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October 14, 2015

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## CSRlive Commentary

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09.16.2011 - 04:28PM

Category: [Fair Trade & Supply Chain](#)

### Human Trafficking and Slavery Are Your Company's Problem

*When companies explore the extent of human trafficking and slavery in their supply chains, what they are likely to find may be revealing and sobering. Prodded by a new law, the California Transparency in Supply Chains Act, manufacturers and retailers around the world are preparing to disclose the steps they are taking to avoid these abuses. While some businesses have expressed concerns about mandatory reporting, companies may also want to say 'thanks' for the opportunity to discover and end these practices where they are found.*



**By Doug Cahn and Marsha Dickson**

Ask a supply chain manager in any major consumer products company whether the factories they use rely on victims of human trafficking and slavery. The answer will almost certainly be a resounding "No!" They'd say these violations of rights are more likely in other industries, such as the sex trade in Eastern Europe or carpet making in South Asia.

Not so long ago, we would have agreed. Workplace audits of consumer product factories log frequent violations of limits on hours of work, underpayment of wages, and a myriad health and safety violations -- but the recorded incidences of human trafficking and slavery are quite few.

Prodded by a new law, the [California Transparency in Supply Chains Act](#), retailers and manufacturers of apparel, footwear, toys and many other consumer products will have to take a second look at the risks of human trafficking and slavery in their supply chains. The Act requires large retailers and manufacturers doing business in California to disclose steps to address human trafficking and slavery on the corporate websites beginning January 1, 2012. The Act applies to nearly every major brand of consumer products sold in the United States.

Just what abuses are we talking about? Definitions of human trafficking and slavery vary but each has at its core deception, coercion and exploitation of vulnerable workers.

Consider the growing number of foreign migrant laborers leaving their families and traveling great distances for work. Many are deceived about the jobs they will be performing or the conditions in which they will work. Others are coerced into accepting wages far less than were promised. Still others are exploited by working hours exceeding legal, safe or healthy levels. These abuses are faced by, for example, Nepalese in Jordan, Indonesians in South Korea and Filipinos in Taiwan -- and

are occurring every day. Motivated by the need to earn an income and climb out of poverty, workers take great financial and personal risks in search of jobs that better provide for themselves and their families.

Each condition constitutes a serious violation of worker rights and is inconsistent with most company codes of conduct. Such conditions also defy most consumers' sense of decency.

Take these all-too-common transgressions together, where the foreign migrant worker is deceived into paying recruitment fees equivalent to six months' wages, coerced to stay in his/her position because his/her identity documents are held by factory management and exploited by being compelled to work more than 60 hours a week. *Deception, coercion* and *exploitation* are now all present. The unqualified result is a case of human trafficking and slavery.

Brands and retailers should take note. Two decades after major companies initiated monitoring systems to assess conditions of labor in contract factories, the risk of human trafficking and slavery may be more widespread than anyone thought.

Why? To be sure there are changes in the nature of the global workforce -- foremost being the increased use of foreign migrant laborers made vulnerable because they lack access to legal protections benefitting native workers. But an equally compelling answer is that companies are beginning to ask tougher questions. When companies explore the extent of these tragic abuses in their supply chains in depth, what they are likely to find may be revealing and more than a bit sobering.

The *California Transparency in Supply Chains Act* creates concern within the business community about how much transparency is required, useful or even possible. And, companies may want to say 'thanks' to the activists and legislators that created the law. By taking a second look at these harmful and exploitative practices, brands and retailers can identify risks, investigate where necessary and take strong actions to end these practices. Failure to take these steps could bring untold damages to the victims. Equally salient to companies is the almost certain damage to brand reputation of those companies that choose to remain unaware of these risks -- perhaps that's what the legislation's authors and proponents had in mind.

### **About the Authors**

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*This commentary is written by a valued member of the CSRwire contributing writers' community and expresses this author's views alone.*