young people, 80% of whom are high school dropouts.

In response to the criticisms raised I understand the Department initiated a number of improvements including::

- o A strong zero tolerance for drugs and violence policy at all Job Corps centers.
- o Performance standards for placement contractors were established, and increased emphasis was placed on positive placement outcomes for students.
- o Greater emphasis was placed on involvement of the local community in the operation of centers.
- o The Department also took strong steps to address poor performing centers. In cases where a determination was made that center operators were not ensuring the safety and security of students center operators were changed and/or centers were closed.

[*Background:* The Senate Labor and Human Resources Committee held hearings on Job Corps in 1994 and 1995 based on briefings by the Labor Department Office of the Inspector General (OIG). The OIG raised issues concerning high dropout rates, low vocational completion rates, low training-related job placement rates and other concerns related to payment and performance of Job Corps placement contractors based on Program Year 1990 data. In early 1995, negative media stories portrayed some Job Corps centers as being campuses which allowed violence and drug abuse; these issues surfaced during the 1995 hearing. Concerns with poor performing centers also materialized at that hearing. A few Committee members later said that they planned to hold follow-up hearings on Job Corps.]

School-to-Work

Question:

In 1994, the Congress passed the School-to-Work Opportunities Act. Yet both the House and Senate job training consolidation proposals included repeal of this initiative. The Administration opposed the repeal. Can you provide evidence of the effectiveness of this program and defend the Administration's reasons for maintaining it outside of job training consolidation?

Answer:

- o First, the School-to-Work Opportunities Act, now in its third year of implementation, is not really a program. It provides the framework and seed money for States and local communities to design and implement School-to-Work systems, and in that way is complementary to the consolidation thrust in education and training.
- o Thirty-seven States have also received five-year implementation grants. The balance of the States will receive their grants this year as they become ready. In addition, more than 100 communities have received direct grants over this three-year period.
- o I believe that the evidence on early implementation of School-to-Work systems is encouraging. This evidence is based on data submitted by State and local grantees, site visits and other progress reports.
- o The principles and goals of School-to-Work appear to resonate with employers, students and educators, and are beginning to be accepted and show results. Stakeholders are coming together to form viable and vital partnerships at the State and local levels.
- o The Administration's position to oppose a repeal of the School-to-Work legislation is based on the need to assure all states and local communities the opportunity to complete their school-to-work systems building activities.
- o In fact, most Governors were interested in retaining a separate source of funding for School-to-Work and have been very active in the School-to-Work movement.
- o Given the progress that has been made to date, the Administration wants to ensure that States and localities have the time, the resources and the technical assistance available to continue the expansion of their systems.

School-to-Work: Conservative Attack

Question:

Conservative groups have attacked School-to-Work as a means for the Federal government to “slot” students into specific occupations, pre-selecting what jobs they will be able to compete for without allowing them a choice. Opponents of School-to-Work also say that it discourages students from seeking post secondary education. How would you address these concerns?

Answer:

- o I understand that the School-to-Work initiative focuses on improving the way students are prepared for college, careers, and citizenship.
- o The goal is to improve learning through more interesting and relevant experiences that mesh school-based and work-based learning and foster real-world applications of principles and concepts.
- o School-to-Work enhances the ability of students to *choose* the careers and jobs they want throughout their lives. It provides all students and their parents with information and the opportunity to explore a wide range of career options -- helping them make better informed career choices.
- o Contrary to what critics maintain, School-to-Work does not track students into specific occupations. In fact, it broadens their options and includes higher education options as well as opportunities for the non-college bound.

Skill Standards

Question:

In 1994, the Congress passed the National Skill Standards Act. What is the importance of national voluntary skill standards for employment and training programs?

Answer:

- o In defining the knowledge, skills, and abilities essential for successful employment, standards offer one of the best measures of the return on investment of both public and private employment and training dollars.
- o By assessing the acquisition of the standards by program participants, we can, in large part, effectively evaluate the quality of the education and training delivered by any training institution.
- o **The standards must remain voluntary, be consistent nationally, be recognized by employers as important information in the hiring process, and be based on broad clusters of occupations.**
- o I understand the Department has worked closely together with the Congress to help the National Skill Standards Board progress toward accomplishing its goals.
- o To date, the Board's most significant efforts have been to build national support among the major stakeholders of our national voluntary industry-based skill standards system. The Board has defined a mission and strategic plan for achieving its work and has held several public hearings throughout the United States to gather perspectives on skill standards and advice on its work.

Immigration/Alien Labor Certification

Question:

Last year the Congress completed action on illegal immigration reform, but deferred action on legal/employment-based immigration. (Senator Kennedy strongly believes that we must also address worksite enforcement and reform of the alien certification program). Will you work with me to reform this program and increase the number of wage and hour inspectors available for enforcement actions?

Answer:

- o I know that reforming employment-based immigration is a delicate balancing act; American workers should have access to jobs, while employers have legitimate employment needs.
- o I believe that Wage and Hour may need additional resources to properly enforce the over 100 labor laws under its purview, including worksite enforcement of immigration laws.
- o I would like to work with you and other Members of Congress, the employer community and worker advocates to achieve bipartisan reform.

[NOTE: Senator Kennedy successfully amended the legal immigration bill in Committee to add authority for 350 additional FTEs for Wage and Hour. The 1997 budget agreement provided appropriations for an additional 200 FTEs. Senator Kennedy believes that the additional FTEs are still needed for worksite enforcement of immigration laws. The President's 1998 budget will not provide any additional staffing resources for Wage and Hour.]

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Divider Title: **Labor Laws**

BECK

Q. Why should workers represented by unions have to quit their union in order to exercise the right not to contribute to causes they personally condemn?

A. It is important to remember that unions are voluntary associations and, as such, democratic principles govern the rights of workers who choose to belong:

- o Under the principle of majority rule, they have the right to elect their leaders, and to decide which candidates and causes to support and how much money to spend on them.
- o In addition, by majority vote, workers can decertify a union or choose a different union if they are dissatisfied with the representation they are getting.

BECK

- Q. Do you think it is appropriate for unions to spend dues money to help defeat candidates for public office?
- A. Federal law prohibits unions for using dues money to make contributions to federal candidates. States laws govern non-federal elections.
- o No doubt, the whole question of campaign financing will be taken up by this Congress, and the President has signalled his willingness to work with the Congress to limit the amount of money and influence in the current system.

BECK

Q. Was it fair for the AFL-CIO to spend \$35 million to defeat Republican candidates?

A. The whole question of campaign financing will be taken up by this Congress, and the President has signalled his willingness to work with the Congress to limit the amount of money and influence in the current system.

If pressed on the question on the AFL-CIO's \$35 million campaign:

- o It is my understanding that the \$35 million was spent to educate voters on the issues, not to advocate the election or defeat of specific candidates.
- o Organizations of all types - including corporations, unions and public interest groups, on the right and the left, have basic first amendment rights to promote issues that matter to their constituents.

TEAM Act

- Q. The President vetoed the TEAM Act. If the TEAM Act is not the right answer, do you believe there is a compromise you could support to clarify the law regarding labor-management cooperative programs.
- A. Both the President and I strongly support labor-management cooperation. There is no question that teamwork makes firms more competitive and better able to survive in a global economy. *Note: Labor management programs have proliferated in recent years: 30,000 exist today and over 96% of large companies have them.*
- o The law recognizes this, but at the same time recognizes that there is the potential for abuse by employers who want to keep out unions.
 - o That's why the National Labor Relations Act prohibits companies from setting up sham unions.
 - o As you recall, prior to the President's veto of the TEAM Act, we looked at the question of whether Sec. 8(a)(2) was ambiguous or too restrictive, and the President concluded that the National Labor Relations Board was the proper forum for clarifying the legal boundaries for labor-management teamwork.

[CAUTIONARY NOTE: Do not suggest a willingness to look at legislative compromises; it will end up in the next day's headlines.]

[INFORMATION NOTE: The Commission on the Future of Labor Management Relations (known as the Dunlop Commission), which was chaired by Secys. Brown and Reich, concluded that Sec. 8(a)(2) should be clarified, but only as part of a larger package that removed obstacles to union organizing. The Administration received the Dunlop Commission Report but did not endorse its findings.]

TEAM Act

Q. Do you agree that the law governing labor management cooperation is unclear and needs clarification?

A. As you know, current law permits a wide variety of cooperative workplace efforts to improve quality, efficiency and productivity; there are 30,000 workplace committees; 96% of large companies have them.

- o As you know, the President has said that if there is uncertainty as to the scope of permissible cooperation, the NLRB can provide guidance to clarify the legal boundaries of labor management teamwork.
- o The number of instances where companies are required by the NLRB to disband employee committees is small - less than a dozen a year in 1995 and 1996.

[CAUTIONARY NOTE: Do not suggest a willingness to look at possible compromises.]

TEAM Act

- Q. Supporters of the TEAM Act cited a case called Dillon Stores to support the notion that current law prohibits employers from talking to workers about non-controversial subjects like the placement of bulletin boards and the need to provide paper seat toilet covers and towel dispensers. If this comes up:
- A. I am not familiar with Dillon Stores, and I would be happy to look at it.
- o Generally, though, it is my understanding that all of the cases involving illegal employee committees involve employer domination of committees that discussed important subjects related to wages, benefits and working conditions.

RELATIONSHIP WITH UNIONS

- Q. The Department of Labor has been viewed as being in the pocket of organized labor. What role will the AFL-CIO play in the Department's deliberations?
- A. Unions have been a positive force for America's working families - as have many other public and private institutions, including many corporations, business associations, and public interest groups.
- o At the White House, it was my job to seek input from all sides of every issue, and I intend to keep that same open door as Secretary of Labor.

RELATIONSHIP WITH UNIONS

- Q. What are your views on the role of labor unions in today's society? Given that they represent a declining portion of the workforce - less than 15% - aren't they becoming obsolete?
- A. Unions and collective bargaining have helped create higher living standards for average American workers; safer workplaces and more widely available health care and pensions. These are goals that we all share.
- o Workers that belong to unions tend to have higher average wages, and better health and retirement coverage.
 - o Because the President and I are pro-worker and pro-family, we are also pro-union.

BECK

Q. Do you think it is fair that workers represented by unions can be made to support political causes they find offensive?

A. No; but that is not how it works.

- o Under the law, workers represented by unions have the right to drop their union membership and pay only for the cost of collective bargaining and other representational activities. *Instead of union dues, these workers pay what are called agency fees.*
- o And as non-members, employees have the right, under the Supreme Court's Beck decision, to pay a reduced fee if they object to the use of their fees for political purposes.

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Divider Title: **Labor Standards**

COMP TIME:

- Q. The House and Senate Leadership intend to move forward on Comp Time legislation in the very near future. Will you support these efforts if you are Secretary of Labor?
- A.
- o Working families value both more time and money. As more and more families juggle the demands of work and family, we need to create more flexible working conditions.
 - o I am not familiar with the specific content of H.R.1, but I do know that any bill the President is going to sign must have adequate employee protections.
 - o The Employee Choice Flex Time Act which the President has proposed would put greater choice in the hands of workers while protecting workers from coercion.
 - o I believe we must insure that explicit protections against coercion or abuses by employers, stronger remedies to address violations of employees' rights, and exemptions to protect vulnerable sectors (e.g., garment, temporary, seasonal, part-time, and construction workers) are included in any new legislation.
 - o The plan would also expand the Family and Medical Leave Act to enable employees additional time off (up to 24 hours a year).
 - o I believe it's important to expand employee rights under the Family and Medical Leave Act to enable taking time off from work to meet additional family obligations not addressed under current law, such as taking children or elderly relatives to medical appointments or attending parent-teacher conferences.
 - o I look forward to working with you and your colleagues to provide greater workplace flexibility and meet the needs of our changing work force.

DAVIS-BACON:

Q. Isn't the Davis-Bacon Act an anachronism that should be repealed or at least significantly scaled back? Shouldn't we let the market set the rates for the wages of construction workers?

- o Davis Bacon should not be repealed.
- o The underlying need for the Davis-Bacon Act is as great today as when the law was first enacted, but changes do need to be made in the way the system addresses that need.
- o This law is important because it assures that the Federal government's massive purchasing power does not have the unintended and undesirable consequence of depressing worker's wages on Federally-financed construction contracts.
- o As long as the Federal procurement system is designed to favor awarding contracts to the lowest responsive bidder, contractors -- especially in labor-intensive sectors like construction -- could be driven to compete for Federal contracts by reducing their wage costs.
- o I agree that the Davis Bacon needs to be reformed and I will work with the Congress on such efforts.

NOTE: The Davis-Bacon Act has been the source of much controversy for many years. The \$2,000 coverage threshold dates from 1935 and the Act has not been significantly amended at all. The nature of the construction industry and the construction workforce has changed greatly during the past 60 years.

DAVIS-BACON

- Q: If you are Secretary of Labor, how will you ensure that false information is not being used in Davis-Bacon surveys? What steps will you take to insure there are no more "Oklahomas" out there?
- A.
- o The Administration is supportive of reform of the Davis-Bacon system. I know that people at the Department is looking at the issue. If confirmed, I will give this matter priority, review their recommendations to see what needs to be done, and work with Congress to bring about a more effective Davis Bacon system.
 - o With regard to any potential fraud or abuse that may be alleged regarding implementation of Davis Bacon, my approach would be to refer these allegations to appropriate authorities in the Justice Department or to the Inspector General for review.

FAMILY & MEDICAL LEAVE

- Q. Many businesses had family leave policies well before the FMLA was enacted. Many were developing when the Act was enacted. Businesses understand that to attract good talent you need to offer good benefits. While sounding good, isn't the FMLA overkill and wouldn't any expansion of it be similarly unnecessary?
- A.
- o During my tenure as White House Public Liaison, I interacted with many businesses about many issues. In that capacity I talked to many business who wanted to implement family friendly policies, but couldn't or only began after the Family and Medical Leave Act was enacted. This leads me to conclude that the Act is working pretty well.
 - o Also, as you may know, a bipartisan Commission with members from both the public and private sector released a report last year which concluded that most companies reported no problems or excessive costs in complying with the FMLA.
 - o We know from surveys of the public that this is a popular policy that the American people want.
 - o The President thinks, and I agree, that a modest expansion of FMLA makes sense in light of the benefits and, would not, in view of the favorable track record of most employers in implementing FMLA, pose insurmountable costs. If confirmed, I will certainly want to work with Congress on this possibility.
 - o This expansion would enable workers to take up to 24 hours of unpaid leave to fulfill additional, specified family obligations like participating in their children's school activities or taking their kids to doctor appointments.

FAMILY AND MEDICAL LEAVE

Q. Senator Dodd has proposed lowering the threshold for private sector employers to be covered by the Family and Medical Leave Act from 50 to 25 employees. Small businesses are already inundated by too many regulations and red tape. In view of this, do you favor a lowering of the FMLA threshold?

- o This is an issue which I think should be given careful consideration, but one on which I would have to reserve judgment at the present time.
- o I understand that the bi-partisan Commission on Leave that studied the FMLA found that the new law significantly helped many working Americans during temporary family and medical emergencies while placing only minimal burdens on the vast majority of business. The dire predictions made by the opponents of the new law when it was enacted appear to have come true in terms of the law's anticipated adverse impact on business productivity, profitability or growth.
- o During my tenure as White House Public Liaison, I talked to many businesses who wanted to implement family friendly policies, but couldn't or only began after enactment of the Family and Medical Leave Act.

FAMILY AND MEDICAL LEAVE

- Q. The President has been quoted on several occasions as saying that 12 million Americans have used the Family and Medical Leave Act. Other authorities have stated that the figure is much less than that. For the record, is the 12 million figure accurate?
- A. o I do not have a detailed understanding of how that 12 million figure was calculated.

BACKGROUND:

(According to the results of the study of FMLA by the Commission on Leave, approximately one in seven employees (16.8%) took leave for a reason covered by the FMLA during the 18-month period covered by the Commission's surveys. Approximately two-thirds of the U.S. labor force works for employers covered by the FMLA, and slightly more than half (approximately 55%) of U.S. workers also meet the FMLA's length of service and minimum work hours requirements. About 40% of the employees surveyed expected to need leave for an FMLA reason over the next five years (leading reason anticipated: to provide elder care). Given that the survey covered an 18-month period and it has been nearly four years since the enactment of the FMLA, it is reasonable to project that more than 12 million eligible workers have taken leave since FMLA's enactment.)

GARMENT:

During the past 18 months the Department of Labor has been involved in the so called "No Sweat" campaign which has targeted the garment industry for raids at various manufacturing facilities. This effort has generated a lot of press for the Secretary, but it is unclear as to how it has benefited the taxpayers.

Q. Do you anticipate continuing the "No Sweat" campaign and do you anticipate using the model for other enforcement initiatives?

- A.
- o The "No Sweat" initiative has used a three prong strategy to leverage the limited resources of the Department which includes:
 - o Education
 - o Recognition
 - o Enforcement
 - o The "No Sweat" initiative in the garment industry is really beginning to bear fruit in terms of increased awareness of the sweatshop problem and increased compliance with our laws among businesses. Secretary Reich should be commended for this initiative.
 - o The success of the "No Sweat" initiative was recently recognized by the Ford Foundation and Harvard's Kennedy School of Government, which selected the initiative as one of ten recipients of the Innovations in American Government awards honoring exemplary innovative government programs.
 - o I will certainly be looking at it closely to see if there are other applications of this strategy to leverage limited resources for other low wage industries.

INTERNATIONAL CHILD LABOR

- Q. There have been suggestions by some that one of the ways to make sure that goods are not being made in sweatshops or at least by child labor is to establish a labeling system that could be used both nationally and internationally. Do you see the "no sweat" label as a workable option, and do you see the Administration supporting the development of a labeling system?

(Harkin)

A.

- o Consumers do care and want to buy responsibly. We need to find a way to provide them enough information to help them determine whether or not they are spending their money on goods produced by exploited children.
- o Last August, under the President's leadership, I participated in a White House meeting with leaders from the apparel and footwear industries, and from unions and non-governmental organizations. They decided to join together in partnership to develop options on how companies can: **assure that their products** are made in compliance with acceptable labor standards; and **signal to consumers** that the products offered for sale are produced without exploitative labor. This type of coalition building must be encouraged.
- o A label or another symbol clearly communicates to consumers that garments are made in accordance with appropriate labor standards. But its also important that industry, in partnership with labor and consumer representatives, decide for itself what is the most effective way to communicate with the consumer.
- o A report from the partnership is to be made to the President at the end of February. I will be very interested in their recommendations on these issues.

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Divider Title: International

FAST TRACK, LABOR AND CHILE

Q: Will the Administration insist on linking labor conditions to new fast track authority? Would the Administration accept a narrow fast track authority extension to negotiate only Chile's accession to NAFTA? Will the Administration insist on Chile signing on to the NAFTA Labor Agreement?

A:

- o The Administration considers it a high priority to receive new fast track authority from the Congress, and has been in consultations with the Congress on this matter, and will continue to be. Every President since 1974 has been granted fast track authority, and it has become an essential tool for the Executive Branch to be able to negotiate trade agreements.
- o We can broaden the consensus and support for trade if we at the same time recognize that we can and should use this process to strengthen the international commitment to compliance with basic labor standards, such as the prohibition on the exploitation of child labor. Assuring our workers, and those of our trade partners, that they have a stake in trade liberalization is more important than ever given the pace of economic change that we experience today.
- o We must be careful not to permit labor standards to be used for protectionist purposes. We do not seek to negotiate wage rates around the world.
- o We are making progress in building an international consensus. At the Singapore WTO Ministerial in December, for the first time in a half century, the world's trade ministers committed themselves to support the promotion of core labor standards. Although there remain very different views on the precise role for the WTO.
- o At the same time, there is strong international support for strengthening the role of the ILO in promoting adherence to these standards. And I will want to work closely with this Committee on our efforts in the ILO.
- o Certainly, we have wanted to move forward with bringing Chile into the NAFTA for some time now. We are eager to begin that process. [President Frei ("Fray") of Chile is visiting Washington the last week of February.]
- o Chile would be expected to join the North American Agreement on Labor Cooperation, the NAFTA labor agreement.
- o Chile just recently negotiated a free trade agreement with Canada -- one of our NAFTA partners -- and as part of that process Canada and Chile agreed on a bilateral basis to the same terms of our NAFTA labor agreement. So we

would expect to do essentially what Chile and Canada have done in this regard.

NAFTA AND JOBS

Q: During the NAFTA debate, there was a great deal of debate about job loss due to NAFTA. The data that has been released to date shows that both sides were wrong -- that the net job loss or gain is more or less a wash. What are your views on the impacts of NAFTA on American workers? What are your views about further expansion of NAFTA to other South American countries?

A:

- o NAFTA was good legislation for the country.
- o NAFTA has had a slight positive net impact on job creation in the United States. And we expect that positive trend to continue. Overall NAFTA has produced more jobs and those jobs, for the most part, are better, higher paying jobs. Export jobs on average pay 13% more than other jobs in our economy.
- o NAFTA also has an Administration proposed transitional adjustment assistance program for any workers who lost jobs as the result of increased imports from or shifts in production to Mexico or Canada. During the first three years under NAFTA, only a mere 2% of all workers laid off have had to be certified under this program.
- o The Administration continues to want to move forward on a Free Trade Areas of the Americas . An important consideration is that the creation of a Free Trade Area of the Americas offers an opportunity to create a larger market for U.S. exports which would increase job growth for American workers.

INTERNATIONAL CHILD LABOR: DOL AGENDA

Q: As a nation, we have been very involved in attempting to combat the use of exploited child labor internationally. We have given money to the International Labor Organization (ILO) to fund its International Program for the Elimination of Child Labor (IPEC). DOL has spent much time and energy in crafting a series of reports on the problem. Will DOL continue to have a role in the issue of international child labor?

A:

- o This is an important moral issue. The Administration has been leading the effort to improve the implementation of international labor standards, including the prohibition on exploitative child labor. We should continue to use our leadership in the world economy to make positive changes in workers lives, and to bring an end to the exploitation of children.
- o We will continue to have a very active program on child labor. We will issue additional reports and we hope to increase our commitment to IPEC. We will also play a leading role in the drafting of a new ILO Convention to establish a clearer standard on the types of child labor that must be abolished -- including bonded labor (children locked into circumstances of slavery because of debts assumed by their parents) and the forced prostitution of children.
- o The exploitation of children also undermines support for increased trade. Workers become concerned that they are being asked to compete against exploited children in the global economy. We have to take the steps to assure ourselves and others that this won't happen.

INTERNATIONAL CHILD LABOR LEGISLATION: IMPORT BAN AND LABELLING

Q: Do you feel that a U.S. ban on imports made with exploited child labor would be an effective solution to this problem? What about promoting labels on products so that consumers can be assured that an item was not made with child labor?

A:

- o Senator Harkin and others have introduced legislation that would ban imports made with exploited child labor. This legislation has made an enormous contribution to spurring international action.
- o We are prepared to work with Senator Harkin and others on legislation that would allow us to achieve the vitally important objectives of reducing the use of exploitative child labor and ensuring that it is not reflected in U.S. imports.
- o We know that the American people do not want to subsidize abusive and inhumane working conditions with their consumer purchases. At the same time, we need to be working with other countries and the International labor Organization (ILO) on two other strategies for reducing child labor:
 - 1) better enforcement of labor laws, and
 - 2) compulsory and free education in countries where child labor is present, ensuring that children can move from work to school.
- o In addition, the Administration has encouraged industry and other interested parties to consider the option of using labels. A labelling program, called RUGMARK, certifying that hand-knotted carpets from South Asia aren't made with child labor has gained some success recently. Reebok has announced that they will certify to consumers through a label that their soccer balls aren't made with child labor.
- o Last August, the President encouraged an effort by apparel companies, unions and human rights groups to agree on a set of labor standards, and a method (perhaps labels) to inform consumers that products are made under acceptable conditions -- such as without child labor. That group is working, and we are looking forward to their recommendations.
- o Labels may well be an important market-based approach to reducing the use of child labor. At the end of the last Congress, Senator Harkin (and Congressman George Miller) introduced a bill that would require the Secretary of Labor to establish guidelines for a "child labor free" label to be used on consumer goods. I look forward to working with members of Congress to promote the use of labels as a contribution to ending exploitative child labor. [Member Interest: Harkin may ask questions related to his bills -- most likely the labelling bill.]

INTERNATIONAL CHILD LABOR: BANGLADESH PROGRAM

Q: Can you explain about the ILO/IPEC (International Program for the Elimination of Child Labor) Bangladesh Child Labor project. We understand that DOL is paying for Bangladeshi children to attend school. Is this appropriate?

A:

- o It is my understanding that as a rule, we do not encourage stipends. And we have no plans to fund any other stipend programs.
- o However, the U.S. is supporting an innovative and ground breaking ILO pilot project in Bangladesh to remove children from garment factories and place them in schools.
- o The project is a giant step because, it is the first time an entire industry association -- the Bangladesh garment producers - agreed to totally eliminate illegal child labor.
- o In order to get the entire project underway, a small amount of U.S. funding was committed for stipends with the remainder having been provided by the Bangladeshi garment manufacturers. Most of our funds went to create an independent monitoring capacity to assure that children are no longer in factories
- o Today some 5,000 Bangladesh children are getting an education -- who would have had no chance before this program was launched.

[Member Interest: There was a positive network news program on the Bangladesh project mentioning DOL involvement. However, Jeffords' staff raised some concerns about the stipend component as reported in the news program, but seemed satisfied by our response.]