

INDUSTRY NEWS



WHAT MODERN DAY SLAVERY MEANS FOR YOUR ORGANISATION

Cynthia Schoeman

On 14 March 2017 #MyFreedomDay was marked by students around the world holding events to raise awareness of modern slavery. Largely driven by CNN's Freedom Project, this initiative provides insight into this insidious problem, as does the SABPP's February 2017 Fact Sheet on Modern Slavery.

The concept of freedom is well recognised in South Africa: Freedom Day on 27 April is an annual public holiday in celebration of South Africa's first non-racial democratic elections of 1994. However the absence of freedom which is manifest in modern slavery is not nearly as well recognised in our workplaces. This can be attributed to the fact that these abuses are rarely present on formal organisations that are subject to legislation that prohibits human rights abuses.

However, what this situation ignores is the occurrence of

modern slavery practices - in business supply chains. This includes forced labour, child labour, debt bondage and human trafficking for the purposes of forced labour.

The garment industry is but one example. International brands outsource their manufacturing to factories where gross violations in working conditions often occur. One instance was the collapse of the Rana Plaza in Savar in Bangladesh on 24 April 2013. The death toll of 1 129 made it one of the deadliest garment-factory accidents in history. Illustrating the abuse the garment workers faced, while other businesses in the building closed when major cracks appeared in the walls, the garment workers were ordered to return to work.

This treatment is echoed in many industries globally. Quantifying the extent of modern slavery, the International Labour

Organisation (ILO) estimates that in 2015 there were 20.9 million people in forced labour globally. The Global Slavery Index estimates that in 2016 there are 45.8 million people in modern slavery across the world (which includes those forced into marriage who are not part of the ILO statistics).

This problem is increasing giving rise to an expectation that corporations act to influence and improve ethical conditions among their suppliers. This effectively expands the organisation's ethical responsibility beyond managing its own ethics to include supply chain ethics. The rationale behind this increased expectation is that the large corporates have the power and influence to impact the behaviour of their suppliers.

This stance is strongly supported by the Organisation for Economic Cooperation and Development (OECD) relative to multinational companies. Its Guidelines for Multinational Enterprises are considered the most comprehensive set of government-backed recommendations on responsible business conduct (which includes a focus on human rights). The OECD's central message is that while production can be outsourced, the corporation's responsibility cannot be outsourced.

Legislation is giving further impetus to this area of organisational responsibility. In South Africa the Prevention and Combating of Trafficking in Persons Act was enacted in 2013. In 2015 the UK Modern Slavery Act was passed, which requires larger companies to be open about what they are doing to prevent modern slavery in their supply chains. In California in the USA compliance with the Transparency in Supply Chains Act of 2010 is now being required. The Act requires qualifying manufacturers and retailers to publicly detail – through a “conspicuous” link on their website – their efforts to eradicate human trafficking, slavery, child labour and forced labour from their worldwide supply chains.

An added factor that drives supply chain ethics is public pressure. This has most frequently taken the form of product boycotts, such as the well-known boycott in the 1990s against Nike in Europe and America for unacceptable labour practices in their supply chain factories in Indonesia and Vietnam. This is especially effective relative to global corporations for which boycotts together with the consequent negative publicity have the potential to affect profits adversely – thereby linking supply chain ethics directly to the company's economic bottom line, which is mostly an effective motivator.

The question of what modern day slavery means for an organisation is thus not answered by the absence of those practices internally. Rather organisations should be looking at how they can improve conditions in their supply chain. Such action positions the organisation more strongly as being ethical and caring, and, to the extent that the occurrence of modern slavery practices are minimised, make an enormous difference to the most vulnerable in society caught in the trap of slavery.

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#MyFreedomDay information is available on <http://edition.cnn.com/specials/world/myfreedomday>.

The SABPP's February 2017 Fact Sheet on Modern Slavery provides a detailed overview of this issue: <http://sabpp.co.za/wp-content/uploads/2017/02/Fact-Sheet-February-2017.pdf>.



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