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Combating Labour Exploitation in the UK: the Business Angle

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Introduction

Although slavery is no longer legal anywhere in the world, human trafficking remains an international problem with an estimated 29.8 million individuals living in slavery today¹. In the UK, the Government estimates at least 13,000 victims of slavery across the country, with numbers increasing each year².

Rationale and objectives of the study

Research on combating forced labour has largely focused on measures taken by the government and the criminal justice system, while insufficient attention has been paid on the role businesses have in the process.

This study examines the business structures, practices and pressures that drive or facilitate the use of forced labour in the UK, considers policies which may be used in response, explains how businesses can become private enforcers of human rights and how they can play an active role in the fight against modern slavery.

Case-study Illustration: Linda's story

Mother of three, Linda left her country of origin in search for a better paying job to cover the costs of her children's education. She met a man who offered her a job at a food processing factory in return for upfront fees. She was asked to work long-hours, mostly night-shifts, had no written contract and was being paid in cash by that man who acted as a job intermediary or gangmaster.

One day, the factory's duty manager asked Linda how much she is paid per hour. When the duty manager realised that Linda had no knowledge of her minimum hourly wage entitlement, and that she was being paid less than half of what the factory was paying the subcontracting agency, the factory manager offered Linda an employment contract and higher pay, as she was a good worker.

Linda was threatened by her gangmaster and was not allowed to leave. Her gangmaster also had her identification documents. The factory manager referred the matter to the local authorities. The gangmaster was fined and prevented from acting as a subcontracting labour recruitment agency again, while Linda was given the support she needed to recover.

Role of Businesses & Supply Chains

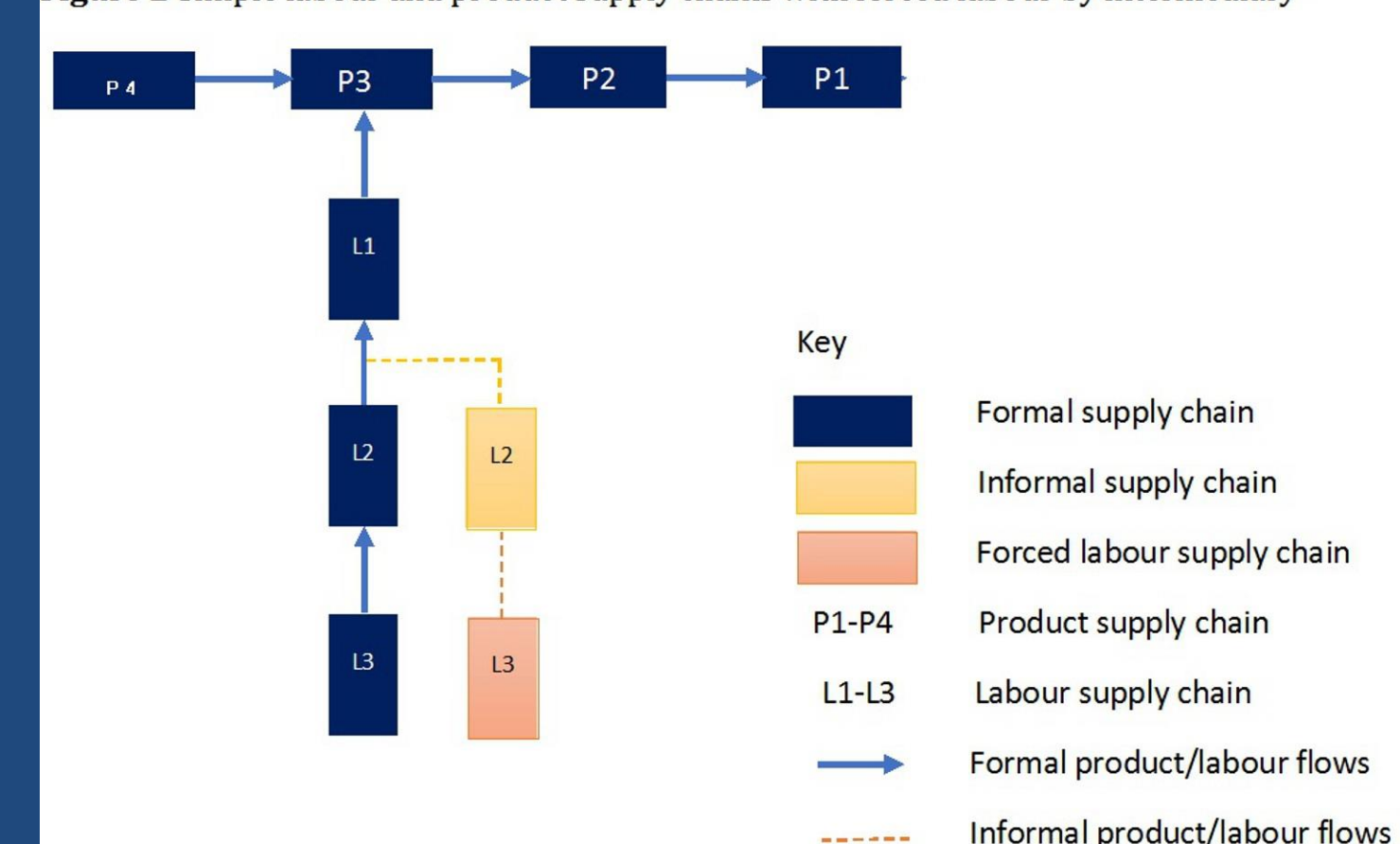
Key Legislation: Section 54 of Modern Slavery Act 2015 imposes a legal duty on commercial organisations with an annual turnover of £36 million or more that do business in the UK to publish a yearly '**transparency in supply chains statement (TISC)**' setting out the steps they have taken to ensure their own organisation and their supply chains are free from slavery and human trafficking.

High-risk practices associated with labour exploitation include: (1) the use of subcontracting labour recruitment agencies, (2) temporary and seasonal work, (3) accommodation tied to employment, (4) extreme productivity targets and (5) undocumented workers³.

Best practice in combating labour exploitation includes⁴:

(1) careful monitoring of labour agency providers, (2) training about slavery and human trafficking available to staff, (3) risk assessments, audits and on-site inspections, (4) ensuring all workers have written contracts in language that they can understand and which specify their rights, employment terms and salary, (5) engaging with global suppliers, and (6) developing corrective action plans and due diligence processes.

Figure 2 Simple labour and product supply chains with forced labour by intermediary



Conclusions and Recommendations for Future Policy Making

- The TISC clause in the Modern Slavery Act 2015 has been described as a potential 'game changer' on supply chains, but it relies on businesses for effective implementation⁵. A number of extensive reports have been prepared to help businesses assess their global supply chains⁶.
- Businesses are to consider the structural economic causes of forced labour, such as the low-price driven market competition, to prioritise long-term security, reputation and investment over short-term profitability.
- Victim-centred & human rights based approach to identification, protection and support of victims: as the above case study illustrates, businesses play a pivotal role in triggering the *identification of victims* element and in using their leverage to fight for more vulnerable workers' protection.
- Together with the UK Slavery Act, the pressure on the EU or other European countries is likely to increase to add stronger regulatory measures to prevent companies from being ignorant of modern slavery affecting their business operations⁷.

References:

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