Event

“Forced Labor Around the World”

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FEATURING
Michaelle De Cock
Head of the Research and Evaluation Unit, ILO

John Leonard
Deputy Executive Assistant Commissioner for Trade,
U.S. Customs and Border Protection

Marcia Eugenio
Director of the Office of Child Labor, Forced Labor, and Human Trafficking,
U.S. Department of Labor

CSIS EXPERTS
Marti Flacks
Khosravi Chair in Principled Internationalism and Director, Human Rights Initiative, CSIS

Transcript By
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Good morning. Welcome to the Center for Strategic and International Studies. My name is Marti Flacks. I’m the Khosravi Chair in Principled Internationalism and director of the Human Rights Initiative here.

I really appreciate all of you being here, both the audience in person as well as those who are watching on the live stream for a really important launch that we welcome of the International Labor Organization, International Organization for Migration, and Walk Free’s new report on the global estimates of modern slavery.

This is a report that only comes out every four to five years and it really provides the foundation for our collective understanding of an analysis of the scale and the scope of forced labor and forced marriage around the world. It helps to inform the policy solutions that governments, international organizations, NGOs, and the private sector are working to implement.

I won’t steal the thunder of our presenters by delving too much into the results from this year’s report. I will just say that the trend is not good. Overall, the findings are very troubling and it demonstrates that, despite growing efforts by the groups that I’ve just named, there is still a very serious challenge of forced labor and forced marriage around the world.

I think we’ll hear from our panelists some good news stories amidst the overall trend, but I think it demonstrates the seriousness and the scope of this problem and why we’re having this conversation today.

I hope through the discussion we have over the course of the conversation we can leave here with a better understanding of why the trend is going in the way it is, what the results mean for the efforts that have been underway over the last five years to combat forced labor, and what needs to change in our approach.

I’m especially delighted that we have two officials here with us from the Department of Labor and the Department of Homeland Security to speak, particularly, to U.S. government efforts to combat forced labor.

As many of you know, both the administration and Congress have been taking an extremely strong interest and strong stance on this topic, and as one piece of evidence of that I really want to note the statement that came out today from the U.S., EU, and Japan trade and labor ministers on this ILO report just highlighting the importance of this issue and this report to their efforts.
So I’m really looking forward to hearing from our panelists more about where we go from here, building on the results from this important report.

Before I introduce our panel, I want to thank the ILO for their support for today’s event as well as for all the efforts that they undertake every day in support of workers around the world.

We have a fantastic lineup of speakers today, who I’ll introduce now before joining them at the table. We’re going to start with some introductory remarks by each panelist, followed by a little bit of conversation at the table, and then we’re going to open it up for questions and comments from the audience, both our audience here in person as well as those who are watching on the live stream.

For those who are watching online, if you’re watching from our website you can click on the question button and submit your question electronically and we’d be happy to read it.

So let me introduce our amazing lineup, starting with Michælle De Cock, one of the main authors of today’s report. She is head of the research and evaluation unit at the ILO. She has been a leading researcher for the ILO on methodologies to survey and estimate forced labor and trafficking of adults and children over many, many years.

She participated in the first estimate of the worst forms of child labor back in 2002, two global estimates of forced labor in 2005-2012, and in 2017 and this year she has co-led the production of this important report. So we really have with us a true expert on this topic.

We also have with us John Leonard, deputy executive assistant commissioner for trade with U.S. Customs and Border Protection. Mr. Leonard oversees a very broad portfolio of trade enforcement, security, and facilitation to enable legitimate trade to contribute to American prosperity and also to protect against risks to public health and safety.

Many people watching will know automatically why CBP is in the room for this conversation. But those who don’t, we’ll hear from him about CBP’s efforts to implement the ban on the import of goods made with forced labor under the Tariff Act and, of course, implementation of the Uighur Forced Labor Prevention Act.

And, finally, we have Marcia Eugenio from the Department of Labor. She serves as the director of the Office of Child Labor, Forced Labor, and Human Trafficking in the International Labor Affairs Bureau.
Under her leadership, her office has worked to contribute to a worldwide reduction of child laborers – approximately 90 million child laborers. She has provided funding for children to get access to education and training and viable livelihood opportunities for their family, and they work to increase the capacity of governments to address forced labor and child labor issues. Ms. Eugenio has over 25 years of federal government experience and she also served as a senior program officer at the ILO in Geneva.

So I want to thank you for joining us. I want to welcome our panel. We're now going to turn to our conversation.

Michaelle, let me start with you for some – welcome. Thank you for being here. Let me start with you for some opening remarks.

Dr. Michælle De Cock:

Thank you very much.

So, you know, this report was prepared by ILO, Walk Free, and IOM over the last two years. I know the last one was four years ago but it's more or less two years' work on the data collection – on the design and the methodology, the data collection, the data analysis – what do the – this data tell us and how we can present them, what are the key elements coming out of the data, and what does it tell us in terms of way forward.

Those figures are shocking. We, as researchers, when we run the program, were shocked by the results. Fifty million people at any moment of time – that means today – today – 50 million live either in a situation of forced labor, for 28 million of those, or forced marriage – 28 – 22 million in forced marriage.

Those are shocking raises. So we tried, once we have this global estimate, to say where does it take place, who are these people. It takes place everywhere, in all countries in the world, the rich and the poor countries. We see in the report – we provide statistics by income group. It's all over the world and it's also in all sectors. We found doctors, we found domestic workers, we found children working in agriculture in all sectors. But the data showed that some sectors are more at risk. There are construction, manufacturing – we explain why and to which extent.

We then have a gender lens on these figures. Very, very important, because what we found is that women and men are both in forced labor, and for forced marriage many more women.
But they are not in the same way. They are not in the same sectors. Women are more found in domestic work, in agriculture, men more in manufacturing or construction, and, very important, they are not there for the same reason and they are not coerced in the same ways.

That means that in order to combat forced labor and to protect these women, we need to understand that, to have this in mind, to target our interventions.

One word on this point. We looked at how the employers coerce the women compared to the men. We see in the report much more use of sexual violence, physical violence, threats on them, threats on their family, and isolation. So you put the woman alone and then force her to accept any kind of exploitation. So gender dimension – extremely important to read this report.

Second point in terms of analysis is the migrant versus non-migrant. You know, migrant workers is a very small proportion of the workers in the world but they are three times more at risk of being in forced labor. That means that, again, in our protection, in our prevention policies, we need to target them.

And we know what works. We have demonstrated along the years that if there is a fair recruitment process, no recruitment fees, awareness, training, information about their rights, welcome when they arrive at the country of destination, set up groups – and we will talk later about workers’ voice – but just when the migrant arrives just to make sure that they are together, they know where to turn to their peers to fight for their rights, then migration can be safe and can be a good thing. Without a protection framework it leads to forced labor. That’s really an important finding.

I would like now to turn just – I say that we’ll be brief – so to another form of forced labor that came out of the report, which is what we call the state-imposed forced labor.

You know, 86 percent of the forced labor is imposed by private actors, either individuals or companies, but 14 (percent) – in 14 percent of the case the responsible actors are the states themselves, either because they put people who are in prison in the situation of forced labor – 2.2 million – 2.2 million inmates are in forced labor while they are in prison.

They are the most vulnerable, and we benefit from their work. We buy the products that they are forced to make without being paid or in conditions of forced labor. One point one million are conscripts which
are used by the states to do work which is not of purely military nature, that, again, the responsibility falls on the state themself. And the rest is the use of population – men, women, boys, girls – for economic – by the states or by the local authorities for economic development.

So, you know, through this report – and I invite you, of course, to read it – we’ve gone into detail. We’ve broken the global figures just to give sense – to give information.

The same for the forced marriage, and I guess after my presentation my colleagues from Move Free will have a chance to say more about forced marriage – the same. We looked at the 20 (million) – 2 million – sorry – of women and men who are in forced marriage situation and we’ve looked why, who they are, where they live, who forces them, so that we can inform on what should be done.

The end of the report is down to solutions and the solutions that we list are based – they are not based on just thinking; they are based on the data. They are based on our experience. And the first one that we’ve put is workers’ voice. It needs to be increased all over the world, and as I mentioned for the background, all over the process.

The reason why workers cannot leave their situation of exploitation is, in the vast majority of cases, the fact that they are alone. They are isolated. They have no way to fight for their rights.

If we manage to support all over the world and to increase the workers’ voice to get a collective action, workers will be able to turn to their employers and say, we stop working if you don’t pay all our due wages. You will see in the statistics 36 percent of the people we found in forced labor were waiting for their due wages. That means they have been working one month, two months, six months, one year, and still have not been paid.

So they say, we cannot leave. We would lose one year of our life. So if you are alone, you have no way. If you are together that may happen.

Second point is the social protection. This report has been written during the time of COVID. So we had all the information in front of us to see the difference between the countries where there was a social protection to face – to support people who were left without income, and when there is no social protection what do you do?

If you need money you turn to moneylenders, then you move to debt bondage, or you send a child, a wife, a daughter, husband, to any kind
of hazardous condition, hence, the risk of forced labor. So you see the link between social protection and forced labor is direct.

I will stop here. Just maybe a last quote. This is a global report. It says – it gives a picture of the world of the causes of forced labor in the world, causes of forced marriage in the world.

Nevertheless, if we want to combat forced labor in cotton or in electronics or in this part of the world, we need similar data, similar research, to understand who is at risk in my country, in my country here today in the U.S. who is at risk, where does it take place, in which supply chain, the same approach of data collection – (inaudible) – with a rigorous analytical framework, leading to a doc and targeted response.

Thank you.

Ms. Flacks: Thank you, Michaeelle, and congratulations, again, on this report. I really commend it to all of you. It’s chock full of really important information, lots of great policy recommendations as well, as I’m sure we’ll get into in the discussion.

But let me, first, turn it over to John Leonard from the Department of Homeland Security for some opening remarks.

John Leonard: OK. Thank you, Marti, and thanks to CSIS and ILO for inviting me and putting on the event.

So just, very quickly, Customs and Border Protection, we’re the largest law enforcement agency in the United States. Extremely broad portfolio, perhaps the largest of any one federal agency – the entire border management picture. So all the immigration, all of the traditional customs and trade stuff that I look after, kind of a unique agriculture mission at the ports of entry and also between our ports of entry with Border Patrol.

So what we’re talking about today in this space is, really, in that traditional cargo, commercial trade mission. So our forced labor enforcement has been extremely busy for us, I would say, over the last four or five years. The law that governs this activity for the United States, Section 1307 of the Tariff Act, had a fundamental change back in 2016 whereby what was known as the consumptive demand clause was taken out of it, which, essentially, before that it meant it’s OK to import something made with forced labor as long as we have a need for it – (laughs) – right. That was taken away and that really started our ability to enforce and we’ve been very, very busy with it.
We use two – well, primarily, one type of method of keeping these goods out of our country. It’s called the withhold release order and it’s, simply, that. If goods are made of forced labor, if we determine that in our targeting, in our inspections, we prevent them from being released until such time that the importer can prove it otherwise.

The Uighur Forced Labor Prevention Act that Marti mentioned fundamentally changed that perspective for the Xinjiang area. It’s a much, much higher bar to fulfill to get goods released that we determine are made from that entire region.

Now, the good story out of this is we’ve gotten very good results from withhold release orders that have been modified. So we’ve found that when you hit an entity in the pocketbook it tends to get results very quickly.

So companies that – and regions, et cetera, that have been under WROs, if they’re able to modify, to get rid of the up to 11 indices of forced labor that the ILO tracks we consider it modified, remediated, and we can now release the goods and have them import into the U.S.

So it’s a win-win. The workers get better conditions, often get a lot of considerable back pay, and the company can now import into one of their biggest, most important markets.

So, to us, we look at it like a win-win all around and it’s getting very, very tangible results is the big thing. One of our great stories is Top Glove out of Malaysia, the world’s largest disposable glove manufacturer. Had a WRO. We were able to work with them to modify it. They paid back 30 million USD in remittances back to workers – 30 million USD.

Better conditions for the workers. I actually visited the – a lot of their facilities in and around Kuala Lumpur. So just a great story, and we’re having more and more of that, especially within Malaysia, working towards modifications.

So excited to talk to you more about it and answer questions. Thank you.

Ms. Flacks: Thanks so much, John. Fantastic.

So I’m going to turn it over now to Marcia from the Department of Labor.
Marcia Eugenio: Thank you, Marti, and thank you to the ILO and Walk Free and IOM for the tremendous amount of work that went into the report.

I think – in fact, I often say – to produce this a hundred and forty so pages, it takes a village, and it takes a lot of time and effort and dedication, and it also takes a lot of courage. These are difficult estimates to look at. I’ve been working on these issues for over – close to 30 years now – not to date myself.

But I would say that when I first saw the estimates it was sad and it was shocking and it was frustrating, and it was all those things because I know how much work has gone into raising awareness, funding projects, working with governments, working with the private sector, and I also realize that there’s a lot more that we can do. So all those emotions and feelings. What I took out of that after I got over it a little bit was, like, there’s more we can do.

So I wanted to start with that because behind those estimates there is a person and it’s one in every a hundred and fifty people globally. That’s a lot of people in forced labor, including 3.3 million children in forced labor.

And one of the other things that I took out of the estimates is that it happens everywhere. It happens in high income countries and in low income countries and that it happens in a lot of different sectors. We do need to go deeper into that data. We need to kind of figure out how that data helps us to develop policy solutions.

We all, as a global community, made a commitment under the U.N. Sustainable Development Goals and that commitment was that we will be eliminating child labor, forced labor, modern slavery, human trafficking, by 2030.

Well, we’re only eight years away and the situation is not getting better. It’s not getting better for children and it’s not getting better for adults. So we cannot stop at that commitment.

There’s a lot more that we can and should be – we can do and that includes increasing our level of funding, includes more research, as Michaëlle mentioned. Targeted programs, social protection system, strong enforcement of labor laws, including focusing on those countries that, basically, do not have a functioning labor inspectorate, that do not have labor inspectors, and when they do have labor inspectors – 10, 20 – they are not equipped or trained to be able to enforce the law.
So we want to hold each other accountable. We need to do that, and we need to have those difficult conversations. We need to be able to look at who is truly vulnerable. When Michelle said that migrants are three times more likely to be in situation of exploitation then we need to pay attention to that – what are the vulnerabilities that we need to focus on.

I also wanted to just – I guess, I wanted to mention that when I thought of the estimates I also realized that those are probably underestimates, that the situation is a lot worse. Michelle and I had a conversation about fishing and how people in fishing that are out at sea were being captured in those estimates.

But there's a lot of other vulnerabilities out there that we may not be capturing, including a lot of workers in the informal sector – domestic workers. So I do feel that there’s a lot more that can be done. I think that the problem and the challenges are really big. I don’t think that that should stop us from working on it or for recommitting ourselves and taking action, in addition to the solutions that were highlighted in the report or the actions that were highlighted.

And the number one, and we all can agree to this, is having legitimate worker voice and I don't mean, like, on paper or, like – you know, I mean kind of getting workers who are in isolation, who are afraid, who are threatened, to be able to kind of raise their voice and collectively engage and bargain for better working conditions and for better wages.

Social protection at all levels. If somebody is hurt at work or their children get sick, that increases the vulnerability of the family and the workers.

I already talked about effective labor enforcement. I wanted to, quick, mention before we turn it over to Marti on supply chains transparency and accountability, including employers at all levels.

So those in the local levels in the farm or in the mines but at the multinational level accepting their responsibility for respecting laws and for protecting workers. If you go into the DRC and you go to the mine areas and there are no schools and no hospitals and there is nothing there, in their mines there taking out that cobalt or that gold and the communities are not benefiting for that, we will continue to have this problem. So there is a responsibility there, a clear one, for employers.
And, finally – and I keep saying finally, Marti, but I did mean it this time – just the issue of data collection has been an important aspect of the work that we do in the Department of Labor. That’s what we do. We collect information. We analyze that information. We make it available to the public. We publish an annual report on the – (inaudible) – child labor every year.

We publish a list of goods made with child labor or forced labor every two years. The information is out there. We have provided tools for companies. We have provided information for a lot of people.

The reason why this is important is because we can’t fix these problems unless we know where it’s happening. We can’t target solutions unless we know what led to that situation.

So I will leave it at that, and thank you for the opportunity to be here.

Ms. Flacks: Wonderful. Thank you. Thank you all for being here. Really important opening remarks.

Michaelle, I want to come back to you because I want to unpack a little the trend that the overall number is going up because I think a lot of people were surprised to see that all of you referenced the increased efforts that have been undertaken in the last five years to combat forced labor and, yet, that number is increasing.

What do you attribute that to? Is that the result of the pandemic? How much did the pandemic contribute to that and the vulnerabilities that workers have faced in the last two-plus years, in particular? Are there other factors that you would attribute to that increase?

Dr. De Cock: Thank you, Marti.

If only we could answer, to be honest. Let’s start by the COVID. We did commission with Walk Free a few qualitative research, you know, to understand what were the impact of COVID on forced labor, and it goes in all directions at the same time.

We’ve seen COVID reducing forced labor at some point because the workers were kicked out of their job. So that’s clear. But the same as we saw for child labor, at some point COVID led to reduction.

But then, very quickly, in many of our small qualitative research we saw that people were left without income, hence, vulnerable to new forms of forced labor. They were turning to moneylenders – this is what I mentioned before – without social protection.
So it’s likely, but I can only – to be honest as a researcher, I can only say it’s likely that we will see – would we do a survey now in some targeting – targeted countries? Especially if we think of migration, the countries which are source of migration, we would see a real increase of forced labor.

Now, the other part of your question, this figure, you know, for forced labor it did increase by 2.7 million, but it should be read for what it is, which is global figures. This trend, this increase, hides, in fact, some decreases and some that we really know is in the forms of state-imposed forced labor where we’ve seen countries passing laws, enforcing the laws that were passed, putting in place some policy and some response, and then the figure decreased.

But at the same time we’ve seen other countries, and one of them is Myanmar – we were discussing having been in the field of forced labor for a few decades – we started in ’97 where Myanmar was on the spot for forced labor, the use of child soldiers. Those of you who have gray hair may remember the older situation of child soldiers in Myanmar in those years. Then that was the focus of our work.

In the last report, we praised Myanmar for the progress, the one – rehabilitation of child soldiers, no more use of the villagers by the army. And today in this report we have to (call?) Myanmar back.

So the figure, the trend, hides good and bad news.

Ms. Flacks:

It’s an important point to unpack those figures and to help to identify solutions where we do see decreases as well as what needs to be done to address the increases.

John, I want to come back to you because the availability of enforcement tools in the United States over the last few years has felt very revolutionary. We’ve seen, as you said, an incredible amount of action taken by CBP on the forced labor front.

Recently, you got a new tool – as you mentioned, the Uighur Forced Labor Prevention Act – that has just been in effect about three months now, not even, or just about, in the next few days. Talk about, if you can, a little bit how that enforcement is going so far.

What are you seeing from companies in response to what has, essentially, been interpreted as a call for the ability to trace and report on your entire supply chains? What is that looking like for you at the border in terms of enforcement?
Mr. Leonard: OK. Yeah, that’s a great question.

It’s challenging, right, where you’ve had supply chains set up through Xinjiang for decades in a lot of key industries. So it’s difficult to turn on a dime and have companies immediately be completely compliant, right.

So but they’ve had a lot of warning. We’ve been talking about it for a couple years and, as you said, the law took effect on June 21 and – but many companies have sort of vectored out of there, have been able to move supply chains, and the ones that haven’t we’re targeting and we’re holding back those shipments and, again, working with them within the constraints of the of the law to work through that.

But as I mentioned in my opening comments, the legal standard is incredibly high to want to prove that if we know goods are coming out of Xinjiang for you to somehow prove that they’re not made with forced labor. Has to be clear and convincing evidence.

Also includes a procedure that I’ve never seen in my career – and I’ve been around a long, long time – if an importer is to prove it and we do release goods, we actually have to report it to Congress and we’ve never had to do anything like that before with the amount of shipments that come in every day. I mean, we see almost 2 million small packages every day that come in with – you know, on e-commerce, so just to give you a sense of what the pace of international trade is. So for us to have to report something to Congress shows the emphasis that the lawmakers put on this legislation and to make it that difficult.

But it’s moving apace and we’re doing a lot of outreach with our trade community and, again, we’re finding that companies are moving away from that region just to avoid it entirely.

Ms. Flacks: Thanks. And I want to give you a chance, too, to respond to what we’ve seen in the press on this in the last few weeks. There’s some really important sectors that are high risk, one of them being solar panels. There was a pretty glaring headline from, I think, Bloomberg a few weeks ago that said solar panels are piling up at the border because of the UFLPA.

Talk a little bit about what’s actually happening and what’s driving that. Is that companies not able to provide the data that you need to show where their panels are coming from? Is that a capacity challenge
at CBP because you’ve got 2 million packages a day you’re trying to sort through? What’s happening there?

Mr. Leonard: Yeah. So that headline is a bit dramatic.

Yes, we are looking at solar panels that are coming in and, yes, we have detained a fair number of them. But, again, companies have been aware of it. We had a – prior to UFLPA we had a withhold release order on a pretty big supplier called Hoshine, and so a lot of the companies were – had been working through that.

But let’s face it, that region of the world supplies a lot of the raw materials and finished goods that go into the solar industry and that’s a big, you know, need for this country and for this administration. So it is challenging. But they are learning what it takes.

As I said, the standard for solar to prove that it’s not from Xinjiang is incredibly high. You got to go back to the quartzite, which is the basic raw material that ends up making a solar panel, and that’s hard to do. It’s very difficult to do. Even with today’s supply chain visibility and automated systems, et cetera, they have trouble going back to the quartzite. But that is the legal standard.

So we’re getting there. We’re getting there.

Ms. Flacks: It’s incredible, and I think for those of us who’ve been thinking about these issues for a long time – and Marcia referenced this – the mindset shift from we’re not sure we can trace our supply chains to now you have a legal obligation to trace those supply chains back to their raw materials is really striking and it’s fascinating to watch companies have to adapt to that in real time.

But, Marcia, I want to bring you in to the flip side of that conversation, which is as much as we’re focused on enforcement we have to also be focused on what you talked about and what Michaelle talked about, which is the worker voice, worker empowerment, and those two things came together recently with the WRO that CBP issued in India that was lifted because of efforts to organize workers, and I wonder if you can talk a little bit about that side of things.

Ms. Eugenio: Sure. Happy to.

So let me start by saying that – just reiterating the importance of worker voice and worker empowerment and in the ability of workers to be able to kind of advocate for better pay, for improved working conditions, and our belief, I think, in the Department of Labor and also
in this administration that when you have a union and you have legitimate unions – not just any union but those that truly represent workers – the likelihood of having forced labor or child labor or the violations of labor rights are greatly diminished.

So from the Department of Labor perspective, our approach has been to lift up workers, right. So we sometimes have to use our child labor programming or forced labor programming in order to be an entryway to start having conversations on broader labor issues.

But the department has released a new initiative called M-POWER, which is a multilateral multi-stakeholder initiative that will unite governments and unions and labor academics and civil society organizations committing to working on worker empowerment and bargaining rights. We right now have two-year funding commitments of about $120 million in technical assistance programming that will kind of lift up worker voice, support new research initiatives, and work on diplomatic and trade actions – which is the other big portion of all of this, the trade – not just the importation but more like our trade agreements, and using that as a tool to support worker rights.

In December, in a couple of months, we will be publicly launching that initiative and adding a little bit more information, and if you’re interested in learning more about it there’s a lot of information in our website on that.

So I’ll leave it at that for an answer for now. But just really, really excited to be working on that and really invite everyone who’s interested in being part of that initiative to kind of, please, reach out to us.

Ms. Flacks: Wonderful. Thank you so much.

Well, we’re getting a lot of great questions from our online audience. I’m sure folks in the room will also want to ask questions, and I know John has to leave a few minutes early so I want to make sure –

Mr. Leonard: Actually, I got a reprieve. I’m good.

Ms. Flacks: Fantastic. Then we’re going to grill you then.

So I want to turn it open to our audience for questions or comments. If you would like to make a question or comment, please raise your hand and we’ll bring you a microphone.
I want to start, though – I know that we have one of the co-authors of the report from Walk Free Foundation in the room and I want to give them a chance to just add anything to the discussion and maybe comment on the conversation thus far.

So I think, Grace, you’re here from Walk Free – Grace Forrest, director from Walk Free. If you want to just say a few remarks we’ll bring you up. Fiona will bring you the microphone.

Q: Thank you very much. It’s a pleasure to be here with you all and we’re very proud to be co-authors of this report with the ILO and in collaboration with the IOM.

I think the only other thing I would add to this fantastic presentation is, really, around the responsibility of private actors. So the increase in forced labor around the world is directly due to forced labor in the private economy and this is, as we’ve all discussed, connected to the goods that we buy and use every single day.

We don’t need private actors to wait for governments to start doing the right thing. Of course, governments should burden – should shoulder the burden of what has to be done to step up and do more. But private actors equally should be held to account at this point in time when we know that forced labor is rising and that vulnerability is being driven by our global economy.

One comment I’d really liked to cement here in the room is that we’ve heard over and over in the last 18 months that the system is broken. And our system is not broken. It is working like a Swiss clock. It is working the way it was designed, to exploit people for the benefit of others.

So industries of historical slavery like tobacco, sugar, and cotton persist as industries of modern slavery in the world today and despite, you know, advancements in legislation that are incredibly important and that we’re hugely grateful for, it is very difficult to ascertain how you fully do seize a good at the border when one in five cotton garments on Earth are coming out of Xinjiang.

You know, this is connected to fashion companies that are a stone’s throw away from where we’re sitting right now, to sugar that is in the fizzy drinks and candy bars in every vending machine in every office.

So there is an omnipresence of modern slavery around us and it’s very important to note that it continues to underpin our global economy because we are not necessarily stepping up to where we need to be to
address structural inequality and, as Michaelle said, migrant workers are three times more likely to experience exploitation than non-migrant workers.

This is a story of exploitation both in this country and around the world and we need to radically readdress what this looks like to write a new social contract that doesn’t rob some people of their human rights to build convenience for others.

And on forced marriage we have seen a significant increase in that vulnerability throughout the world. This is deeply tied to patriarchal structures and harmful gender norms for women and girls throughout the world. There is indiscriminate forced marriages happening in every region of the world, 25 percent of them happening in middle to upper income countries.

And, you know, as a direct result of COVID-19 we’ve seen this economic volatility drive vulnerability. So we need protections of modern slavery to be built into responses to crises such as Russia invading Ukraine, such as the fall of Afghanistan to the Taliban, such as the climate crisis. It can’t be treated in isolation because it is directly involved with the world crises that we face.

Thank you.

Ms: Flacks: Thanks, Grace.

Let me ask the panel just to follow up on Grace’s initial point. All of you engage the private sector through your work in one way or the other. There’s, obviously, been now a call for and an expectation of the private sector to trace their supply chains to understand where their goods are coming from.

The conversation in the U.S., though, hasn’t yet gone to that next level of what due diligence and what action is expected of the private sector when they find potential forced labor or abuses in their supply chain. In the context of Xinjiang, obviously, the advice is source from elsewhere. That’s quite clear.

But for other situations, I’m interested to hear what you all tell the private sector, what advice you would give them in terms of actually engaging in their supply chains. Once you’ve traced it, what’s then the next step that you want to see from them?

And, Marcia, maybe if you want to start, and Michaelle.
Ms. Eugenio: Sure. I’m happy to start and then turn it over to my colleagues here.

I will say that – I mean, we have heard quite a bit that it’s very difficult to trace supply chains and I will say just because it’s difficult doesn’t mean that we don’t have to do it or that we shouldn’t try it, and the Department of Labor has been working with a number of colleagues and organizations, some of them sitting in this room, to trace a number of supply chains. We received a new reporting mandate from Congress to report out goods that are made with inputs made with child labor or forced labor, and we will be doing that.

So that’s the first thing. It’s hard but we have to do it. Once you’ve traced your supply chain you have to kind of have a system, a policy, a procedure in place to deal with contractors and subcontractors in different tiers of your supply chain that are not abiding by your principles and your values as a company, as an employer.

I will also like to highlight that, you know, there are companies out there – granted, there are smaller companies like Tony’s Chocolonely, who recently actually said, hey, we’ve conducted audits and we found violations of child labor and forced labor and here’s what we’re doing.

Now, you know, I’m sure that that was very risky for them to do that. But it was also very courageous and it was the right thing to do. So when I’m kind of – and here I am, as part of the U.S. government. That is not a U.S. company. But I’m highlighting their efforts because what from where I’m sitting that’s what you need to do.

So I will leave it at that and kind of say, again, there are a lot of tools available to companies to kind of help in looking at due diligence to kind of set up social compliance systems. We have tools in the Department of Labor, but the State Department has a lot of tools and companies have a lot of tools and a lot of people have tools to help, and I think it’s just a question of, like, how willing are you to kind of partner with us to actually do this.

We’re not coming after you because we want to stop goods at the border. I mean, that’s not what John wants to do. We want to be helpful. We want to kind of make sure that people are not exploited, and I think we all share the same commitment and we just have to work on it.

Ms. Flacks: Thanks, Marcia.

Dr. De Cock: Yes. I would like to add one thing and you won’t be surprised. The first thing we do is to provide business with tools both for measuring,
estimating. It’s far from being obvious. All of us who have – I think most of us have real field experience. We’ve been to the cotton fields. We’ve been to the cocoa plantation. We’ve been to the palm oil plantations. It’s far from being obvious to see.

Child labor, to a certain extent, you can see it but forced labor is not visible. There is no difference between a worker in palm oil who is in forced labor and one who is not in forced labor. You don’t see it. Forced labor is not something that you can recognize.

That means the first thing we do at the ILO is to equip business but also governments with tools for detection – we were talking about detection in the fishing vessels – and with tools with measurement.

Measurement also is a challenge because if we think of the last research we’ve done with DOL – I’m thinking of palm oil, I’m thinking of sugarcane in Panama – we have in many places a pattern where you have 90 (percent), 95 percent of your sector which is formal and totally clean. But the forced labor – the 95 percent of the forced labor is found in the 5 percent which are not in the formal sector.

So in terms of research, it’s a real challenge to find it. So first thing we do is to equip business and states with tools for detection and tools for measurement.

The second one is to have an approach, which is an economic analysis, to make a case of the elimination of forced labor. We do it sometimes at the local level but the next report we’re going to publish in one year is a cost and benefit analysis of the elimination of forced labor.

You know, there is a benefit for everyone to eliminate forced labor. We are looking right now – we’re doing the calculation on the benefits on the health system. You look at the benefits on the productivity, and we have many, many data showing that the productivity of forced labor is lower than the one on free labor.

You look at the benefit of eliminating forced labor for the tax or the system of tax and social – so there is a real economic case. And when you talk to business, you know, usually people are sensitive to that type of approach.

So we do believe, apart from the moral approach and, of course, and the rights and the rights-based approach to eliminate child labor and forced labor, there is also an economic case to be made.
Ms. Flacks: That’s such an important point. I love that incentive argument. It’s so important in the context of the trade conversation where, you know, forced labor is seen as a trade advantage, right. You can cut the cost of your goods by not paying your workers, right. But, in fact, as you said, the data shows that it’s actually more expensive to use forced labor. It’s a really, really important point.

So we’re getting some great questions from the audience.

Several people, John, wanted to ask you a question about the UFLPA and, in particular, now that you’ve established this system with a higher bar for goods from Xinjiang, is there a move or an interest in expanding that approach to other countries or sectors? Would that be a useful model for other places where forced labor is pervasive?

Mr. Leonard: It could be. From my law enforcement hat I can’t comment on policy. That’s up to the Congress and our administration.

But if those – at least for our standpoint in the U.S. if Congress sees fit to want to implement those type of laws we’ll absolutely enforce them. But it’s got to be a case by case, sector by sector, kind of approach to it.

Ms. Flacks: Absolutely. Let me see if there’s anyone in the room who wanted to ask a question. I see a hand here on the left.

Q: Hello. Can you hear me?

Ms. Flacks: Oh, I see two hands.

Q: Thank you very much. Susannah McLaren, head of responsible sourcing and sustainability at the Cobalt Institute.

Very privileged to be here, as I’m only visiting from the U.K. for the week and, of course, as the Department of Labor has addressed and mentioned, we do have an issue with child labor in the cobalt sector, particularly in the artisanal sector, which our industry has recognized and is taking steps to address.

What I’d like to ask for some reflections on is you mentioned forced child labor and you mentioned child labor. Really for our own benefit and to learn more, because I really take your point about targeted solutions, would you be able to elaborate on what you see more as the differences in the two, please? Thank you.

Dr. De Cock: That’s a very, very important question, and you will see in our report one of the limitation we mentioned is the right measurement of forced
child labor. You know, all form of child labor needs to be abolished and you know what is child labor. It’s not all child work. It’s the subset of child work, which is detrimental to the health, access to education, moral safety of the child.

The forced element come when there is a threat if the child leaves. So the opposite of forced child labor is not free labor because no child freely chooses to go to a mine. No, that’s – so it’s – you see, it’s not free child labor opposed to forced child labor.

Forced child labor is a small subset, and from what we know – but we were discussing with Marcia how much more needs to be done on that topic – the coercion is not only on the child but in most cases it’s on the family. So if the child doesn’t go to be a domestic worker there then the parents will lose the land that they are using or they will lose their housing that is provided by the employer.

So that subset of the child labor, it’s looking at the coercion both on the child and on the parents. But, really, don’t understand the complement between the 160 million children in child labor and the 3 (million) in forced labor as being free labor. It’s not free labor. It’s child labor and it has to be abolished in all cases.

**Ms. Flacks:**

Thank you. And there was another question, I think, just on that same row.

**Q:**

Thank you for organizing this panel and sharing your insights. It’s really enlightening and helpful. My name is Caitlin Hamlin (ph). I work in human rights at Mars, Incorporated.

And my question for the panel, particularly John and Marcia, is with regard to social protection and the role of social protection in addressing forced and child labor. And I’m just curious what work DOL, DHS, or other federal agencies are doing now to facilitate closing the gap in social protection. I know, previously working in the apparel industry during the pandemic, Cathy Feingold from AFL-CIO got a group of companies together to talk about their role in social safety nets, contributing to social safety nets, in addressing this real need. So I’m interested to hear maybe through traditional aid channels – USAID or MDBs or through the private sector – what you see as – and what’s – maybe what’s going on in the interagency to facilitate that.

**Ms. Flacks:**

Marcia or John?
Ms. Eugenio: A super, super important question.

Let me start by just saying that the report that I mentioned on the worst forms of child labor, a significant number of the findings and recommendations in that report relate to a lack of social protection.

So there is a clear connection between the vulnerability that many communities have and the link to child labor or forced labor. So if there is no hospital, no school, no sanitation, no retirement, no insurance – I mean, anything happens – there is a flood in Pakistan, there is a – anything happens, any economic or natural disaster leads to increased vulnerability and the potential of communities to end up in exploitation.

Cathy Feingold has been leading the way here in the United States on speaking about this issue and speaking in a way that kind of puts the responsibility on all of us, not only governments. You asked what governments are doing or kind of USAID or other agencies.

But this is not just a responsibility of developed governments but also of governments – host governments, local governments – as well as companies, and I'm going to come back to companies because you're from Mars so I'm going to come back to this.

If you happen to be kind of, like, working in an area where those social services are not there, you, as a company, especially a multinational company, sometimes have a lot of leverage, and what leverage is being used when you're establishing those kind of, like, initial investments, what leverage are you using with – speaking with governments about, like, what is happening in that community and what can you do if you know that parents are bringing their kids into the farms with them because they have no other place where to leave them. What are you – what is your responsibility as a company to make sure that that’s not happening and that they are able to work but also have a safe place for their children.

So not putting it back on anyone here but saying that it's a shared responsibility and that there's a lot more that we can all do in that area.

Ms. Flacks: Any other – OK, I see one more question from the audience. I see two so we'll take this gentleman here and then the gentleman in the back.

Q: Thank you. Peter Williams from International Justice Mission. I'm our principal advisor on modern slavery.
Thank you very much for your work and for the presentations this morning. I had a question – this afternoon – I had a question about comparison with the 2017 figures. I noted in the report that the methodology was applicable at the global level, but there are two comparators of particular interest which were quite dramatic differences and I was just wanting to know if we can rely on the comparison or whether because of methodological changes we can’t.

So those two were firstly – and highlighted in the 2017 report was 71 percent of the total 40 million figure were women and girls. My calculation this report was – it was 53.4 percent, so a much lower percentage. Also, a dramatic increase in the commercial sexual exploitation of children, over 30 percent increase in that figure. So I’d just love your guidance on those differences. Thank you.

Ms. Flacks: Thanks so much.

So we’ll do one last round through the panel as we wrap up in our last few minutes. You can respond to those questions. I’m particularly interested for all of you if you want to say anything about international cooperation.

We didn’t get a chance to touch on this. But, of course, the EU yesterday put out its draft proposal on forced labor. There’s the joint statement that I mentioned earlier between the U.S., Japan, and the EU on this report – in fact, talked about future efforts in cooperation.

So maybe just a word on that in closing. I’ll start with – actually, I’ll start with John at the end and I’ll work our way this way and end with Michaele.

Mr. Leonard: OK. I’ll speak from the perspective of cooperation between border agencies, right.

So we’ve definitely worked with Canada and Mexico because, as you probably are aware, there’s forced labor aspects to the USMCA free trade agreement. So some good progress there. We talked about the EU. We have worked with them, have advised them, and also Australia and New Zealand.

So some good collaboration between border enforcement agencies and CBP on that front for whatever legislation those particular countries have in effect. So a lot of good work happening there.

Ms. Flacks: Thanks, John.
Ms. Eugenio: Thank you. And I will mention a couple of initiatives there, like, promoting collaboration. Alliance 8.7 is one of them that I feel has done a lot to kind of highlight the issue and kind of bring stakeholders together but also to kind of promote action to address the problem.

I will also say, you know, that there are – there’s the G-7, the G-20, the OECD. So there’s a number of different institutional mechanisms and multilateral frameworks that are actually working in collaboration.

What I do – what we do in the Department of Labor from our end is that, you know, we reach out to our colleagues in the EU and in France, in Germany, in Brazil, in Peru, and in other places and try to kind of, like, establish that collaboration on these issues.

We can’t do it alone. We don’t have the resources or the mandate, to be honest with you, to kind of, like, tackle something like this on our own, and I think it is incredibly humbling when you see these estimates to kind of understand that you do need worker organizations at the table – labor unions. You need employers – I continue to extend that invitation to work together – and you need governments doing this together, in addition to the U.N. organizations and other kind of civil society organizations such as Walk Free that are kind of, like, investing a lot of their own resources in kind of getting us information and data that we need for these efforts.

Dr. De Cock: Actually, you won’t be surprised what I was going to say. It’s very similar to you, Marcia, and I wanted to talk about the alliance through a different angle, which is the one of what we call the pathfinder countries. There are 26, if I’m not mistaken, to the south – mainly south countries who are facing – which are facing real difficulties in combating child labor and forced labor in their countries.

And through the alliance, they have a mechanism to meet with the workers organization, the employers organization, the national authorities from the countries, and to exchange on their difficulties and how they manage in a given sector to make progress. We set up a mechanism of a reporting and monitoring group of their progress, which was set up by them and with them.

So it’s really important to emphasize the fact that this fight – of course, here today we are in the U.S., but it’s also taking place with the same willingness, the same efforts, in the south. And this is something that we are really happy to support, including for data collection.

And I will answer privately on your question. (Laughs.) Yes. Yes. Well, in two words. Everything that can be compared is compared in
the report. Women and girls is one that cannot be compared. There was a change in the way we analyzed the data. I can tell you more with my colleague from Move Free.

Ms. Flacks: Wonderful.

Well, thank you all so much. This has been a really enlightening discussion. You've left me both concerned, as I was when I walked in, but also a little bit hopeful that we have starting to be in place the right political, economic, legal tools to start to change the incentives, right – the incentives for governments to use forced labor, the incentives for the private sector to use forced labor, to really create the kind of systemic change that we need to start to tackle this problem at a wide scale.

So thank you all for the work that you do in this every single day, for the – for being here with us today. Congratulations, again, to the authors on this really important report and thank you all so much for being here at CSIS, and have a wonderful rest of your day.

Let's thank our panelists. (Applause.)

(END)