The Coalition to Abolish Slavery & Trafficking

Modern Day Slavery and the CA Transparency in Supply Chains Act

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Human Trafficking in an Era of Globalization
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Presentation Overview

• Human Trafficking in Global Supply Chains
  ▫ What makes people vulnerable?
    • US Guestworker Program
    • Unregulated Labor Brokers
• California Transparency in Supply Chains Act
  ▫ What does it do?
  ▫ How is it being implemented?
Slavery at Home:
A Reflection of a Global Problem
The Face of Modern Day Slavery

- Globalization has created a demand and increase of workers across borders - workers are forced to incur debts, work for little or no pay under threat of violence, and unable to walk away.
- Increasing use of labor recruiters who force workers into debt and deceive them about work conditions and salaries.
- Slavery is not legal anywhere but happens everywhere.
- Slavery affects children, women and men representing all countries in the world and in almost all industries.
- Also affects us - goods and services we buy on a daily basis tainted by slave labor.
Types of Forced Labor

- Begging
- Service Industries-Hotel/Restaurant /Personal Care
- Agricultural
- Factory- Textile/Garment, IT
- Seafarers and fishers
- Mining/Quarries
- Brick-making
- Carpet-making
- Illicit forms of labor, such as drug trafficking, prostitution and pornography
- Domestic servitude
122 goods in 58 countries are produced with a significant incidence of forced labor, child labor, or both.

- Bolivia: nuts, cattle, corn, and sugar
- Burma: bamboo, beans, bricks, jade, nuts, rice rubber, rubies, sesame, shrimp, sugarcane, sunflowers, and teak
- China: artificial flowers, bricks, Christmas decorations, coal, cotton, electronics, garments, footwear, fireworks, nails, and toys
- India: bricks, carpets, cottonseed, textiles, and garments
- Nepal: bricks, carpets, textiles, and stones
- North Korea: bricks, cement, coal, gold, iron, and textiles
- Pakistan: bricks, carpet, coal, cotton, sugar, and wheat
Enhanced Focus on Global Supply Chains

Around the world, supply chains connect slavery, child labor, and exploitation to the products individuals buy every day.

Business best practices that reduce risk to workers AND company brand
Global Supply Chain

Workers at the bottom of corporate supply chains are particularly at risk of the most egregious human rights violations, including slavery, forced labor and child labor.

- Forced child labor in the cotton fields of Uzbekistan and in harvest of cocoa in West Africa.
- Forced labor in tomato and citrus fields in Florida.
- Forced labor in mining for gold and minerals in South America and Africa.
- Forced labor of Burmese migrants in Thailand’s shrimp and seafood industry.
US Guestworker program

- Between 700,000 and 900,000 foreign citizens are working in the United States on temporary visas. They work in every field, from low-wage jobs in agriculture and domestic work, to specialty occupations in health care, education or information technology.

- System is complicated with many different visa categories and subcategories for different sectors (J-1, H-2, B-1, etc)

- The system is vulnerable to misuse by employers who use foreign labor to undermine established wages and working conditions in the U.S. The result is that U.S. workers are displaced, and foreign workers have almost no protection from exploitation, unpaid wages, unsafe conditions, human trafficking and other abuses.
Slavery, Labor Brokers and the US Guestworker program

- As global demand for labor increases, labor brokers act as the middlemen, facilitating a connection between potential workers and their eventual employers.

- System of labor brokerage is not transparent, often corrupt and lacks in accountability.

- Labor brokers range from substantial well-organized companies to smaller, informal operations.

- In all cases, use of labor brokers increases vulnerability of migrant workers to various forms of forced labor once on the job.
"Help Wanted: Hiring, Human Trafficking and Modern Day Slavery in the Global Economy"

A recent report published by Verite examines several case studies where labor brokers play a key role in the enslavement of migrant workers:

- Juvenile migrant workers enslaved in India’s domestic garment manufacture industry
- Indian Migrant workers enslaved in the Gulf States
- Philippine, Indonesian and Nepalese Migrant Workers enslaved in IT Manufacturing in Malaysia and Taiwan
- Guatemalan, Mexican and Thai Migrant Workers enslaved in the U.S. Agricultural Sector
“Help Wanted: Hiring, Human Trafficking and Modern Day Slavery in the Global Economy”

Labor Brokers will:

- Often charge migrant workers exorbitant recruitment/placement fees, despite legal limits.
- Often misrepresent terms and conditions of employment.
- Often issue falsified work visas and permits.
- May offer “loans” with onerous financing schemes.
- Often curtail freedom of movement by withholding documents.
California’s Response to Addressing Forced Labor in Supply Chains

- SB 657 – California Transparency in Supply Chains Act of 2010 - requires every retailer and manufacturer doing business of 100M gross receipts or higher in California to:

  - Develop and implement a policy setting forth its efforts to comply with state and federal law regarding the eradication of slavery from its supply chain, and have the policy be posted on the company’s website.

  - As home to the 10th largest economy in the world, California consumers and business—by the nature and scope of their purchasing power—are uniquely positioned to decrease forced labor through their purchasing choices.
CA Transparency in Supply Chains Act

Does the retailer/manufacturer:

- engage in third-party verification of product supply chains to evaluate and address risks of human trafficking and slavery?

- Conduct independent/unannounced audits of suppliers to evaluate compliance with company standards?

- Require direct suppliers to certify that materials incorporated into the product comply with federal and international law prohibiting slavery?

- Maintain internal accountability standards and procedures for employees or contractors who fail to meet company standards?

- Provide training to employees and management who work directly with company supply chains?
CA Transparency in Supply Chains Act

- CA Attorney General enforces compliance with the act- can seek injunctive relief

- Complements existing federal and state laws that address forced labor and child labor

- Federal bill mirroring the CA Transparency in Supply Chains act was introduced in August 2011 by Congresswoman Maloney.