

# Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains



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# I. Introduction and Project Background

More than twenty million men, women and children around the world are currently believed to be victims of human trafficking, a global criminal industry estimated to be worth \$150.2 billion annually.<sup>1</sup> As defined in the US Department of State's *2014 Trafficking in Persons Report (TIP Report)*, the terms "trafficking in persons" and "human trafficking" refer broadly to "the act of recruiting, harboring, transporting, providing, or obtaining a person for compelled labor or commercial sex acts through the use of force, fraud, or coercion," irrespective of whether the person has been moved from one location to another.<sup>2</sup> Trafficking in persons includes practices such as coerced sex work by adults or children, forced labor, bonded labor or debt bondage, involuntary domestic servitude, forced child labor, and the recruitment and use of child soldiers.<sup>3</sup> Many different factors indicate that an individual may be in a situation of trafficking. Among the most clear-cut indicators are the experience of coercive or deceptive recruitment, restricted freedom of movement, retention of identity documents by employers, withholding of wages, debt bondage, abusive working and living conditions, forced overtime, isolation, and physical or sexual violence.<sup>4</sup>

The United States Government is broadly committed to combating trafficking in persons, as guided by the Trafficking Victims Protection Act (TVPA) of 2000,<sup>1</sup> and the UN Palermo Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, Supplementing the United Nations Convention Against Transnational Organized Crime. In September 2012, the United States took an unprecedented step in the fight against human trafficking with the release of a presidential executive order (EO) entitled "Strengthening Protections Against Trafficking in Persons in Federal Contracts." In issuing this EO, the White House acknowledged that "as the largest single purchaser of goods and services in the world, the US Government has a responsibility to combat human trafficking at home and abroad, and to ensure American tax dollars do not contribute to this affront to human dignity."<sup>5</sup> The EO prohibits human trafficking activities not just by federal prime contractors, but also by their employees, subcontractors, and subcontractor employees. Subsequent amendments to the Federal Acquisition Regulation (FAR) and the Defense Acquisition Regulations System (DFARS) in the wake of the EO will affect a broad range of federal contracts, and will require scrutiny by prime contractors of subcontractor labor practices to a degree that has not previously been commonplace. Top level contractors will now need to look actively at the labor practices of their subcontractors and suppliers, and to consider the labor involved in production of inputs even at the lowest tiers of their supply chains.

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<sup>1</sup> As amended and reauthorized in the Trafficking Victims Protection Reauthorization Acts of 2003, 2005, 2008, and 2013

## Shedding Light on Human Trafficking Risk in Federal Supply Chains



The EO additionally requires prime contractors providing large overseas contracts to develop and maintain detailed anti-trafficking compliance programs and provide annual certification of their anti-trafficking efforts.

To assist United States Government agencies and the federal contracting community to prepare for implementation of the EO and new FAR rules, the United States Department of State’s Office to Monitor and Combat Trafficking in Persons (DOS/J/TIP) asked Verité to investigate and map out the risk of trafficking in global supply chains generally, and in federal supply chains in particular. As part of this initiative, Verité has collected comprehensive data about global industries with a significant history or current evidence of human trafficking or trafficking-related activity, and has analyzed the overlap between global supply chains deemed to be at risk for human trafficking and patterns of United States federal procurement. The results of Verité’s research are presented below. Detailed sector and country-specific findings will also be fed into an interactive, web-based resource for use by companies, acquisitions officers, contractors, NGOs, and consumers as they evaluate the risk of human trafficking in their supply chains.

This report is not intended to provide specific guidance on EO compliance, but it does provide the framework and resources necessary to understand the risk of human trafficking in global supply chains, and can help readers begin to assess the risk of human trafficking in particular federal supply chains. There is no way for any consumer or employer to anticipate all instances of human trafficking, but supply chain risk analysis can narrow down where to look to identify and mitigate the risks associated with the problem as much as possible.

The following section provides an overview of the main factors that contribute to the risk of human trafficking in global supply chains. Later sections examine eleven economic sectors found to be at particularly high risk for trafficking. Sections to be released in the future will analyze the supply chains and risks of trafficking for forty-eight of the world's most important commodities. Data on variables relevant to trafficking risk in specific countries (information on market activity, migration patterns, human rights indicators, socio-political factors, etc.) has also been collected in spreadsheet form, and will be developed further in the coming months in the course of creating the web-based risk assessment tool. For more information on this ongoing country-specific supply chain research, please contact Verité.

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<sup>1</sup> United Nations International Labor Office (ILO). *Profits and Poverty: the Economics of Forced Labor*. 2014. <http://www.ilo.org/global/topics/forced-labour/publications/profits-of-forced-labour-2014/lang--en/index.htm>

<sup>2</sup> US Department of State. *2014 Trafficking in Persons Report*. June 2014. [http://www.state.gov/j/tip/rls/tiprpt/2014/?utm\\_source=NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014&utm\\_campaign=2014.07.16+NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014+&utm\\_medium=email](http://www.state.gov/j/tip/rls/tiprpt/2014/?utm_source=NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014&utm_campaign=2014.07.16+NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014+&utm_medium=email)

<sup>3</sup> US Department of State. *2014 Trafficking in Persons Report*. June 2014. [http://www.state.gov/j/tip/rls/tiprpt/2014/?utm\\_source=NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014&utm\\_campaign=2014.07.16+NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014+&utm\\_medium=email](http://www.state.gov/j/tip/rls/tiprpt/2014/?utm_source=NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014&utm_campaign=2014.07.16+NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014+&utm_medium=email)

<sup>4</sup> International Labour Office. *ILO Indicators of Forced Labour*. Special Action Programme to Combat Forced Labour. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_203832.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_203832.pdf); also ILO 2012. *Hard to see, harder to count - Survey guidelines to estimate forced labour of adults and children*. [http://www.ilo.org/sapfl/Informationresources/ILOPublications/WCMS\\_182096/lang--en/index.htm](http://www.ilo.org/sapfl/Informationresources/ILOPublications/WCMS_182096/lang--en/index.htm)

<sup>5</sup> Office of the Press Secretary, The White House. "Fact Sheet: Executive Order Strengthening Protections Against Trafficking in Persons in Federal Contracts." September 25, 2012. <http://www.whitehouse.gov/the-press-office/2012/09/25/fact-sheet-executive-order-strengthening-protections-against-trafficking>



## II. Risk Factors for Human Trafficking in Global Supply Chains

A variety of factors contribute to risk of human trafficking in global supply chains. Some risk factors derive from the characteristics of specific economic sectors, reflecting the types of products and industries involved, typical sourcing patterns, types of labor involved in production or supply of the product, and the nature of the workforce in question. Other risk factors derive from conditions within particular, geographically-specific supply chains. Some of these reflect circumstances in the country in which production or service delivery takes place; others reflect conditions in the country supplying the labor (which may or may not be the same as the country of production/service delivery). This overview begins with a discussion of the risk factors associated with specific economic sectors, and then provides a framework for assessing trafficking risks that are associated with particular, geographically-located supply chains, looking both at risks associated with the country of production and/or service delivery, and at the country supplying the labor in question.

### Types of Risk Factors for Human Trafficking in Global Supply Chains

- Risk Factors Associated with Specific Sectors
- Risk Factors Associated with Specific Supply Chains
  - *Risks Associated with Country of Production or Service Delivery*
  - *Risks Associated with Country Supplying the Labor*

### A. Sector-Specific Risk Factors

#### 1. Risks Deriving from the Characteristics of the Product or Industry

*Low-skilled labor and dirty, dangerous, or difficult work:* In general, industries that rely heavily on inputs of low-skilled labor are at risk of trafficking in persons. This is particularly true for industries in which low-skilled labor is used to carry out work that is unpleasant, dangerous, or otherwise difficult. Such jobs are often referred to as “3D” jobs, for “dirty, dangerous, and difficult.” Examples of such jobs include those involving dangerous or physically arduous manual labor (mining, farm work, construction), work involving prolonged periods of repetitive motion (factory assembly jobs, meatpacking), and work that is stigmatized or socially devalued (janitorial work, personal care provision). As these jobs are undesirable and low-paying, in many cases they are performed by individuals with a high level of vulnerability, including immigrants, minorities, and other socially marginalized groups.<sup>6</sup> Recent reports from Japan, for example, have described the trafficking by recruiters linked to organized crime of homeless people forced to do environmental clean-up in the wake of the Fukushima nuclear disaster.<sup>7</sup> While human trafficking does occur in other kinds of industries, those that rely centrally on 3D jobs are inherently at risk.

*Seasonal or short product lifecycles:* Industries that are characterized by sharp seasonal or product life-cycle fluctuations in labor demand are also at risk. The time-sensitive nature of harvest cycles for many agricultural crops, for example, can lead to a temporary surge in the need for farm workers in a particular region, only to have the demand for them drop off sharply once the harvest is complete. A

similar situation can arise for low-skilled electronics workers when a new cellphone or other top-selling technology is released, as factories staff up quickly to meet the spike in demand, sometimes laying off workers again soon after orders have dropped off. The need for a large number of workers for short periods of time leads many employers to turn to labor brokers for assistance with recruitment, a practice which Verité research has shown drastically increases the risk of human trafficking.<sup>8</sup> Even workers who have not been trafficked initially may find themselves vulnerable to such exploitation once the demand for their labor has receded, due to the burden of debt they incurred in the course of their recruitment, or simply because they lack the resources to return home or seek other alternatives. In addition, employers in industries with sharp spikes in labor demand sometimes seek to intensify production by temporarily increasing pressure on their existing workforce through the use of compulsory overtime or other forced labor practices.

*Highly competitive industries with low barriers to entry:* In general, industries that are highly competitive, with continual downward pressure on prices, may be at risk of trafficking. This is particularly true if costs for inputs other than labor have already been cut as much as possible, leading to strong pressure to reduce labor costs as a main strategy to increase competitiveness. For example, in United States garment manufacturing, where brands have a great deal of leverage over their supplier factories, and labor costs comprise the bulk of input costs, many sewing contractors' only option to retain contracts and become profitable is to pay sub-minimum wages.<sup>9</sup> Related, trafficking risk is also present in industries with relatively low barriers to entry, making it possible for companies to shift production to new locations in search of lower labor costs. Low wages do not in themselves equate to labor trafficking, of course, but a "race to the bottom" in wages and prices paid to small producers may be associated with increased vulnerability to human trafficking through debt bondage, forced overtime, or other related consequences of low pay to workers and suppliers.

## **2. Risks Related to Business Processes Involved in Production and/or Supply of the Product**

*Offshore manufacturing:* Industries that rely heavily on overseas production in countries with lower labor standards or limited enforcement capacity are at risk of human trafficking in their supply chains, when offshore production is associated with reduced labor costs and less stringent regulatory environments. Substandard wages for workers and reduced standards for workers' rights and workplace practices increase the likelihood of worker vulnerability to trafficking.

*Reliance on labor recruiting:* Industries that rely on labor recruiters or other third-party intermediaries to recruit, hire and/or manage their workforce are at increased risk of having trafficking in their supply chains.<sup>10</sup> Labor intermediaries often provide valuable recruitment and migration facilitation services, but there can be significant gaps in regulation, and exploitation and abuse of workers are widespread. Some workers are misinformed or even deceived as to the nature and/or conditions of the job they are ultimately placed in, and many pay substantial fees to cover their recruitment costs. The debt that often results from payment of recruitment fees is a major contributing factor to the vulnerability of workers to human trafficking, as workers are forced to continue working sometimes for a year or more in order to pay off the debt they incurred to get their jobs. Indebted workers have few options and little leverage to advocate for themselves in the workplace, making them vulnerable to other elements of human trafficking as well. Vulnerability is particularly elevated when workers experience multiple dependencies on their brokers or employment agents for their wages, visas, work permits, and/or housing.<sup>11</sup>

## Recruitment Industry

Globalization has created longer and more complex supply chains, which require greater coordination and expertise. As these supply chains generally span across multiple countries and employ workers from a variety of different places, companies are more often than not turning to labor brokers – variously referred to as labor intermediaries, middlemen, recruiters, and recruitment agents, among other terms – to handle the recruitment, hiring, and/or management of workers.

Labor brokers—middlemen in the recruitment, hiring and/or management of laborers – operate at the core of the global economy. Labor brokerages vary in their scale and levels of formality. In some cases they are large, well-organized companies. In others they are extremely informal operations run by one individual. The services they provide also differ. Many labor brokers take responsibility for visas, medical checkups, travel arrangements, pre-departure orientation and trainings, and even contract negotiation. Some brokers actually manage the migrant contract workers at the job sites. Regardless of the level of formality or involvement in the recruitment, hiring, and management process, the presence of labor brokers increases the risk of human trafficking.

Labor brokers often promise workers high salaries and excellent conditions of work. Labor brokers often charge workers recruitment fees—sometimes legal, sometimes illegal. Fees can cover a variety of costs, including travel, passport and visa processing, and medical exams. They may also include unspecified service charges, which may go directly to the agent. Migrants often encounter more than one labor brokers in the course of migration – one in their country of origin or the sending country and one in the receiving country – and must pay service fees to each intermediary. When migrant workers are required to pay excessive fees as a condition of obtaining employment, they often go into debt to come up with the money, wagering that they will easily be able to repay the debt with the high wages they have been promised. Sometimes, family members and neighbors invest in the recruitment fee as well. Failure to repay can have severe personal and social consequences, particularly if the money is owed to those with connections to criminal elements, or if family assets have been leveraged as collateral. The existence of the debt—and the worker’s urgent need to repay it—mean that the worker may be more easily manipulated by the employer to accept lower wages than were promised, poor working conditions, excessive work hours, or similar abusive practices. Debt-burdened migrant workers are also much more vulnerable to threats of deportation—and consequent loss of their earning potential – than workers with no debt obligations.<sup>12</sup>

Conditions once the worker is on site can exacerbate vulnerability to human trafficking. Worker debt may be compounded by high interest rates and salary deductions, making repayment even more difficult. In some cases, workers may face contract substitution, which occurs when workers agree to one set of payment terms and working conditions, but find themselves presented with substantially different and inferior terms after they have taken on significant debt, or even after they have arrived at the worksite.<sup>13</sup> The combination of debt, deception in recruitment and coercion at the worksite can create conditions of trafficking.<sup>14</sup>

In some cases, worker identification documents and passports are withheld by brokers or employers. The retention – or confiscation – of workers’ identity documents typically affects international migrants, but can also involve vulnerable workers within their own countries, for example when the provision of state social services is made contingent on workers’ possession of identity documents. Loss of control over personal documents can result in restrictions on workers’ freedom of movement, and be used as a means to bind them to a particular job or employer, forcing them to do work that they may not have consented to for fear of losing their documents permanently. Workers who flee exploitative work arrangements without

their documents become undocumented workers, without access to protection or services, vulnerable to arrest or deportation, and in many cases to even more abuse by their employers.<sup>15</sup>

Example of a Trafficking Scenario Involving Recruitment-Related Vulnerability:



*Long, complex, or non-transparent supply chains:* Industries with long, complex, or non-transparent supply chains are more likely to be at risk for human trafficking than ones with short, straightforward supply chains. In part this is because longer supply chains involve more contexts in which labor takes place, and hence more possibilities for trafficking to occur. The length and complexity of supply chains also contributes to risk, however, by masking transparency about embedded labor practices, making it difficult for the eventual purchasers of finished goods or services to monitor for human trafficking lower down in their supply chains. Even for consumer-facing companies or individual consumers concerned about human trafficking, lengthy and complex supply chains often make it difficult to perceive abuses that may be taking place at the level of secondary or tertiary inputs to finished products. A number of different business practices contribute to the complexity and non-transparency of supply chains. Offshoring of production is one obvious factor; overseas sourcing of inputs such as raw materials and labor is another. In addition, supply chains are often opaque in industries that rely heavily on subcontractors, and in ones that are characterized by a high degree of informality in contracting at lower tiers in the supply chain, for example when a subcontractor relies on a verbal agreement with an independent supplier in an effort to minimize regulation or taxation.

*Lack of participation in multi-stakeholder CSR initiatives:* While not itself causal of increased trafficking risk, the absence of industry-level corporate social responsibility (CSR) initiatives to protect workers from trafficking may be a red flag that labor issues are not closely scrutinized in that sector.

### 3. Risks Related to the Characteristics of the Workforce Involved

*Poor, vulnerable, low-skilled workers:* Industries that employ a high proportion of workers who are impoverished, lacking in professional or advanced technical skills, and landless or otherwise

dispossessed are inherently at greater risk of human trafficking. Poor, vulnerable, low-skilled workers are easily replaced by others like them, and hence have little leverage with which to advocate for their rights in the face of recruiters or employers seeking to profit from their labor illegally.

*Migrant workers:* Industries that rely heavily on migrant labor are often also at risk. Verité has found migrant workers, both internal and international migrants, to be vulnerable to human trafficking in a wide variety of sectors and countries.<sup>16</sup> As a recent report by the Special Rapporteur on the Human Rights of Migrants for the United Nations Human Rights Council notes:

“migrants are at heightened risk of exploitation and abuse in the workplace, due to (a) deceptive recruitment practices, both by employers and intermediaries; (b) frequent lack of social support systems; (c) unfamiliarity with the local culture, language, their rights at work and national labour and migration laws in the country of employment; (d) limited or denied access to legal and administrative systems; (e) dependence on the job and employer due to migration-related debt, legal status, or employers restricting their freedom to leave the workplace; and (f) reliance by family members on remittances sent back home by the migrant. These factors are amplified by the discrimination and xenophobia that migrants are increasingly facing everywhere.”<sup>17</sup>

Migrants are also often restricted from forming or joining trade unions. Industries employing large numbers of migrants are likely to rely on recruiters or other middlemen, which carries risks of human trafficking, as discussed above.

## **B. Risk Factors Associated with Particular Supply Chains**

### **1. Risks Related to the Country of Production and/or Service Delivery**

**Note:** The risk factors discussed in this section refer specifically to the country in which goods are produced or services delivered, regardless of whether the worker population in question comes from that country (as is the case for industries relying on a local or national workforce), or from overseas (as with industries dependent on migrants). Risk factors that pertain to the country supplying the labor are discussed in the next section.

#### **a) Political Risk Factors in the Country of Production**

*Weak legal protection for civil liberties and workers' rights:* Supply chains that source goods or services from countries with weak legal protections for civil liberties and workers' rights are at risk for human trafficking. When safeguards for civil liberties such as freedoms of assembly, association, and expression are weak, civil society organizations are less able to monitor government and private sector actors and hold them accountable for unethical labor practices. Lack of formal protection for workers' rights leaves workers with little legal recourse in the face of workplace abuses, and also undermines the potential for labor organizing, reducing the ability of workers' to advocate for themselves in the face of exploitation and abuse. The impacts of such factors on human trafficking risk are exacerbated even further in countries where basic liberties are actively suppressed by repressive state regimes. Risk is also heightened in countries that protect workers' rights for their own citizens, but fail to extend protections to foreign migrants or undocumented foreign migrants, particularly when such migrants make up a significant proportion of the low-wage workforce.<sup>18</sup>

*Widespread corruption:* A high degree of corruption is also associated with a risk of human trafficking. General disregard for the rule of law and lack of adherence to laws by government officials opens the door to trafficking of workers in many ways. Officials may be paid bribes to look the other way when faced with practices associated with human trafficking, such as the

retention of migrant workers' passports by employers, compulsory payment of "runaway insurance" fees by workers, or illegally high deductions from workers wages. Labor brokers may also bribe government officials in order to gain access to work permits or factory placements, passing along the cost of kick-back "commissions" to workers who are already being charged high recruitment fees, in this way contributing to vulnerability to debt bondage.<sup>19</sup> In some cases, government officials may themselves own recruitment agencies or have a vested interest in them through familial or other personal ties.

*High level of crime and violence:* Workers in countries with a high level of crime and violence are also at risk for trafficking. In particular, the presence of organized crime syndicates is often directly related, as crime rings trafficking in guns, drugs, or other illicit goods may also deal in human beings, facilitating delivery of workers to factories, farms, brothels, mines, or other sites of production. Countries in which organized crime flourishes often also have a high level of general lawlessness and corruption, both of which contribute to trafficking risk in their own right, both because workers may be fearful of leaving their jobs before paying off their debt or completing their contracts, and because they may be unlikely to file complaints with authorities who are perceived to be corrupt.<sup>20</sup> More informally, the simple presence of gangs or street thugs in areas where workers live and work can significantly limit the freedom of movement of workers who may be far from home, increasing their dependence on their employers and limiting their ability to seek out resources that could help them resist unethical or abusive employment arrangements.

*State persecution:* Countries in which some categories of workers – stateless individuals or undocumented migrants, for example – are actively persecuted by the state are also at risk of trafficking, since fear of government surveillance, detention, or deportation can act as a serious constraint on workers' freedoms of movement and association, and consequently, on their ability to resist or advocate for themselves in the face of illegal labor exploitation.<sup>21</sup>

*Political instability or conflict:* Supply chains that rely on goods or services provided in countries experiencing political conflict or instability may be at risk due to a general destabilization of society and diminution in the rule of law. Such instability also increases the risk of the local population to being trafficked, a connection discussed below in the section on factors affecting trafficking risk in labor source countries. There are also cases in which certain areas of a country may be outside of government control, leading to an increased risk of trafficking in these regions.<sup>22</sup> In some cases, organized crime syndicates or armed groups may rely on human trafficking as a means of financing the conflict or intimidating certain populations.<sup>23</sup> Countries that are active theaters of war or other sites of emergent situations may also require rapid staffing of jobs in construction, housekeeping, security or other low-skilled fields, potentially leading to increased trafficking risk.

## **b) Socio-Economic Risk Factors in the Country of Production**

*Level of national economic development:* The implications of overall economic development for risk of trafficking in a country vary. In some cases, relatively high GDP per capita and education levels may be associated with supply chain risk, due to the unwillingness of a relatively prosperous and skilled local workforce to do low-paid, unpleasant jobs. In such contexts, migrants and the poorest members of the society are typically relied upon to do such work, people who are structurally at risk of being trafficked due to their general vulnerability, and, in the case of migrants, to their dependence on the international recruitment industry and associated trafficking vulnerabilities.<sup>24</sup> Trafficking risk may also correlate with widespread poverty and low levels of social protection in a country, however, particularly if the worker population for "3D" jobs is sourced domestically. Relative degrees of poverty between countries also play a role, for

example, when workers from a poor country decide to migrate to a somewhat less poor neighboring country in search of regional economic opportunities.

*High degree of gender inequality:* Supply chains that source goods or services from countries with a high degree of gender inequality are at risk of human trafficking. In such contexts, women workers may find themselves subject to discrimination and harassment in the workplace in ways that their male counterparts are not, and this may undermine their capacity to resist or advocate for themselves in the face of employers seeking to exploit their labor illegally. Women may also be paid lower wages than men in such contexts, increasing the burden of recruitment debt for them, and consequently also their chances of experiencing debt bondage and multiple dependency on their employers. A recent ILO study of the economics of labor trafficking found that female-headed households are generally at greater risk of trafficking than male-headed ones, and that trafficking is more frequent in the unskilled occupations and informal sectors in which female workers often concentrate in gender-unequal societies.<sup>25</sup> The same study found that a high level of maternal education (indicating a greater degree of gender equality) was strongly inversely correlated with risk of human trafficking.<sup>26</sup>

*Use of “Export Processing Zones” (EPZs; also referred to as Free Trade Zones, Free Industrial Zones, Special Economic Zones, and other similar synonyms):* Countries that have actively created economic zones designed to cater to export-oriented foreign manufacturers may be at risk of having trafficking in the supply chains that source from them, especially if those zones have lowered labor standards or relaxed other regulations in order to attract foreign investment. Because such EPZs facilitate global outsourcing of production, and because they often offer workers inside them fewer workplace protections and freedoms than workers enjoy outside, they can be associated with human trafficking risk.

**c) Policy-Related Risk Factors in the Country of Production**

*Immigration policies limiting the employment options or movement of migrants:* Countries with immigration policy frameworks that restrict the employment options or movements of migrant workers may pose a risk for human trafficking in the supply chains that source from them. Policies that tie guestworkers’ visas to particular employers, for example, may prevent workers from leaving exploitative or abusive employment situations for fear of losing their legal immigration status. Immigration policies that restrict settlement or movement by migrants similarly increase the vulnerability of migrant workers to human trafficking, by increasing the likelihood that they will experience multiple dependency on their employers, and be constrained in their ability to terminate their employment if they wish.<sup>27</sup>

## Guestworker Visas

A number of countries have “guestworker” visa programs that increase vulnerability to human trafficking among documented temporary immigrant workers. Some guestworker visa programs are extremely expensive and do not mandate that employers cover all recruitment, visa, and transportation costs. In many cases, these costs are passed on from employers to labor brokers to workers, many of whom have to take out high-interest loans or sign over deeds to their land in order to cover these costs. Some guestworker visas tie workers to particular employers and enshrine in law the penalty of deportation for leaving their employment, even if their employer is abusive or fails to abide by the terms of the contract.<sup>28</sup> Some countries’ immigration policies restrict the areas in which migrant workers may work, live, or travel, which increases their vulnerability to human trafficking by limiting their freedom of movement.<sup>29</sup> Finally, many countries fail in practice to monitor conditions of work adequately among guestworkers, further exacerbating their vulnerability.<sup>30</sup>

In Gulf countries such as Qatar, the *kafala* guestworker system creates vulnerability to human trafficking among the large population of foreign workers. According to Human Rights Watch, there were 1.2 million migrant workers in Qatar in 2012, accounting for 94 percent of the country's workforce,<sup>31</sup> and 99 percent of the private sector workforce.<sup>32</sup> According to the United States Department of State, cases of withholding of wages, hazardous working conditions, poor living conditions, and passport confiscation were prevalent among guestworkers in Qatar. These exploitative practices, coupled with the *kafala* sponsorship system that tied workers to a specific employer and gave employers inordinate control over workers, created a high level of vulnerability of migrant workers to human trafficking.<sup>33</sup> In Qatar, provisions of the *kafala* or sponsorship system legally bind migrant laborers to their sponsor (*kafeel*). The sponsor reserves the right to dictate working conditions, the recruitment process, and workers' ability to leave their job. As a result, workers' labor mobility was significantly restricted, as workers were unable to legally change employers or leave their job without the permission of their sponsor.<sup>34</sup> The *kafala* system has been widely criticized for facilitating trafficking, including by the ILO, which stated that the *kafala* system "may be conducive to the exaction of forced labor."<sup>35</sup>

Verité research on forced labor in the Malaysian electronics sector found that approximately one-third of the 438 foreign workers interviewed were in situations of forced labor. One of the factors that increased foreign workers' vulnerability to human trafficking was Malaysia's guestworker program. Under Malaysian law, a foreign worker is required to have a temporary employment visa, issued by the government. The employer must apply for the permit on behalf of the worker, and the foreign workers must already have an employer-sponsor before they can enter Malaysia on a temporary employment visa. Malaysian law thus channels recruitment through labor brokers, ties workers to their employers, and allows for the deportation of workers who leave their employment with their sponsor. It also establishes a levy that foreign workers must pay, increasing their debt. Additionally, foreign workers in Malaysia were monitored in part by the People's Volunteer Corps (RELA), a civilian organization empowered to assist the government in enforcing immigration law, which has been the subject of numerous allegations of abuse of foreign workers.<sup>36</sup>

In 2010, Verité carried out in-depth research on human trafficking among agricultural workers in the United States. That research determined that guestworkers were even more vulnerable to labor trafficking than undocumented workers, primarily due to their high level of fees and indebtedness and the fact that these workers were legally bound to one employer. These workers were brought in on H-2A visas (for temporary agricultural workers) and H-2B visas (for unskilled, temporary work outside of the agricultural sector), for which they had to pay \$3,000-27,000, leading many to take out loans. Interest rates could be usurious, reaching up to 20 percent monthly, and moneylenders affiliated with brokers sometimes held workers' titles to land or other valuables as collateral. Once in the United States, workers were threatened with deportation, blacklisting, confiscation of land, and violence against themselves and their families if they complained.<sup>37</sup>

Under current regulations, H-2B visas are subject to significantly less protections than H-2A visas. The United States Department of Labor's attempts to change the regulations for this visa program to include increased protections for workers have been stymied by legal challenges, and abuses continue. Verité research confirms that some workers have been brought in on these more lenient H-2B visas and then illegally forced to work in agriculture.<sup>38</sup> H-2B visa holders may face especially egregious labor rights violations, including in some cases, huge salary deductions. In one documented case, a worker's salary was reduced to 13 cents per hour, making it virtually impossible to pay back loans, and perpetuating the cycle of debt bondage.<sup>39</sup> In July 2014, a legal complaint was filed against a Christmas tree company that brought workers in from Mexico to work in California's Sierra Nevada mountains. The suit claims that workers were deceived about their pay, working hours, and reimbursement of transport costs; their passports were confiscated upon arrival; they were subjected to long working hours under dangerous



conditions for approximately \$50 per week after deductions; and they were isolated and threatened with injury or death if they failed to work fast enough or attempted to flee.<sup>40</sup> In this case, no complaint was brought to DOL's WHD, though action could have been taken under the current regulations and FLSA, if the Department had been made aware of the situation.

*Lack of (or weak) bilateral agreements with migrant-sending countries:* Countries that lack robust bilateral agreements about migrants' rights with the countries that send migrants to them pose a risk for trafficking. In the absence of such agreements, migrant workers' home country governments are in a weak position to enforce reasonable limits on recruitment fees or advocate for their citizens' rights in the migrant-receiving country. When these agreements are conducted in a nontransparent and non-consultative way, they may not adequately reflect concrete worker rights protections and therefore, may not effectively meet their objective of protecting workers. The lack of a bilateral regulatory framework for migration may also enable unethical recruiters and employers in the receiving country to exploit workers illegally, for example by emboldening the employers or recruiters to retain migrants' passports, or to compel workers to work overtime. Even when bilateral agreements do exist, if they are not created in a nontransparent and consultative way, they may not adequately reflect concrete worker rights issues, and therefore may not effectively meet their objective of protecting workers.

*Failure to ratify ILO conventions related to human trafficking or rights of workers and migrants:* Countries that have not ratified key International Labor Organization conventions prohibiting forced labor, and guaranteeing the rights of workers and migrants, can be at greater risk of having human trafficking in supply chains that source from them. While not in itself causal, the lack of governmental commitment suggested by failure to sign on to such conventions is likely reflected in other structural vulnerabilities to trafficking at the national level, as well as of a lack of political will to combat human trafficking. In addition, the review mechanisms associated with these conventions are often effective tools to support grassroots advocacy for government accountability; they are not accessible to civil society organizations in countries that are not parties to them. In addition, the review mechanisms associated with these conventions – that are often effective tools to support grassroots advocacy for government accountability – are not accessible to civil society organizations in countries that are not parties to that convention.

#### **d) Environmental Factors in the Country of Production**

*Post-natural disaster contexts:* Countries in which major natural disasters have recently taken place may pose an increased risk for human trafficking, due to the need for rapid staffing of low-skilled positions in environmental clean-up and construction.<sup>41</sup> In the immediate aftermath of an emergency, normal procedures meant to check the potential for trafficking may be temporarily suspended, as strapped government agencies and private contractors scramble to meet immediate needs. Such contexts represent opportunities for unethical recruitment and human trafficking to flourish.

## **2. Risks Related to the Country Supplying the Labor**

**Note:** The country supplying the labor may or may not be the same as the country of production/service delivery, depending on whether the industry in question relies predominantly on a local/national workforce or a migrant one. In either case, the following factors related to labor supply are associated with increased risk for human trafficking.

#### **a) Political Factors in the Country Supplying the Labor**

*Political instability or conflict:* Workers in countries experiencing political upheaval or open conflict are at heightened risk for being trafficked due both to a decrease in the overall rule of

law, and to increased general and personal insecurity, including increased likelihood of dislocation and dispossession. People in contexts experiencing profound political upheaval may lack options that enable them to resist exploitation by unethical recruiters or employers. Human trafficking vulnerability is often particularly acute for refugees.

*High level of crime and violence:* Workers in countries with high levels of crime and violence are often at increased risk for being trafficked, due to the increased vulnerability associated with individual economic or physical insecurity. In some cases, high levels of criminality and violence can also spawn forced migration.<sup>42</sup> Trafficking risk may be particularly high in contexts controlled by organized crime syndicates, as these may be engaged directly in human trafficking as part of their broader criminal activities. High levels of crime and violence are also associated with low rule of law, suggesting that enforcement of protections for workers may also be relatively lax.

**b) Socio-Economic Factors in the Country Supplying the Labor**

*Widespread poverty:* The level and extent of poverty in a country is known to be a “push” factor for human trafficking. A recent UN ILO study of the economics of labor trafficking found that household food insecurity and the occurrence of income shocks that push people deeper into poverty are both strongly correlated with increased likelihood of being trafficked.<sup>43</sup> People suffering from extreme poverty generally have few options, and may take risks or make choices that increase their risk of being trafficked or caught in situations of forced labor. Impoverished migrants often rely on brokers to find them jobs overseas and facilitate their migration, and in the process incur debts that lock them into those jobs, even if they turn out to be different in nature, working conditions, or even location than had initially been promised. People who have had to put up title to the family farm as collateral on a loan to pay recruitment fees, or who have made the difficult decision to leave children or other family members behind in the hopes of earning enough to support them through work overseas, are not well-positioned to advocate for themselves in the face of unethical recruiters or employers seeking to exploit their labor illegally.<sup>44</sup>

*Widespread landlessness and dispossession:* Countries in which large segments of the population have experienced loss of land or other property due to land grabs, political conflict, crime, natural disasters, forced resettlement, or economic policies resulting in dispossession are also at risk of human trafficking. When rural farmers are driven off their land by rebels, government officials, investors, environmental degradation, land fragmentation, or simple poverty, they become part of a landless underclass that has few economic options, and hence increased vulnerability to being trafficked.<sup>45</sup>

*High degree of gender inequality:* A high degree of gender inequality in a country supplying labor may also be associated with risk of trafficking. In such contexts, women often have fewer rights and legal protections than men, and less access to the education necessary to obtain high-skilled jobs. Women may also be subject to discrimination in terms of wages, or in the kinds of jobs open to them. Women in gender unequal societies are often structurally dependent on men for financial security, leading women who lack access to male protection or wealth (for example, widows, unmarried women, and girls from poor families), with few resources of their own with which they might resist unethical recruiters and employers wishing to exploit their bodies or labor illegally.

**c) Policy-Related Factors in the Country Supplying the Labor**

*Promotion of emigration/remittance economy:* Countries that actively promote emigration of their citizens in anticipation of remittances may be at increased risk of trafficking, although this varies

depending on the regulatory regime put in place to manage out-migration. When remittances from abroad represent a key element of national development strategies and GDP, governments have an incentive to encourage their citizens to accept overseas employment arrangements, whether or not they are in their best interests. State-facilitated emigration has the potential to protect migrants from exploitation and trafficking, particularly if government programs include training, job placement and reintegration assistance, and a legal framework controlling and standardizing costs for migrants. When such programs are inadequately developed and supported in migrant-sending countries, however, the door is left open for unregulated flows of emigrants who are vulnerable to trafficking risks such as deceptive recruitment, payment of excessive recruitment fees, and debt bondage.

*Lack of (or weak) bilateral agreements governing treatment of emigrant workers:* Countries that lack robust bilateral agreements about immigrants' rights with the countries to which they send migrants pose an increased risk for trafficking. In the absence of such agreements, home country governments are in a weak position to enforce reasonable limits on recruitment fees or advocate for their citizens' rights once they arrive in the migrant-receiving country. The lack of a bilateral regulatory framework for migration may also enable unethical recruiters and employers within the receiving country to exploit their emigrants illegally, for example by emboldening them to retain migrants' passports, or to compel them to work overtime. Even when bilateral agreements do exist, if they are not created in a nontransparent and consultative way, they may not adequately reflect concrete worker rights protections, and therefore may not effectively meet their objective of protecting workers.

*Failure to ratify ILO conventions related to forced labor or rights of migrant workers:* Labor source countries that have not ratified key International Labor Organization conventions prohibiting forced labor and guaranteeing the rights of workers and migrants may be at greater risk of having problems with human trafficking. While not in itself causal, failure to sign on to such conventions is a red flag, due both to the absence of international scrutiny and to the lack of commitment to address the problem it suggests on the part of government.

**d) Environmental Factors in the Country Supplying the Labor**

*Post natural disaster contexts:* Countries that have recently experienced natural disasters may be at increased risk for trafficking, due to the dislocation and sudden impoverishment that often characterize the experience of survivors of environmental catastrophes. People directly harmed in disasters have often lost all or most of their personal resources, and may be physically or emotionally traumatized as well. Such people are at increased risk of vulnerability to human trafficking.<sup>46</sup>

*Ongoing contexts of environmental hardship:* Countries with ongoing environmental challenges such as deforestation, fisheries collapse, recurring drought, or diseases affecting staple crops are also at greater risk for trafficking, due to the association of such hardships with pervasive poverty and insecurity. Trafficking risk caused by such environmental factors is likely to increase over time as a result of ongoing climate change.

### Summary of Key Risk Factors for Human Trafficking in Global Supply Chains:

1. Hazardous/undesirable work
2. Vulnerable, low-skilled, easily replaced workforce
3. Migrant workforce
4. Presence of labor contractors, recruiters, agents, or other middlemen in labor supply chains
5. Long, complex, and/or non-transparent product supply chains
6. Substantial sourcing or subcontracting in high risk countries.

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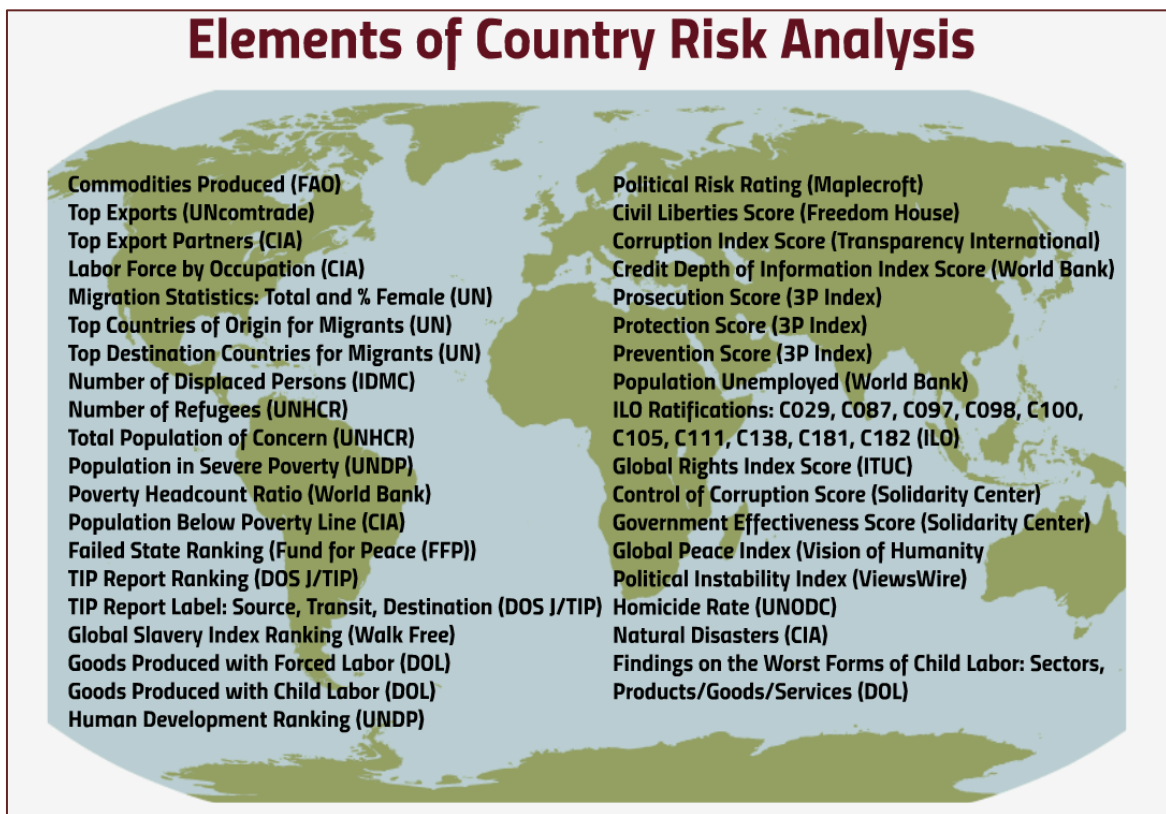
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### III. Methods/Process for Supply Chain Research

Verité undertook four different kinds of broad research in order to gather the data for this report: research on specific countries, research on specific commodities, research on key economic sectors, and research on federal procurement patterns.

#### A. Country Research

The project began with research on each of the world’s 235 countries and territories. An extensive spreadsheet was created collecting publicly available data on any variables that might be correlated with a country’s likelihood of enabling or being at risk for human trafficking. The data points collected for each country included data on trade patterns; labor markets; migration and refugee flows; poverty and economic development levels; incidents of forced labor and child labor; political stability and instability; extent of rule of law; corruption levels; protections for civil liberties and human rights; participation in International Labor Organization labor rights conventions; and occurrence of natural disasters. A complete list of data collected is presented below:



In the months ahead, Verité will be analyzing these and other data points and collaborating with Made in a Free World to develop a web-based tool for using them to evaluate the risk of trafficking associated with particular countries and supply chains. In some cases, preliminary analysis of trafficking risk in the major supply chains for specific sectors and commodities is incorporated into the sector and commodity reports below.

The key risk factors for human trafficking associated with specific geographic supply chains are summarized in the following two figures, one that addresses key risks associated with the country of production or service delivery, and the other risk factors associated with the country supplying the labor. Verité anticipates that these risk factors will form the analytic basis for the eventual web-based tool to be developed for evaluating human trafficking risk in specific supply chains.

### **Key Risk Factors Associated with the Country of Production or Service Delivery**

- Low level of legal protections for civil liberties or workers' rights
- High level of corruption, lawlessness, and/or violence
- Emergent or crisis contexts requiring rapid labor deployment
- Policy environment encouraging immigrant labor without safeguarding migrants' rights

### **Key Risk Factors Associated with the Country Supplying the Labor**

- High degree of poverty
- Widespread landlessness/dispossession
- Political instability and lawlessness (especially organized crime)
- Policy environment promoting emigration/remittance economy, without adequately safeguarding emigrants' rights
- Widespread vulnerability due to natural disaster, drought or other environmental hardships

## **B. Sector Research**

To identify the sectors in the global economy most likely to be at risk for human trafficking, Verité first developed the analytic framework for evaluating risk factors for human trafficking presented in Section II of this report. To identify a comprehensive list of global economic sectors, Verité took the sector list offered by the UN International Labor Office as a starting point,<sup>47</sup> and evaluated each sector against the matrix of key risk factors developed in Section II. Based on this analysis, eleven sectors or industries were found to be most at risk. Reflecting Verité's accumulated understanding of the association of trafficking risk with certain kinds of economic activities, some of the ILO sectors were combined into umbrella categories, and others were disaggregated into subsectors, to allow for as targeted a discussion of human trafficking patterns as possible.



The eleven most at-risk sectors identified through this analysis are discussed in depth in the sector reports in Section IV below. Each report provides a macroeconomic overview of the global sector in question, discusses the key risk factors for human trafficking unique to it, describes specific case studies where examples of trafficking in persons have been uncovered within the sector, and, to the extent possible at this preliminary stage, discusses the geography of trafficking risk within the sector's main supply chains.

## **C. Federal Procurement Research**

In addition to carrying out research on countries, commodities, and sectors, Verité also undertook research designed to identify overlap between federal procurement patterns and global supply chains at risk for trafficking in persons. Toward this end, Verité carried out an extensive analysis of the federal spend, examining both spending by individual federal agencies, and federal spending on particular kinds of goods and services. Using publicly available data from the Federal Procurement Data System ([www.fpds.gov](http://www.fpds.gov)) and USASpending ([www.usaspending.gov](http://www.usaspending.gov)), as well as information garnered in interviews with key federal acquisitions officers, Verité examined federal procurement patterns for their intersection with the global economic sectors identified as being at heightened risk for human trafficking. The analysis documented the amount spent directly by the United States Government in key at-risk sectors, and in some cases also identified the scale of primary inputs from at-risk sectors lower down in key federal supply chains.

To the extent possible, Verité procurement research also sought to uncover relevant industry patterns in the supply of key federal purchases, for example the highly consolidated provision of military foodstuffs through central suppliers overseas, reliance on large-scale facilities and logistics management contractors, and the sourcing of uniforms and other manufactured goods from UNICOR/Federal Prison Industries.

Federal procurement within the key at-risk sectors is discussed at the conclusion of each sector report below.

## **D. Commodity Research**

A second major area of Verité research has involved collection of information on 48 of the world's most important primary commodities. A master commodity spreadsheet was assembled of data points for each primary commodity on global production and trade patterns (main countries of production and consumption, and export-import data for key producers, importers, and for the United States), reports of forced labor or child labor associated with the commodity, and the names of any countries in which trafficking-related problems have been reported in associated with the commodity.

Using the general information assembled in this spreadsheet as a starting point, each key commodity was then researched in depth, with the findings compiled into a forthcoming set of comprehensive commodity analyses. The individual commodity reports provide background on the production patterns and labor practices involved in the specific industry in question. They also describe the association of the commodity with forced labor or child labor, provide case studies of documented instances of human trafficking in the industry, describe the structure of the commodity supply chain and any links to other supply chains for which the commodity is a key input, and review any government or industry initiatives that exist to reduce human trafficking in conjunction with the commodity in question.



## IV. Sectors with Significant Federal Procurement and Significant Risk of Human Trafficking

### Agriculture

*This sector report covers labor in agriculture and meat production and processing. For information on the human trafficking risks associated with particular agricultural commodities, see the forthcoming commodity reports: [Bananas](#), [Beans and Pulses](#), [Cattle](#), [Citrus](#), [Cocoa](#), [Coffee](#), [Corn](#), [Cotton](#), [Flowers](#), [Meat Processing](#), [Melons](#), [Nuts](#), [Palm Oil](#), [Pineapple](#), [Rice](#), [Strawberries](#), [Sugar](#), [Sunflowers](#), [Tea](#), [Tobacco](#), [Tomatoes](#), and [Wheat](#).*

**This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

#### Overview of the Agriculture Sector:

Agriculture is used here to refer to the production of crops and livestock and animal products for both consumption and other uses. Key agricultural products include: cereals/grains, vegetables, roots/tubers, milk, fruit, meat, oil crops, eggs, and grain legumes.<sup>48</sup> The amount of labor needed varies depending on the type of crop. Labor intensive crops, particularly those that are hand-picked, may be more likely than mechanically harvested crops to engender labor rights abuses. These include: lettuce/greens, berries, oranges/citrus, apples, stone fruits, melons, tobacco, cotton, and greenhouses/nurseries. Workers are involved in a variety of tasks including preparation, planting, weed and pest removal, harvesting and initial processing/packing. Livestock production includes animal husbandry as well as meat processing and packing. Animal husbandry includes both small-scale and intensive factory farming.

#### *Economy:*

Over one billion people are employed in the agricultural sector worldwide. In 2009, 35 percent of global employment was in agriculture. Although agricultural growth is declining worldwide, it remains an important source of income and food security in many economies. Agriculture accounts for approximately 59 percent of employment in Sub-Saharan Africa, 44 percent in South East Asia and the Pacific, and 16 percent in Latin America.<sup>49</sup> Agricultural participation is lower in the European Union, at about five percent,<sup>50</sup> and approximately two percent in the United States.<sup>51</sup>

Although agriculture generates a relatively small part of its GDP (less than two percent), the United States is the world's leading exporter of agricultural products, in addition to being a strong market for domestic consumption.<sup>52</sup> While the majority of farms in the United States are small operations ("rural residence farms"), the majority of production comes from a relatively small number of commercial farming operations. The United States Government supports the domestic agricultural sector primarily through a range of subsidy programs.

Globally, agriculture's contribution to GDP is approximately 3.2 percent.<sup>53</sup> However it plays a larger role in the economies of developing regions, especially in Africa. According to the World Bank, "agriculture

accounts for 30 to 40 percent of Africa’s total gross domestic product (GDP), and almost 60 percent of its total export earnings.”<sup>54</sup>

The meat and poultry industry is the largest segment of agriculture in the United States, and industrial farming operations constitute the vast majority of producers. Total meat and poultry production in 2011 reached more than 92.3 billion pounds, an increase of 200 million pounds from 2010. Worldwide, approximately 74 percent of poultry, 43 percent of beef, 50 percent of pork, and 68 percent of eggs are produced in industrial farms.<sup>55</sup>

*Workforce:*

Multinational companies that trade and market commodities are increasing their share of the agricultural sector. As large companies use land previously used by farmers for subsistence farming, indigenous peasants engaged in subsistence agriculture are driven into paid work on larger farms or plantations. Large farms and plantations with considerable staffing needs are also more likely to rely on labor contractors, brokers, and recruiters to provide labor. Small-scale farms are more likely to operate informally. For example, those that hire only a few workers on a temporary basis may rely on verbal agreements in place of contracts.

There are two primary groups of farm workers: subsistence farmers and their families who work on their own land, and waged workers. Over 40 percent of agricultural workers are waged.<sup>56</sup> Waged workers do not own or rent the land on which they work or the tools and equipment that they use. There are many agricultural employment arrangements, including, “permanent agricultural workers; temporary agricultural workers; seasonal/casual agricultural workers; migrant agricultural workers; piece rate workers; or workers receiving some kind of in-kind payment.” Small-scale farmers may also work seasonally or part-time as waged agricultural workers to supplement their incomes from subsistence agriculture.<sup>57</sup>

Agricultural workers generally earn low wages and earn less than workers in industrial settings. The wide variety of employment arrangements and the high levels of informal agreements lead to low levels of organization and unionization. Further, agricultural workers are often excluded from legal protections, including on wages, hours, and working conditions.

## **Processed Foods**

“Processed food” refers to foodstuffs that have been processed, converted, prepared, preserved and/or packaged.<sup>58</sup> This sector also includes beverage production. Processing can be mechanized, or done by hand in a more labor intensive form. Types of labor include production workers (skilled precision workers, machine operators, line workers), graders, sorters, packagers, transporters/drivers, supervisors, and managerial and professional workers.<sup>59</sup> Processed foods include highly processed foods, such as snack foods with many ingredients, as well as items such as bread and cheese.

The growth of the world’s food market has largely been attributed to the growth of processed foods and drinks, and the sector represents one of the largest manufacturing sectors in the United States.<sup>60</sup> The majority of the growth in the sector, however, has been in developing countries, such as Brazil and China. Despite the growth of the sector, employment has grown at a slower pace due to increased mechanization.

The workforce is generally low-skilled, with the majority of production or line positions requiring little formal education.<sup>61</sup> Due to the low-skilled nature of work and low barriers to entry, many jobs in the sector are held by vulnerable populations including minority and migrant workers.<sup>62</sup> As in other sectors, including agriculture more broadly, migrant workers are vulnerable to a constellation of indicators of

trafficking. They may have debt linked to their recruitment process, or their visa status may tie them to a single employer.<sup>63</sup> Undocumented migrants may be susceptible to intimidation and threats of deportation.

While specific data is not disaggregated from broader data on workers in all types of manufacturing, many jobs in the food processing sector are temporary, casual, part-time, or contracted, and workers often lack social protections afforded to workers in other sectors.<sup>64</sup> Many of these “temporary” workers are hired through third-party staffing agencies, and thus often lack a direct employment relationship with their worksite.<sup>65</sup> In the United States, 42 percent of temporary workers were in light industry, which encompasses most food processing workers.<sup>66</sup> According to the National Employment Law Project, these workers face vulnerabilities including greater health and safety risks, wage theft, and discrimination.<sup>67</sup> Further, workers may be classified as “temporary” even if they have been engaged at the same workplace for years.<sup>68</sup> Migrant and minority workers are also overrepresented among temporary and contracted workers in the United States.<sup>69</sup> The food processing sector in the UK has been similarly linked to temporary, subcontracted workers and migrant workers.<sup>70</sup> Demand for many processed foods ebbs and flows on a seasonal basis,<sup>71</sup> so food manufacturers may prefer temporary work arrangements for seasonal flexibility.

Like other forms of manufacturing, global food processing may take place in Export Processing Zones (EPZs), where labor protections are weaker and governments have lower levels of oversight.<sup>72</sup> Another potential risk area is small, informal food processing plants in developing countries, where workers are more likely to have unfavorable conditions of work than workers in more formal work settings, according to the ILO.<sup>73</sup>

Food processing work is one of the most hazardous sub-sectors in manufacturing. Hazards include extreme temperatures and noise, repetitive motions, and slips and falls.<sup>74</sup> Workers also operate heavy machinery that can be hazardous without adequate protective mechanisms. In 2012, workers in the food processing sector in the United States were injured at a greater rate than workers in manufacturing more broadly.<sup>75</sup> In New York City alone, a recent study found that over 40 percent of food processing workers had been injured on the job.<sup>76</sup> Additional examples include a Guatemalan migrant worker who died in 2011 after falling into an industrial dough mixer at a tortilla production plant in Brooklyn, New York<sup>77</sup> and in that same year, a worker died after being crushed in a hummus grinder in Massachusetts.<sup>78</sup>

### **Risks to Human Trafficking in this Sector:**

The United States Department of State’s 2014 *Trafficking in Persons Report* noted evidence of human trafficking in the agriculture sector in the following countries: Afghanistan, Angola, Argentina, Armenia, Australia, Austria, Barbados, Benin, Bolivia, Brazil, Bulgaria, Burma, Cabo Verde, Cambodia, Cameroon, Canada, Central African Republic, Chad, Chile, China, Colombia, Comoros, Costa Rica, Cote d’Ivoire, Croatia, Cyprus, Czech Republic, the Democratic Republic of the Congo, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Fiji, Finland, Georgia, Germany, Ghana, Greece, Guatemala, Guinea, Guinea-Bissau, Guyana, Hungary, Indonesia, Iran, Israel, Italy, Kazakhstan, Kenya, Libya, Madagascar, Malawi, Mali, Mexico, Mongolia, Mozambique, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, North Korea, Oman, Pakistan, Palau, Paraguay, Peru, Philippines, Portugal, Romania, Russia, Senegal, Sierra Leone, Slovakia, Somalia, South Africa, Spain, Sri Lanka, St. Vincent and the Grenadine, Syria, Swaziland, Switzerland, Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Uganda, Ukraine, United Kingdom, Uruguay, United States, Uzbekistan, Vietnam, Zambia, and Zimbabwe.<sup>79</sup>

### *Hazardous/Undesirable Work:*

According to the ILO, agriculture is one of the most hazardous sectors in the world, accounting for approximately half of all fatal accidents. The ILO notes that rates of accidents have stayed relatively

steady in agriculture, even as they have fallen in other fields. Further, because of the casual nature of much of the agricultural sector, actual rates are likely to be much higher due to a lack of monitoring and the fact that many accidents go unreported.<sup>80</sup> Although specific risks vary depending on the crop or sector, general risks include physically demanding work, exposure to extreme weather, carrying heavy loads, repetitive motions, use of dangerous tools and equipment, exposure to pesticides and agrochemicals, animal attacks, and working at heights. Because of the hazardous nature of some of the work in the agricultural sector, child labor in the sector sometimes falls under the worst forms of child labor. It is important to note that not all child work in agriculture constitutes child labor or worst form of child labor – this is particularly the case on farms where work is light, tasks are age-appropriate, and work does not interfere with educational opportunities. In many cases, light agricultural work is culturally viewed as an opportunity for the child to gain livelihood skills and contribute to the family’s food security. However, because of the hazardous nature of many agricultural tasks, the appropriateness of the task is critical.

Heatstroke is a leading cause of farmworker death. Farmworkers are at great risk for heatstroke and other heat-related illnesses because of the amount of time they spend in the direct sun, particularly during warmer months. Heavy clothing required for some jobs can exacerbate the problem. Further, many workers do not have access to potable water and are not afforded breaks or shade.<sup>81</sup>

Some risks are crop-specific, such as green tobacco sickness (GTS) in tobacco harvesting. GTS is a result of nicotine absorbed through the skin and can cause nausea, vomiting, headaches, muscle weakness, and dizziness.<sup>82</sup>

According to the Occupational Safety and Health Administration (OSHA), “the meat slaughtering, processing, and packaging industry has long been associated with a high rate of accidents, injuries, and illnesses.”<sup>83</sup> As described by Human Rights Watch, workers in these plants must work on lines that move far too quickly for worker safety. Repetitive motion injuries are particularly common. Workers may also be required to work long overtime hours, under threat of dismissal for refusing to do so.<sup>84</sup>

#### *Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

Due to the extent of smallholder farms in global agriculture, much of agricultural labor takes place in the informal economy, which tends to be less regulated. Even on commercial farms, agricultural labor is often excluded from labor protections afforded to other sectors.<sup>85</sup> Wages are often lower than in other sectors, and are often paid on a piece-rate or quota basis. Piece-rate wages (paid by volume, weight or number of product harvested) create a risk that workers will be paid extremely low wages, possibly under the legal minimum wage. Further, piece-rate wage structures create disincentives to take breaks, increasing the risk of heat-related illnesses. Quotas may lead to financial penalties for workers who fail to meet them. In the Liberian rubber sector, tappers are paid by production and have a quota of the number of trees they must tap per day. Those who do not reach the quota are subject to financial penalties. Additionally, wages may vary from month-to-month as paycheck deductions are made for food, school fees, and savings.<sup>86</sup> Both piece-rate and quota wage structures also encourage workers to use family labor or informal sub-contracted workers, including children.

The ILO estimates that 60 percent of all children engaged in child labor work in agriculture.<sup>87</sup> Most are unpaid family members working on family farms, although some also work alongside their parents in waged agricultural jobs or independently. There is a relatively low age of entry for child labor in agriculture, with some children starting as young as five- to seven-years-old. “Push” factors for child labor in agriculture include poverty, limited access to education, and “traditional attitudes towards children’s participation in agricultural activities.”<sup>88</sup> Children may be more likely to work on farms during peak labor periods, such as planting and harvesting.<sup>89</sup> When harvests overlap with the school year, children are likely to leave school at least temporarily. For example, in rice growing regions of Uganda,

up to 50 percent of children leave school for the harvest.<sup>90</sup> Children of migrant farmworkers, who are likely to work on farms themselves, may also be more likely to abandon their education early. Particularly when migrant families move following crop cycles, children do not have an opportunity to stay enrolled in school.<sup>91</sup> In some countries, including the United States, the legal minimum age for employment in the agricultural sector is lower than in other sectors. This reflects traditional attitudes that farm labor provides children with economic and social opportunity.<sup>92</sup>

Women produce half of the world's food and up to approximately 90 percent of staple crops, primarily as smallholder or subsistence farmers.<sup>93</sup> However, most women lack access to credit, inputs, markets, training, and tools.<sup>94</sup> Further, much of women's labor in agriculture is unpaid. In the case of family labor, even when a woman is responsible for the majority of the planning and labor, she may be required to cede control of the profits to her husband. As hired wage labor on larger farms, women may work towards their husbands' quotas or piece-rates, never receiving their own pay. Further, women in agriculture often face high levels of sexual abuse and harassment. In the United States, there have been documented cases of migrant farm workers facing high rates of abuse at the hands of farm labor contractors, who oversee workers' hours, wages and living arrangements. Often fear of retaliation or deportation strongly discourages women from reporting abuse.<sup>95</sup>

Smallholder farmers also face myriad challenges including lack of access to markets, lack of capital for input purchases, high marketing costs, and limited resources including labor and land.<sup>96</sup> Further, farmers face price volatility – particularly of commodity crop prices – and in some years, may operate on extremely slim, or even negative profit margins.<sup>97</sup> Some farmers may face increasing debt as they take out loans – possibly with disadvantageous terms – to finance their operations. The NYU School of Law Center for Human Rights and Global Justice describes how economic reforms and global market forces have led to sharply decreased profits for Indian cotton farmers. These farmers frequently finish a crop cycle without enough money to purchase inputs for the following year, leading them to take on increasing loans with high interest rates. This creates a cycle of debt.<sup>98</sup> Indebted farmers may be more likely to rely on unpaid family labor, including child labor.<sup>99</sup>

Vulnerability to forced and child labor can be linked to land rights and land share agreements. In Malawi, tobacco farming families make agreements with landowners whereby they receive a portion of the profit from the tobacco harvest in exchange for labor in growing and harvesting the crop.<sup>100</sup> Tenants are generally expected to pay for seeds and other expenses. Because this system rarely results in profit for the tenants, they remain in a situation of debt bondage.<sup>101</sup> In Pakistan, over 75 percent of land is owned by about five percent of farmers, leaving over one half of farmers landless.<sup>102</sup> Poor and landless farmers often work in sharecropping agreements and many are indebted to landowners, forcing them to work under debt bondage. In some cases, indebted landless farmers may be sold to other landowners.<sup>103</sup>

Subsistence farmers who have been forced off of their land by land grabs are especially vulnerable to becoming victims of labor exploitation and human trafficking. In the Guatemalan palm oil sector, Verité research found examples of subsistence farmers who sold their land due to coercion and deceit, including false promises of permanent jobs or rumors that their land would be flooded by a hydroelectric dam. These farmers became completely dependent upon the palm plantations for employment, as there were few other jobs in the area and they no longer had land on which to plant their own crops. Permanent jobs did not materialize in palm plantations and they were instead given temporary employment and paid sub-minimum wages. When they complained or protested, they were blacklisted. Therefore, these workers had to either tolerate the substandard conditions or move out of the areas in which they had grown up.<sup>104</sup>

In many cases, agricultural workers are housed and fed by their employers, who sometimes make excessive deductions from workers' wages for these services. Employer-provided housing and food are in many cases sub-standard, and workers generally have no other options available if they wish to continue

working on the farms. This also creates multiple levels of dependency on their employers, an indicator of labor trafficking. For example, Verité research in Guatemala revealed that most coffee sector workers lived in *galeras*, which are long buildings that generally have roofs but have dirt floors and sometimes lack doors.<sup>105</sup> In the palm oil sector, hundreds of workers are housed in each *galera* and are provided with cots or bunk beds that are located in close proximity to one another and lack privacy or access to safe places in which to store their possessions.<sup>106</sup> Verité interviewed 372 workers employed in Guatemala's coffee sector, 241 (64.8 percent) of whom reported that they lived in employer-provided housing and only one worker (0.3 percent) reported having alternative housing options. As almost two-thirds of workers depended upon their employer for housing, dismissal from their jobs would inherently mean the loss of shelter, even if eviction were not explicitly threatened. Of the 372 workers interviewed, 46 percent reported that their housing did not provide them with enough space, 34.1 percent reported the housing was unclean, 60 percent reported their housing was unsafe, and 96 percent reported their housing lacked a kitchen. In addition, 165 workers (44.4 percent of the 372 workers interviewed) reported that their employer had provided them with food, and 78 (21 percent) reported being charged for food. Seventy-nine percent of workers interviewed reported not having enough food to eat while they were working on coffee fincas.<sup>107</sup>

#### *Migrant Workforce:*

There is a high degree of migrant labor in agriculture. In economically developed countries, the migrant worker population tends to be composed of transnational migrants from poorer countries.<sup>108</sup> For example, the majority of migrant workers in the United States are from Latin American countries and migrant workers from sub-Saharan Africa work in agriculture in European countries.<sup>109</sup> In developing economy countries with higher rates of subsistence agriculture, there are lower rates of transnational migrants, but there are large numbers of internal migrants in the agricultural sector. Migrants may settle near a particular farm, “shuttle” between their home and worksite, or follow crop harvesting cycles from farm to farm.<sup>110</sup> In some cases, migrant workers may work in subsistence agriculture on their own land during part of the year, and migrate to larger farms or plantations during labor intensive harvesting seasons.

In the United States, migrant workers in agriculture come primarily from Mexico, Guatemala, and other Latin American countries. These migrant workers are employed in crop agriculture, animal husbandry, and meat processing. Migrant agricultural workers may enter the United States on a visa or they may be undocumented. Migrants may be provided with H-2A visas for most low-skilled agricultural work, but forestry workers may be employed under H-2B visas. The H-2 program is widely criticized by worker advocates for lacking adequate protections for work, health, and housing; legalizing the payment of subminimum wages; and – because workers are, for practical purposes, bound to work for one or more employers – entrapping workers at specified worksites for the duration of their stay in the United States.<sup>111</sup> Many H-2B visa holders face especially egregious violations, including in some cases, huge salary deductions. This in turn often makes it virtually impossible to pay back loans taken out to secure jobs, thereby perpetuating the cycle of debt bondage (see the [Guestworker Visas](#) pullout box for more information).<sup>112</sup> Because of the lack of protections, there have been cases of workers entering the United States on H-2B visas and then being forced to work in agriculture.

Undocumented workers are also vulnerable to human trafficking in agriculture in the United States. These workers, the vast majority of whom are from Latin America, are typically smuggled or trafficked over the border with Mexico by “coyotes,” who are, in some cases, also their labor brokers or employers. Because of their undocumented status, these workers are by nature more vulnerable to abusive labor practices and human trafficking. In some egregious cases, coyotes hold workers hostage either until their families pay additional money or until they provide a certain amount of labor.<sup>113</sup> Agricultural jobs, which are generally undesirable in the United States, may be the only viable livelihood option for these workers. A Human Rights Watch report on workers in meat processing quoted a worker who said “they have us under threat



all the time. They know most of us are undocumented – probably two-thirds. All they care about is getting bodies into the plant. My supervisor said they’ll call the INS if we make trouble.”<sup>114</sup>

Migrant workers in the United States working in agriculture tend to continue their movement once in the country. Most workers follow seasonal harvests in established “streams.” In the East, workers move from Florida to Ohio, New York and Maine. Workers in the Midwest travel a circuit of nearly every Midwestern state. The West stream begins in California and travels up the coast to Washington, and sometimes to North Dakota.<sup>115</sup>

The crop cycle timeline can increase the vulnerability of agricultural migrant workers to human trafficking. Farmers who hire migrant workers, whether international or domestic migrants, may not pay them until their crops are sold at harvest. This delayed payment limits workers’ ability to leave the worksite or job if the working conditions deteriorate. For example, some workers on coffee plantations in Guatemala are not paid until the end of the season. They are told that if they leave, or do not harvest adequate amounts of coffee beans, they will be denied their pay for the entire season.<sup>116</sup> These workers may be more likely to solicit loans from their employer or other money lenders to cover their living expenses, leaving them vulnerable to debt bondage.

Migration of entire families in the agricultural sector can also increase the risk of worst forms of child labor. For example, relatively wealthier countries with booming banana sectors, including the Dominican Republic and Costa Rica rely heavily on migrant workers from countries such as Nicaragua and Haiti. Child labor often occurs when children accompany their parents to plantations to supplement family income.<sup>117</sup> Migrant children may accompany their parents to the fields because they lack access to education. A 2010 Human Rights Watch report on the tobacco sector in Kazakhstan found that migrant families experienced indicators of labor trafficking such as document retention and withholding of wages. Children were also found to be harvesting tobacco with their parents in an effort to help their parents harvest enough tobacco to earn a reasonable end-of-season payment.<sup>118</sup> In West Africa, juveniles who migrate both independently and through brokers are engaged in trafficking in the cocoa and cotton sectors. In some cases, these children migrate within well established family or community “kinship” systems. Although the migration may be voluntary initially, juveniles may be exploited upon arrival, including in forced labor.

Agricultural worksites are often geographically remote, leading to the isolation of migrant workers, limiting their ability to leave the worksite or even to communicate with the outside world. This isolation is compounded via document retention and the threat of deportation. In the sugar sector of the Dominican Republic, for example, instances have been found in which Haitian workers were physically confined to sugar plantations, sometimes under armed guard, and their migrant worker identity cards were retained, leaving them unable to leave the plantation.<sup>119</sup> A lack of documentation, support systems, and local language skills result in another level of social isolation of migrant workers and make it difficult for them to file complaints if their rights are violated.

Internal Verité research has found that migrant workers at industrial meat production and processing facilities in developing countries face similar risks to workers in other types of factory settings in that country. If a country’s factory workforce is heavily dependent on migrants (either international or domestic workers), those workers are likely to be heavily represented in the industrial farm sector. For example, at industrial farms in Malaysia, migrant workers face risks of human trafficking indicators similar to workers at other factories in the country.

*Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chain:*

Labor recruiters play a variety of roles in agriculture, and labor in the agricultural sector is increasingly subcontracted.<sup>120</sup> The mechanisms of broker-induced labor trafficking vary depending on countries and

contexts. In the Indian sugar sector, migrant workers in the state of Tamil Nadu are recruited by labor brokers who provide advances for transportation and living expenses, to be repaid at the end of the harvest season. However, due to high quotas as well as the disparity in power and information between brokers and workers, workers often end the season in debt.<sup>121</sup> In the Guatemalan palm oil sector, workers are recruited from impoverished rural areas through labor contractors. The contractors deceive workers about conditions of work, and charge workers fees of up to 20 percent of their pay.<sup>122</sup> In Malaysia, workers from Southeast Asia recruited by labor brokers are reportedly trafficked to work on palm oil plantations.<sup>123</sup>

Labor “cooperatives” sometimes act as employment agencies.<sup>124</sup> These are not cooperatives in the traditional sense, in which small and medium enterprises jointly maximize their marketing potential. Instead, these worker cooperatives recruit workers into a larger labor pool and contract this labor out to plantations or other employers.<sup>125</sup> In these cases, the cooperative functions similarly to an employment agency or labor recruiter. The worker’s employment relationship is with the cooperative, rather than the plantation. These cooperatives are prevalent in certain industries in Colombia and the Philippines.<sup>126</sup>

In some cases, labor intermediaries in the agricultural sector are highly informal – particularly for children. A study of child workers in the cocoa sector found that of children recruited by an intermediary, 94 percent in Cote d’Ivoire knew the recruiting intermediary personally, as the intermediary often has connections to the child’s home village.<sup>127</sup>

In the United States, farm labor contractors or “crew leaders” provide labor to farmers. Various types of contractors provide an estimated 75 percent of farm labor in California.<sup>128</sup> Some labor contractors work for large formal operations and have their own subcontractors, while others are individuals operating independently. Some labor contractors manage workers on site and provide housing and transportation. The presence of these labor contractors creates a barrier between farmers and the workers on their farms, leaving workers vulnerable to sub-minimum wages, high deductions, and unsafe housing and transportation. Even when employers pay labor contractors above the minimum wage per each worker employed, these payments are often not passed onto workers by the labor contractors, who make excessive deductions for transportation, housing, food, and other services. There have also been cases in which labor contractors have threatened and beaten workers who have tried to leave their employment.<sup>129</sup>

#### *Long, Complex, and/or Non-Transparent Supply Chains:*

There are many permutations of agricultural supply chains. Some are relatively short and transparent. Some fruit/vegetable products, for example, may be harvested, packaged, and then distributed to retailers. This is more likely to be true for “whole” products (e.g., apples). Where agricultural products are used as ingredients in processed food products, more processing steps are involved, and materials from many different suppliers are likely to be combined at the processing level. Actors involved in the supply chain from agricultural raw material to food or beverage product include:<sup>130</sup>

- Supplier: provides materials to another company. May include producer, co-manufacturer, repacker.
- Brokers: facilitate transactions between buyers and sellers. May purchase goods from producers or other brokers and sell to processors.
- Manufacturer: Produces finished products and owns the brand name, processes and product specifications.
- Co-manufacturer: transforms food product, but does not own brand name. Supplies finished goods on contract agreement.
- Distribution channel: chain of intermediaries passing the product along the chain before it reaches end-user.
- Distributor: A company or individual arranging for transfer of goods, but who does not produce goods.

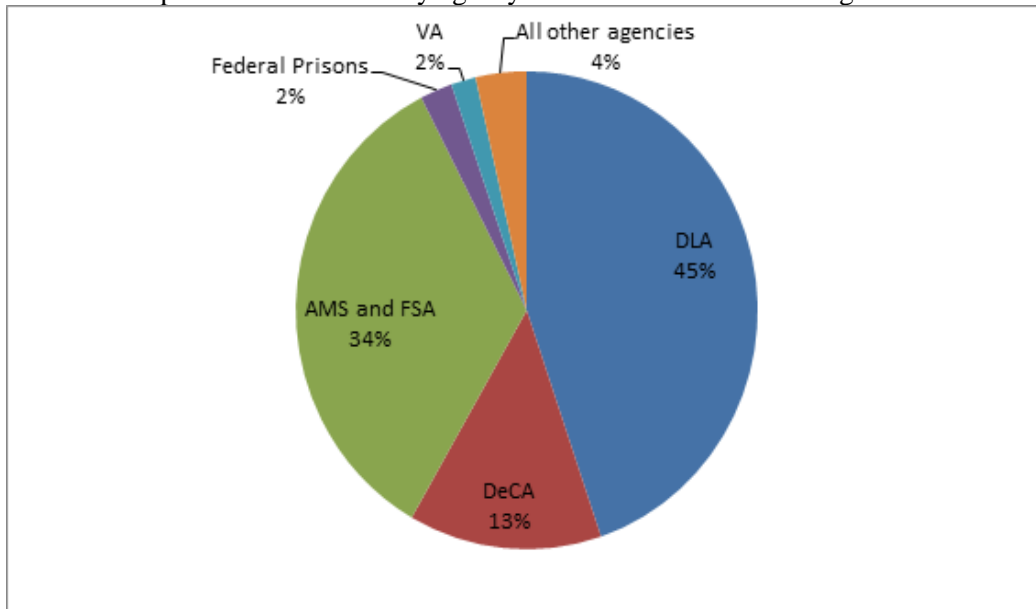
- Re-packer: Re-packs products manufactured elsewhere.
- Shipper: transports products. Shipper may or may not be manufacturer, is often a third party. Shipper may also be separate from the transporter.

The involvement of each type of actor can further obscure an ingredient’s origins, leaving the end-user with little visibility into working conditions.

**Federal Procurement in the Agriculture Sector:<sup>2</sup>**

Agricultural goods and processed foods derived from them are procured by a number of federal agencies. The largest spender is the Defense Logistics Agency (DLA), which buys nearly all subsistence provisions for the nation’s armed forces. The DLA is joined by the Defense Commissary Agency (DeCA), which purchases food to stock the military commissaries. The other principal spenders in this sector are the USDA’s Agricultural Marketing Service and Farm Service Agency (AMS and FSA), which purchase bulk foodstuffs through their commodity and dairy price support programs. Agricultural and dairy products bought through these programs are then channeled into a variety of federal domestic feeding initiatives, including the National School Lunch and Breakfast Programs, Supplemental Nutrition for Women, Infants, and Children (WIC), the Commodity Supplemental Food Program (CSFP), the Food Distribution Program on Indian Reservations (FDPIR), the Emergency Food Assistance Program (TEFAP), and the Disaster Assistance Program. They are also distributed to foreign countries through USAID, the World Food Program, private voluntary agencies, and bilateral government transfers. Agricultural commodities and processed foods are additionally purchased by the Federal Prison System and the Veterans Administration. Other agencies, such as the Federal Emergency Management Authority (FEMA) and US Immigration and Customs Enforcement (ICE) also purchase foodstuffs at smaller levels. In FY2013, the United States Government spent \$6.783 billion on subsistence (PSC 89%). Of this, \$2.484 billion was spent overseas, almost entirely by DLA and DeCA. Contracts greater than \$500,000 amounted to \$598 million. Many recurring overseas food contracts fell just below the \$500,000 threshold for EO scrutiny, with another \$314 million spent overseas on purchases in the \$480-500,000 range.

The FY2013 federal spend on subsistence by agency is reflected in the following chart:



<sup>2</sup>All federal procurement data is drawn from the [Federal Procurement Data System](http://www.fedprocurement.gov). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

Source: Federal Procurement Data System. <https://www.fpds.gov/>

Food procurement by United States federal agencies is relatively consolidated, with most big purchases made through a fairly small number of major contractors. This is particularly true overseas, where a single Swiss company, Supreme Foodservice, provides 82 percent (\$2.03 billion in FY2013) of all food purchased by the US abroad. In the US, contracts from the Defense Commissary Agency in excess of \$1 million went to only ten companies in FY2013, with Tyson Fresh Meats leading the pack. Grains and other foodstuffs for the Farm Service Agency's commodity operations are sourced from similarly large agriculture corporations, including Cargill, Archer Daniels Midland, and Conagra Foods.

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# Construction

*This report covers labor on construction sites. For information on the human trafficking risks associated with particular construction materials, see the [Forestry](#) sector report and the forthcoming commodity reports: [Bricks](#), [Copper](#), [Granite and Other Stone](#), [Gravel and Crushed Stone](#), [Lead](#), [Steel](#), and [Titanium](#).*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Construction Sector:**

The construction sector covers a wide variety of economic activity, including the building, maintenance, demolition, renovation and repair of structures including houses, industrial facilities, airports, roads, bridges, and stadiums.<sup>131</sup> Enterprises within the construction sector can include self-employed individuals, labor contractors, materials suppliers and international engineering firms.<sup>132</sup> Wood, brick, nails and power tools are some of the many materials and tools used on construction sites.

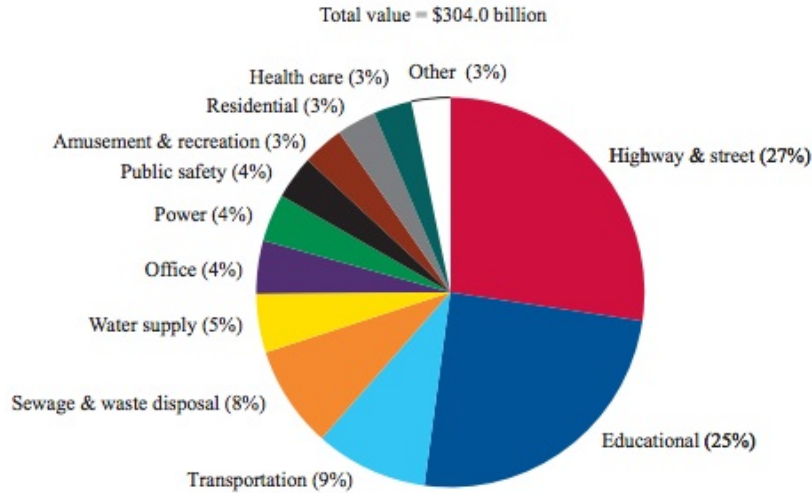
### *Economy:*

Construction is one of the largest industrial sectors in the world, and it accounts for more than 11 percent of global GDP.<sup>133</sup> Growth in this sector outpaces global GDP<sup>134</sup> and is among the fastest growing labor markets in developing countries.<sup>135</sup> A recent report published by Global Construction Perspectives and Oxford Economics predicted that by 2025, construction output would grow by more than 70 percent to \$15 trillion globally.<sup>136</sup> The same report found that countries expected to experience the most growth in this sector include China, India, Russia, Brazil, Poland, and the United States,<sup>137</sup> with China, India, and the United States accounting for almost 60 percent of global growth.<sup>138</sup> In 2010 China overtook the United States as the biggest construction market.<sup>139</sup> In Europe, it is forecasted that the construction market will shrink by five percent from 2007 to 2025.<sup>140</sup>

In 2006 the construction sector accounted for nine percent of the United States GDP, with spending amounting to \$1.1 trillion.<sup>141</sup> In 2010 the construction sector accounted for 3.5 percent of the total GDP in the United States. This reflects a decline in construction activity since a peak in 2006 when the industry contributed over five percent to national GDP. Total spending in 2010 amounted to \$804.6 billion, a 31 percent decrease from 2006. More money is spent on private construction than public construction, although private construction experienced a much more dramatic decrease in spending after 2006, while public construction only experienced a minor decline. Construction on highways and streets made up the largest share of public spending on construction, with construction of educational facilities making up the second largest.<sup>142</sup>



**Share of dollar value of public sector construction, by type, 2010**



Source: CPWR – The Center for Construction Research and Training. *The Construction Chart Book*. 2013  
<http://www.cpwr.com/sites/default/files/publications/5th%20Edition%20Chart%20Book%20Final.pdf>

There were over 3.3 million construction firms in the United States in 2010. Approximately three-quarters of these enterprises were non-employer firms, owned and operated by one individual with no payroll, people likely working either as freelance individual contractors or reliant on subcontractors for additional labor. Of the construction establishments with multiple employees, about 80 percent employed less than 10 workers.<sup>143</sup> The low rate of directly-hired employees indicate that the use of temporary workers and day laborers is likely widespread in the industry.

*Workforce:*

The United States Bureau of Labor Statistics divides the construction sector into three subsectors: Construction of Buildings, Heavy and Civil Engineering Construction, and Specialty Trade Contractors. Construction laborers make up the largest occupation within the sector, with 667,680 employed in the United States as of 2013. In addition, 484,280 work as carpenters, 403,210 work as electricians, 208,870 work as operating engineers and other construction equipment operators, and 169,660 are employed as construction managers.<sup>144</sup> Construction laborers – as discussed below – tend to be at higher risk for trafficking and labor exploitation due to intersecting points of vulnerability: there are low barriers of entry to gain employment, the work is low-waged, laborers are disproportionately migrant workers, and the work is hazardous.

The most recent estimates from the United States Bureau of Labor Statistics drawing from surveys of business establishments show that 6,166,000 workers were employed in the construction sector as of December 2014.<sup>145</sup> Results from the 2013 Current Population Survey, which include individuals who are self-employed, show the number of people employed in the construction sector in the United States to be 9,271,000.<sup>146</sup> There are several reasons for the differences between these total employment numbers, potentially including the prevalence of self-employed laborers in the construction industry. Self-employed workers do not enjoy the same legal protections and job security as those employed directly by firms, making them more vulnerable to human trafficking and exploitation. The prevalence of self-employed workers, coupled with the high number of construction firms with very few employees on their payroll, is also evidence that many firms rely on temporary workers or day laborers.

According to the Current Population Survey, women account for 9.1 percent of the total construction workforce. Hispanic or Latino workers make up 25.5 percent of the construction workforce.<sup>147</sup>

### **Risks to Human Trafficking in this Sector:**

The United States Department of State's 2014 *Trafficking in Persons Report* noted evidence of human trafficking in the construction sector in the following countries: Angola, Aruba, Australia, Austria, Azerbaijan, Barbados, Belarus, Belgium, Benin, Brazil, Cameroon, Canada, Chile, Costa Rica, Cote d'Ivoire, Curacao, Cyprus, Czech Republic, Dominican Republic, Egypt, El Salvador, Eritrea, Equatorial Guinea, Estonia, Ethiopia, Finland, Georgia, Germany, Haiti, India, Iran, Iraq, Italy, Israel, Jordan, Kazakhstan, Kuwait, Kyrgyz Republic (Kyrgyzstan), Laos, Libya, Luxembourg, Malaysia, Maldives, Mauritius, Mexico, Mongolia, Morocco, Namibia, Netherlands, Norway, Pakistan, Panama, Qatar, Russia, St Maarten, Seychelles, Slovakia, Slovenia, Somalia, South Sudan, Spain, Suriname, Sweden, Switzerland, Turkmenistan, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uzbekistan, Zambia, and Zimbabwe.<sup>148</sup>

#### *Hazardous/Undesirable Work:*

The ILO defines construction as one of the most hazardous sectors for workers. Construction workers perform extremely physical work; typical tasks can include hauling heavy loads, stacking materials, using hand tools, and operating specialized equipment. Work is often performed outdoors and workers can be exposed to adverse weather conditions. Construction sites can be dangerous; laborers often work at heights and are exposed to dusts, vapor, asbestos, and other chemicals that may be harmful to their health and safety.<sup>149</sup>

Every year at least 108,000 workers are killed on construction work sites worldwide. About 30 percent of all occupational fatal injuries occur in the construction sector. In developed countries, a construction worker is three to four times more likely to die on the job than workers in other sectors, while in developing countries, this likelihood increases to three to six times more likely.<sup>150</sup> According to the United States Bureau of Labor Statistics, 824 fatalities occurred in the construction sector in the United States in 2013.<sup>151</sup> The four most common causes of death in the construction industry between the years of 1992 and 2010 were falls from heights, roadside incidents, contact with electric current, and being hit by an object. These types of incidents accounted for more than 65 percent of construction fatalities.<sup>152</sup>

Numerous reports on the abuses of construction workers building facilities and stadiums for the 2022 World Cup in Qatar have highlighted the hazardous nature of the work. In fall 2013, the British newspaper the *Guardian* reported that Nepalese workers had died at the rate of almost one person a day during the previous summer, more than half from "heart attacks, heart failure or workplace accidents."<sup>153</sup> Human trafficking in construction for the World Cup in Qatar will be discussed in more detail below.

#### *Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

According to the ILO, construction is one of the primary sectors in which workers are highly vulnerable to human trafficking.<sup>154</sup> Because there are no formal training requirements for construction laborers, these low-skilled jobs are paid lower wages than more high-skilled construction sector jobs such as plumbers, electricians, and engineers.<sup>155</sup> These workers can be intimidated by the fact that should they express grievances, they can be quickly replaced.

Temporary or casual workers, including day-laborers, are a particularly vulnerable group. Incomes of temporary construction workers can be highly variable and seasonal. Temporary workers are "at-will" employees, and can be let go at any time, which discourages any expression of grievance. Economic insecurity may encourage them to accept poor working conditions such as forced overtime, abuse or harassment by supervisors. A report on day-laborers in North Carolina found that wage-theft is commonplace.<sup>156</sup>

In some cases, trafficking in construction has been associated with state governments. The Burmese military, known as the *Tatmadaw*, has forced civilians, many of whom are ethnic minorities, to work on state infrastructure projects in Burma.<sup>157</sup> According to numerous reports, the *Tatmadaw* has forced local villagers throughout Burma to work on the construction of roads, bridges, military facilities, and other state infrastructure projects. In 2008, it was reported that the *Tatmadaw* utilized information collected on state registration documents on the number of habitants living in households to determine how many people from whom labor could be demanded. They then took people from their local villages under the threat of fines, and made them work without remuneration.<sup>158</sup> While reports of trafficking have decreased following the end of outright military rule and the creation of a forced labor complaint mechanism in cooperation with the ILO, cases continue to be reported, largely in the Karen state.<sup>159</sup>

Children are involved in construction in countries including Guatemala, Haiti, Bhutan, Brazil, Somalia, Rwanda, and Honduras.<sup>160</sup> Because of the hazardous nature of tasks, children's participation in the construction sector is generally a worst form of child labor. Children in the construction sector are engaged in heights, carry heavy loads, and use dangerous machinery.

#### *Migrant Workforce:*

Migrant workers make up a significant proportion of the workforce on most construction sites and are particularly vulnerable to labor exploitation and human trafficking. Migrant workers often work informally and they suffer from the risks that many low-skilled migrant workers face, including low wages and the lack of social and/or legal protections. Lack of visa portability, confiscation of passports, and high recruitment fees are some of the numerous risks that make migrant construction workers highly vulnerable to human trafficking.

According to data published by the Pew Research Center, 22.6 percent of laborers in the construction sector in the United States are foreign-born, with more than half of those workers coming from Mexico. Other migrant construction workers are mostly from Central America, the Caribbean and Southeast Asia.<sup>161</sup> According to a report published by the Workers Defense Project approximately 14 percent of construction workers in the United States are undocumented.<sup>162</sup> This figure varies by region and task performed. Undocumented workers make up an estimated 30 percent of insulation workers, roofers and drywall installers. Local workers tend to hold managerial positions, while migrant workers make up a larger portion of those performing direct labor.<sup>163</sup> In a study that looked at labor trafficking among migrant laborers in San Diego, among all of the sectors studied, human trafficking violations and abusive labor practices were found to be most prevalent in the construction sector, at rates of 35 percent and 63 percent respectively.<sup>164</sup>

Undocumented migrant workers in the United States, including construction workers, may also be indebted to smugglers. Day-labor construction positions working for subcontractors may be the only option these workers have to pay back their debt. This creates an environment rife with intimidation, as workers fear that raising any grievance will result in being blacklisted and unable to pay back debts. Workers who are delinquent in repaying their debt to smugglers – and the organized crime syndicates they may be associated with – risk violent retribution.<sup>165</sup>

Migrant workers are at risk of trafficking in the construction sector throughout the world. Cases of human trafficking of migrant laborers in the construction sector have also been reported in Europe and South America.<sup>166</sup> The rapidly growing economies in the Middle East have led to construction and development of infrastructure that is largely dependent on short-term labor migration, mostly from Asia and Africa.<sup>167</sup>

According to the Department of State's 2013 *Trafficking in Persons Report*, migrant workers from India, Bangladesh, Nepal, and Pakistan often pay extremely high recruitment fees to recruiters in order to get

jobs in the construction sector in Gulf countries. Upon arrival, workers find themselves in situations of debt bondage; working conditions are worse than they have been led to believe, but they have no choice but to work to repay their recruitment debt. Visa sponsorship systems in many of the Gulf States tie workers directly to their employers, meaning that if they wish to leave their employer they lose their legal status, leaving them vulnerable to retribution levied by governments that treat them as undocumented immigrants.<sup>168</sup>

Construction for large special events often requires hurried recruitment of workers to meet deadlines. This can lead to quick recruitment – and subsequent exploitation – of migrant workers. Migrants from Serbia and Bosnia were recruited to work on construction for the 2014 winter Olympics in Sochi, Russia. Many workers reported that were promised a wage of EUR 1,500 monthly, but were instead paid EUR 250 for months of work. Because these workers had entered the country on 30 day tourist visas, they were considered illegal when their visas ran out.<sup>169</sup>

### **Labor Abuse in Construction of Facilities for the World Cup**

An investigation into the working conditions in Qatar during preparations for the 2022 World Cup has found evidence of severe abuse of migrant laborers and indicators of human trafficking. The investigation focused on Nepalese migrant workers on construction worksites in Qatar. In Qatar, more than 90 percent of workers are migrant laborers, 40 percent of whom are from Nepal. The workers are recruited to help build stadiums, roads, ports and hotels all for the upcoming World Cup.<sup>1</sup> Workers reported not having been paid for months, their wages withheld to stop them from running away. They reported that employers had confiscated their passports and failed to provide them with ID cards, leaving them without proper documentation and in a precarious legal status. Conditions on the worksites were dismal: workers were denied access to free drinking water and living conditions were described as “repulsive,” with sometimes 12 men sleeping in a room. Almost all migrant workers also had significant debts accrued during the recruitment process and reported paying extremely high interest rates, some as high as 36 percent.<sup>1</sup> As many as 1.5 million more laborers are expected to be recruited to help build facilities for the tournament.<sup>1</sup>

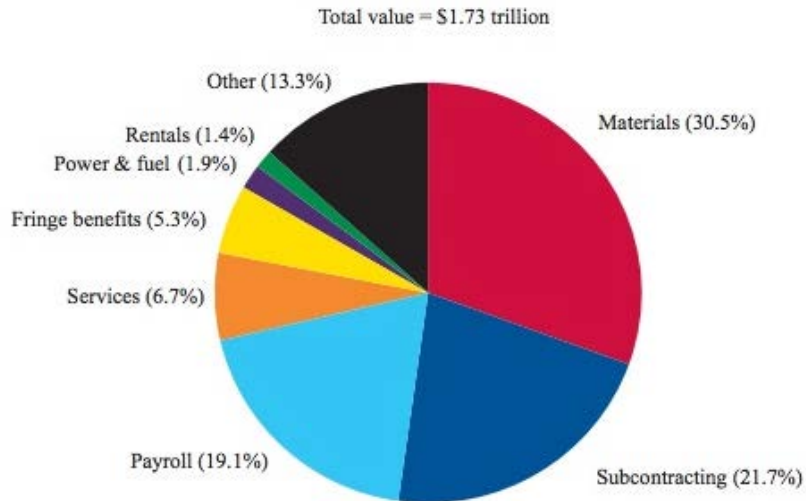
Migrant workers in Qatar work under the *kafala* sponsorship system, which has been widely criticized; the ILO Committee of Experts has stated that the *kafala* system “may be conducive to the exaction of forced labour.”<sup>1</sup> Under the *kafala* system, the migrant laborer is legally bound to their sponsor (*kafeel*). As a result their labor mobility is significantly restricted; the sponsor maintains the ability to dictate the recruitment process and working conditions and workers are unable to legally change employers without the permission of their sponsor.<sup>1</sup> In April 2014, the United Nations called for Qatar to abolish the *kafala* system.<sup>1</sup>

Similar cases of extreme exploitation and human trafficking have been documented throughout the Middle East where the *kafala* system is in place, particularly in the UAE.<sup>1</sup>

#### *Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chain:*

Subcontracting accounted for 21.7 percent of the total value of business done by construction firms in the United States in 2007. This was the second largest expense category for construction firms after materials, which accounted for nearly 30.5 percent of the total value of business done.<sup>170</sup>

**Where construction dollar value goes, 2007 (Payroll establishments)**

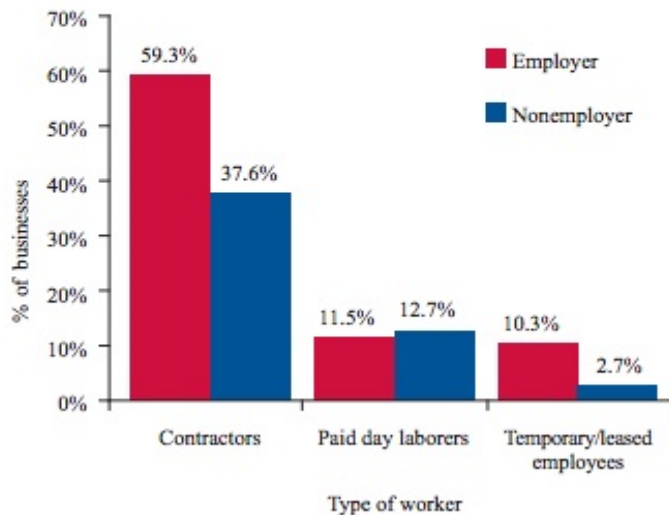


Source: CPWR – The Center for Construction Research and Training. *The Construction Chart Book*. 2013.  
<http://www.cpwr.com/sites/default/files/publications/5th%20Edition%20Chart%20Book%20Final.pdf>

Work performed by subcontractors makes up a significant portion of the work produced in the construction sector. For example, 48 percent of the Nonresidential Building Construction work was done by subcontractors.<sup>171</sup>

Construction firms employ a variety of types of workers. In the United States the use of contractors, subcontractors, or third-party consultants is common among both employer firms (59.3 percent) and non-employer firms (nearly 37.6 percent).<sup>172</sup>

**Types of workers in construction businesses, employer vs. nonemployer, 2007**



Source: CPWR – The Center for Construction Research and Training. *The Construction Chart Book*. 2013.

Labor practices in the construction sector are characterized by the widespread use of contractors and subcontractors to complete jobs. Production work is often subcontracted to specialty trade contractors that perform specialized tasks.<sup>173</sup> As discussed above, the majority of construction firms employ fewer than ten employees,<sup>174</sup> and approximately three million construction workers in the United States are self-employed.<sup>175</sup> This suggests many employment relationships in the construction industry are often informal, part-time or temporary. Instead of permanent workers, these sub-contracted firms often hire temporary workers, on a project-by-project basis. Because these workers are temporary, they often lack financial security, leaving them more likely to accept more dangerous conditions and worse conditions of work.<sup>176</sup>

In a case filed in 2008, over 500 Indian migrant workers were reportedly trafficked into the United States to work repairing ships and offshore oil drilling rigs as part of the reconstruction following Hurricane Katrina. They were allegedly trafficked by a large company, Signal International LLC that used a network of recruiters and labor brokers. Workers allegedly paid extremely high recruitment fees – up to \$20,000 – and went into debt to pay recruiters for migration documents. Once workers arrived in the US their recruiters confiscated their identity documents. Workers were deceived about the living conditions provided by their employers, and instead slept 24 people in a trailer, housing that did not meet basic health and safety standards. Signal deducted money from each worker’s paycheck to pay for the degrading housing and “disgusting” food that was provided. Workers were also made to work under the threat of legal and physical harm. In 2007, after some workers met with attorneys to learn about their rights, Signal fired the workers and deported them in retaliation.<sup>177</sup>

In another case in Germany, Romanian workers recruited through employment agencies were promised employment contracts with a German construction company. Upon arrival, they discovered that they were actually classified as independent contractors working on behalf of a larger construction company, but without any formal employment relationship. The migrant laborers worked for months without receiving any payment, and thus had no means to return home. The construction company denied any responsibility for the workers, as they were “independent contractors.”<sup>178</sup>

Although human trafficking has been outlawed on United States military bases, as recently as March 2014, investigations found evidence that workers recruited by agents of third-party subcontractors were at risk of being trafficked (see the [Federal Procurement of Large Logistics Management Contracts](#) pullout box for more information).

### **Federal Procurement in the Construction Sector:<sup>3</sup>**

Virtually all federal agencies engage in at least some construction. Federal building projects include construction and expansion or renovation of permanent facilities such as office buildings, schools, hospitals, airports, research facilities, prisons, embassies, and military bases, and also construction of temporary military and relief operation encampments. Many federal agencies undertake infrastructure construction projects like roads, bridges, dams, ports, canals, and airfields as well.

Construction procured overseas may also be embedded within umbrella logistics contracts, so totals for spending directly on construction contracts should be taken as a low estimate of total United States

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<sup>3</sup>All federal procurement data is drawn from the [Federal Procurement Data System](#). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

spending in this sector (see the [Federal Procurement of Large Logistics Management Contracts](#) pullout box for more information).

In FY2013, the United States Government spent \$19.71 billion directly on construction contracts (PSC Y%). Of these, \$4.34 billion were performed overseas, nearly all of which (\$4.11 billion) were larger than \$500,000, making them subject to additional requirements under the EO, such as developing compliance plans. Large overseas contracts primarily went to major international construction companies such as Caddell Construction and Contrack International, although there is quite a lot of diversity in contractors even at that level. In the US, contracts were widely distributed throughout congressional districts, and typically awarded to local construction firms.

Supply of construction materials is often embedded within top-level construction contracts; there appears to be relatively little direct procurement of building supplies. In 2013, the Federal Spend included \$454 million in direct spending on prefabricated structures and scaffolding (PSC 54%), lumber (PSC 55%), and other building materials (PSC 56%). \$68 million was spent on the direct purchase of gravel, concrete, bricks, and stone (PSC 5610 and 5620), \$9 million of which was sourced from Afghanistan, a country listed by the United States Department of Labor as having forced labor and child labor in the brick industry.

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<sup>131</sup> International Labour Organization (ILO). *Construction: a hazardous work*. 2009.

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<sup>137</sup> Schilling, David Russell. “Global Construction Expected to Increase by \$4.8 Trillion by 2020”. *Industry Tap*.

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<sup>141</sup> US Environmental Protection Agency (EPA). *Construction*. updated 2011.

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<sup>144</sup> US Department of Labor, Bureau of Labor Statistics. *Industries at a Glance: Construction*

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# Electronics and Electrical Products Manufacturing

*This report covers labor performed while manufacturing electronic and electrical products. For information on the human trafficking risks associated with the production of the materials used in electronics and electrical products, see the [Extractives/Mining and Basic Metal Production](#) sector report and the forthcoming commodity reports: [Aluminum](#), [Coltan, Tungsten and Tin](#), [Copper](#), [Gold](#), [Rare Earth Metals \(REMs\)](#), and [Titanium](#).*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Electronics and Electrical Products Manufacturing Sector:**

The United States Department of Labor's Bureau of Labor Statistics classifies the manufacture of electronics and electrical products into two subsectors: 1) Computer and Electronic Product Manufacturing, and 2) Electrical Equipment, Appliance, and Component Manufacturing. Products manufactured under the Computer and Electronic Product classification include computer and peripheral equipment; communications equipment; audio and video equipment; semiconductor and other electronic components; navigational, measuring, electromedical, and control instruments; and magnetic and optical media. Products manufactured under the Electrical Equipment, Appliance, and Component classification include electrical lighting equipment such as lamp bulbs and lighting fixtures; household appliances; electrical equipment such as electric motors, generators, transformers, and switchgear apparatuses; and other electrical equipment and components such as batteries, insulated wire, electrical outlets, fuse boxes, and light switches.

Electronic and electrical products are manufactured using a wide array of metals and minerals, including copper, aluminum, titanium, and gold. Plastics made from petroleum products and other chemicals are also used.

### *Economy:*

The global electronics industry has been growing steadily, with a projected yearly growth rate of seven percent between 2013 and 2015.<sup>179</sup> Market growth continues to be strong in Europe and North America, although in recent years the Asia Pacific region has seen an increase in market demand as rising incomes fuel consumer spending on computers, phones, and appliances. Although many major brands continue to originate in the United States, Japan, and other developed countries, the actual production of most electronic and electrical products has increasingly shifted to developing and middle income countries, largely in Asia and Southeast Asia, as a result of a trend toward offshoring to lower labor costs and to gain other efficiencies. Since 2004, China has been the largest producer and largest exporter of electronic goods.<sup>180</sup>

In recent years, electronics has been one of the fastest growing subsectors within the manufacturing sector in the United States, accounting for more than 15 percent of manufacturing GDP and ten percent of all employment in the overall manufacturing sector.<sup>181</sup> United States exports of computer and electronics products increased 493 percent from 1983 to 2005.<sup>182</sup> The computer and electronic sector was cited by the International Monetary Fund as one of the three main subsectors in the United States that is responsible

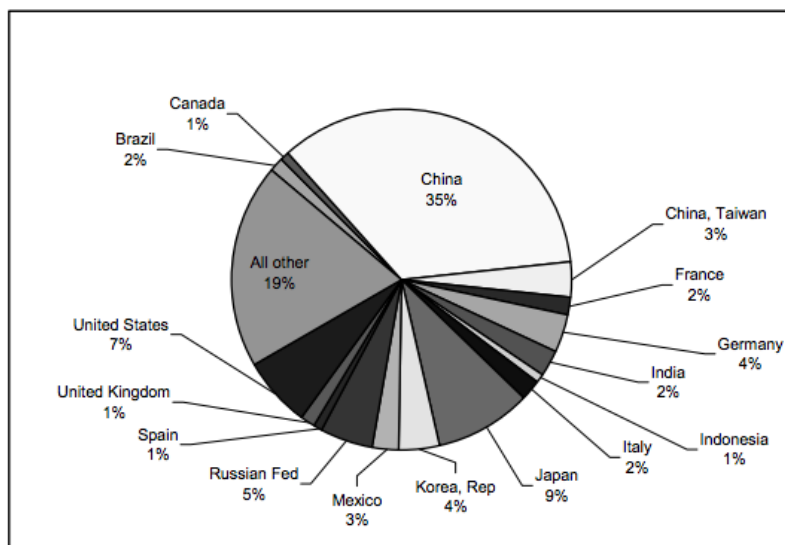
for the rebound in durable manufacturing after the recent economic crisis.<sup>183</sup> Nevertheless, the United States electronic sector has experienced significant deflation as rapid productivity gains and advances in innovation improve product quality and international competition drives down prices. Prices for computer and electronic goods have declined 92.3 percent in the 15 years leading up to 2010. Prices continue to decline at a rate of 16 percent each year.<sup>184</sup>

*Workforce:*

Occupations in the Electronics and Electrical Goods manufacturing sub-sector include skilled positions such as appliance engineers, computer hardware engineers, and computer software engineers; semi-skilled positions, such as electrical and electronic engineering technicians, trouble-shooters, inspectors, and machine operators; and low-skilled jobs such as parts fabricators, surface treaters, assemblers, sorters, recyclers, packers, and loaders.<sup>185</sup>

According to the United States Department of Labor Bureau of Statistics, 1,431,400 people were employed in this sector in the United States in December 2014.<sup>186</sup> During the 4<sup>th</sup> quarter of 2013, 18,846 private establishments were reportedly operating.<sup>187</sup> The electronics and electrical manufacturing sector is an increasingly globalized sector, employing approximately 18 million people worldwide.<sup>188</sup>

Global distribution of employment in the electrical and electronic products manufacturing industries (2004)



Source: International Labour Organization (ILO). *The production of electronic components for the IT industries: Changing labour force requirements in a global economy.* April 16 2007. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_dialogue/---sector/documents/meetingdocument/wcms\\_161665.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/meetingdocument/wcms_161665.pdf)

Data from 2004 show that while over 100 countries employed at least 100 workers in this sector, the top 50 countries employed 98.8 percent of all workers in this sector. Employment was largely concentrated in Asia, with a significant number of workers employed in China (35 percent), Japan (nine percent), Korean Republic (four percent), and Taiwan (three percent).<sup>189</sup> More recent data from the UN Commodities Trading database show that the top countries exporting electrical and electronics in 2013 were China, the United States, Germany, South Korea, Singapore, Japan, Mexico, and Malaysia.<sup>190</sup> High value-adding labor in this sector is concentrated in advanced economies, however, with brands such as Apple and Hewlett-Packard in the United States, Fujitsu, Hitachi, and Toshiba in Japan, and Ericsson, Nokia, Philips, and Siemens in Europe accounting for 70 percent of global value added in 2010.<sup>191</sup> Lower value-

adding, labor-intensive aspects of production in this sector increasingly take place in less advanced economies with significant low-skilled workforces and lower labor costs, and it is in these contexts that the sector experiences heightened risk of human trafficking.

The low-skilled electronics and electrical goods workforce is dominated by women and migrants, both internal and international. The percentage of the electronics manufacturing workforce made up by women varies widely depending on the country, with a range of five to 87 percent.<sup>192</sup> In Western Europe and North America, women account for 25-35 percent of the workforce, while the workforce in the emerging economies in Asia is generally more than 50 percent women.<sup>193</sup> In China, much electronics and electrical manufacturing is done by young women who migrate to urban areas temporarily to earn money before marriage.<sup>194</sup> In regional manufacturing hubs like Malaysia, many electronics workers are migrants from other poorer Southeast Asian countries like Nepal, Burma, Vietnam, and Indonesia.<sup>195</sup> Workers also flow in substantial numbers from China, South Asia, Southeast Asia, and sometimes Eastern Europe into manufacturing hubs like Singapore, Taiwan, and Japan.

### **Risks to Human Trafficking in this Sector:**

#### *Hazardous/Undesirable Work:*

Low-skilled work in the electronics industry can be hazardous to the health of workers because of long working hours, risk of repetitive motion injuries, prolonged use of small-motor skills, exposure to extreme temperatures and hazardous chemicals, use of dangerous machinery, and, in some cases, heavy lifting.

The rapid development of new products and the short product life cycles of many popular goods in this sector mean that dramatic surges in demand are frequent occurrences. In an effort to meet urgent production deadlines, suppliers and factory managers often impose long hours on workers, sometimes in excess of legal overtime limits. There have been many accounts of managers forcing electronics workers to work overtime even when they do not wish to, and overtime hours are not always compensated at appropriately increased wage rates, a form of wage theft. Overtime work can increase worker fatigue, and consequently raise the likelihood of accidents in the workplace, as well as workers' vulnerability to illness.<sup>196</sup>

Exposure to hazardous chemicals can be a particular risk for workers in the electronics and electrical manufacturing sector. Research shows that workers are not often provided with proper personal protection equipment in facilities where they are handling dangerous substances.<sup>197</sup> Exposure to hazardous chemicals can result in a variety of negative health effects including cancer, respiratory problems, skin irritation and rashes, and liver damage, among others. Because of the chemicals involved, workers involved in the manufacture of printed circuit boards are at extremely high risk of experiencing health problems.<sup>198</sup>

The unpleasant and dangerous nature of low-skilled manufacturing labor in this sector is correlated with risk for human trafficking due to the fact that many workers often take on such jobs only because they lack other options or are forced to do so. Verité research has found that workers often pursue work in this sector because they have no viable alternatives for employment. For example, a worker from Nepal interviewed by Verité described seeking work at an electronics factory in Malaysia because he was unable to find stable employment in his home country. The worker paid extremely high recruitment fees and found that, upon arrival in Malaysia, the job was not what he had been promised by recruitment agents in Nepal.<sup>199</sup>

#### *Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

Competitiveness in countries specializing in fabrication and assembly of electronics and electrical products is often derived principally from low labor costs. Because the work involved is generally low-

skilled and does not require much training or investment in the workforce on the part of employers, workers making electronics and electrical products are easily replaced. These workers have little leverage to negotiate for higher wages because there are always others waiting and eager to take their places. Such workers are vulnerable to furlough, lay-offs, and significant job insecurity. This insecurity is compounded by a very low rate of unionization among low-skilled workers in the sector, particularly in the electronics sub-sector.<sup>200</sup> Worker vulnerability and lack of bargaining power is often further exacerbated by the fact that many electronics and electrical product manufacturing facilities are located within EPZs and FIZs. Workers in these zones are potentially at risk of labor violations because of lowered state scrutiny of labor practices.

Workers in this sector are generally lacking in marketable skills or alternative employment options, often both, and are frequently vulnerable to trafficking for structural reasons as well. Migrant workers are generally motivated to seek work abroad within the sector because poverty and a lack of job opportunities at home make even poorly-remunerated manufacturing jobs relatively desirable. Women workers may seek electronics or related factory work in order to amass resources for their dowries, to support their children or other dependents, or to achieve a measure of independence from male property-holders in the context of patriarchal societies.

Children are also sometimes pressed into labor within the electronics and electrical products manufacturing sector, with child and student labor being persistent problems particularly in China, where there have been many allegations of abuse of apprenticeship and vocational training programs. According to reports, use of child and student labor is one way that Chinese factories have managed surges in production, and many factories work directly with school administrators to recruit student labor.<sup>201</sup> These programs have long drawn criticism for employing underage workers and making them work long hours at jobs unrelated to their field of study. Allegations of forged documentation and frequent restrictions on students' freedom of movement are common.<sup>202</sup> In one notorious case, impoverished children were reportedly abducted and sent to Dongguan, China and distributed to factories across the Pearl River Delta. The Dongguan Fangmou Electronics Factory was found to have over 50 workers contracted by these recruiters.<sup>203</sup> Child labor is also reportedly a common practice at Yonghong Electricons. Yonghong recruits underage workers through arrangements with their schools. In July 2006, many recruited workers were student apprentices at ages 14-15. Students are often sent to electronics factories believing that they will work for the duration of the summer in order to pay off the debts accumulated through their schooling. Although students send half their wages back to schools, wages are so low that it is extremely difficult to make enough to return to school and factory officials often refuse to approve an individual's request to resign.<sup>204</sup>

Prisoners represent another vulnerable population implicated in the manufacture of electronics and electrical products. Illegal prison labor has long been reported in countries with troubled human rights records such as China, but even in the United States, prisoners in both federal prisons and for-profit, private prisons are increasingly being used to manufacture electronic and electrical goods, in many cases on behalf of private United States-based companies, including prominent defense contractors like McDonnell Douglas/Boeing and General Dynamics/Lockheed Martin.<sup>205</sup> While some forms of prison labor are permitted under international law, others are prohibited, and all prisoners are by nature vulnerable to trafficking by virtue of their inherent lack of freedom and other structural vulnerabilities (see the [Prison Labor in Federal Supply Chains](#) pullout box for more information).

#### *Migrant Workforce:*

As noted above, migrants, both internal and international, make up a significant proportion of the electronics and electrical goods manufacturing workforce in many countries. Migrants in this sector are at increased risk for trafficking for many reasons. Among the most prominent are the burden of debt that many migrants incur in the course of their recruitment and job placement, their vulnerability to being

deceived about their job conditions or wages by unethical recruiters or employers, their frequent cultural and linguistic dislocation and removal from social support networks, and the structural vulnerabilities they endure as a result of residency and immigration policies that restrict their freedom of movement and legal ability to change jobs. In some countries, foreign migrants may also have their passports and other identity documents taken from them by their brokers or employers, further restricting their freedom of movement. In a recent survey of over 500 electronics workers in Malaysia, Verité found rates of passport retention above 90 percent of those surveyed, a situation made particularly grave for foreign migrants in that country given the scrutiny of migrant workers by immigration officials, police, and a volunteer citizen security corps with the power to demand identification documents that workers do not have.<sup>206</sup>

In some countries, foreign electronics manufacturing workers may also be exploited or even trafficked as a result of legal frameworks within the receiving country that inadequately protect their basic rights as workers. In Japan, for example, a longstanding program to treat low-skilled foreign workers in electronics and other manufacturing sectors as trainees, rather than as temporary migrants, has prevented many foreign manufacturing workers from receiving the full basket of workplace protections and workers' rights that Japanese workers enjoy.<sup>207</sup> Migrant workers also often face discrimination. A report published by Amnesty International in 2009, for example, found that migrant workers in South Korea working in an electronics factory were discriminated against and made to work longer hours than their Korean national peers.<sup>208</sup>

The level of human capital development and the existence of robust bilateral agreements between migrant-sending and migrant-receiving countries can both play a significant role in reducing the relative vulnerability of migrants in the electronics sector. Verité research has found that migrants from the Philippines who work in Malaysian electronics facilities, for example, tend to be better compensated and placed in higher level, more technical positions than do foreign workers from countries such as Burma or Indonesia.

*Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in the Labor Supply Chain:*

Because of the dynamic nature of the electronics and electrical manufacturing sector and the frequent fluctuations in labor demand, particularly in the electronics sub-sector, recruitment agents and labor contractors are heavily involved in the supply of labor to this sector. In the United States, over 50 percent of the workforce in the electronics sector is provided by temporary agencies. In major manufacturing hubs for electronics overseas, it is also common for firms to rely on short-term contracts and temporary agencies for labor sourcing.<sup>209</sup> In many cases, workers in this sector work in a factory, but are employed not by the factory but rather by an outsourcing agent.

In the course of ongoing auditing and research work in Malaysia, Verité has found that many migrant workers in electronics factories are employed directly by third-party employment agents. These labor intermediaries manage the full employment life cycle of migrants, from recruitment, hiring, and deployment, to management, compensation, and eventual repatriation of workers. As a consequence of such outsourcing arrangements, it is now possible to find multiple employers, including both the factory and various employment agents, in charge of different subsets of workers within the same electronics factory. Such an arrangement, while sanctioned by Malaysian law, acts to erode the essential protections and accountability inherent in an employer-employee relationship and in some cases even leaves workers confused as to the identity of their actual employer. Liability over violations of workers' rights is obscured, creating vulnerability on the part of the worker to exploitation and abuse, and constraining workers' access to legal recourse and grievance mechanisms.<sup>210</sup>

Verité research on labor trafficking in the Malaysian electronics industry found many workers were unsure of their employment arrangement. Workers reported not knowing whether they were employed by an employment agent or directly by the factory.<sup>211</sup>

Even when workers are employed directly by manufacturing facilities and transparent employer-employee relationships are not undermined through outsourcing, the presence of middlemen in the process of recruiting and placing workers in low-level electronics and electrical sector manufacturing jobs increases workers' risk of being trafficked. Workers are often deceived by recruiters about the jobs they will be placed in, including about the nature of the work and the wages they will be paid, but also sometimes about the company they will be working for, or the region they will be working in.<sup>212</sup> Such deceptive recruitment prevents workers from making informed decisions about the sacrifices they and their families are making in order for them to pursue the employment opportunity, and may result in workers ending up in work situations from which they have little possibility of escape.

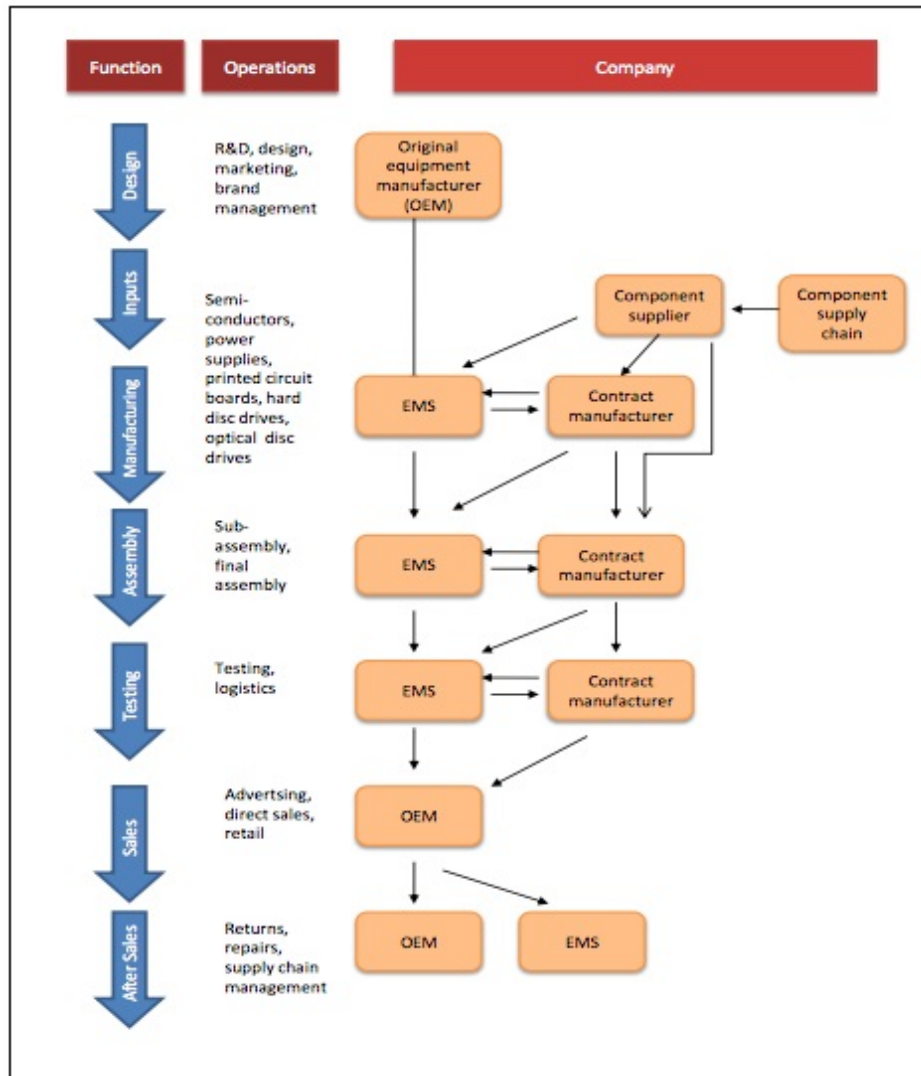
Debt bondage is also frequently correlated with recruitment in this sector, a consequence of workers borrowing to pay fees to recruiters to place them in their jobs, often incurring debts they have difficulty paying off, given the low wages that are typically paid to low-skilled laborers in electronics and electrical products manufacturing facilities. Verité research found that 92 percent of the more than 500 workers surveyed in the Malaysian electronics industry paid recruitment fees, and over 90 percent of these fees were excessive.<sup>213</sup> Verité research in the region found that the average recruitment fees paid by migrants working in Southeast Asia ranged between \$500 to \$1,200.

*Long, Complex, and/or Non-Transparent Supply Chains:*

The electronics manufacturing sector is a globalized industry made up of a vast network of companies and suppliers. The industry is extremely dynamic; development of new technologies is rapid, and new products are constantly being created. This requires that the industry be flexible and able to respond to fluctuations in market demand. In such a rapidly changing landscape, companies and suppliers commonly outsource services to other firms, preferring to perfect one part of the supply chain. Public-facing companies increasingly prioritize developing their brands and new products, and outsource production to an extensive web of suppliers.<sup>214</sup>

Large, public-facing companies with well-known brand names are known as Original Equipment Manufacturers (OEMs).<sup>215</sup> They buy products from suppliers and manufacturers and sell the rebranded products under their own label to consumers around the world. While historically OEMs were the companies that made the products themselves, this term now refers to the company that buys the products and resells them with their logo attached. Often OEMs design the products, which are then made to order.<sup>216</sup> The suppliers who manufacture the products and sell them to OEMs are known as Contract Manufacturers (CMs) and Electronic Manufacturing Services (EMS). CM and EMS companies work with OEMs as well as Original Design Manufacturers (ODMs) and Original Brand Manufacturers (OBMs) to provide a range of manufacturing services.

## Electronics manufacturing value chain – simplified



Source: Better Work, *Electronics Feasibility Study Executive Summary*, August 2010

<http://betterwork.com/global/wp-content/uploads/Better-Work-Electronics-Feasibility-Study-Executive-Summary.pdf>

The rapid pace of technology development in this sector, coupled with the constantly evolving product supply chain, leads to surges in demand and spikes in production. An extensive web of suppliers and companies allows for flexibility, although often this is at the expense of workers in manufacturing facilities. Fluctuating demands in production result in unstable demands in labor, which can have adverse effects on labor conditions. In times of high production, recruitment is often carried out quickly, sometimes even illegally, in order to speed up the process.<sup>217</sup> Increased work hours in order to meet deadlines can lead to compulsory overtime, and production lulls can result in the laying off of substantial numbers of workers. Layoffs may occur at any point in workers' contracts, sometimes even soon after they have just arrived, a situation that can leave workers with significant recruitment-related debt, and no jobs or way to earn the money needed to make debt payments or, in the case of migrants, even return to their home country.<sup>218</sup> The frequency of layoffs in the sector is exemplified by the fact that, even though



employment numbers at Flextronics more than doubled between 2000 and 2005, 28,000 workers were also laid off during that time.<sup>219</sup>

A recent case published in late 2013 highlights the job insecurity experienced by workers at Flextronics plants in Malaysia. The case details the experience of one of many Nepalese workers who lost their jobs working in a Malaysian Flextronics factory shortly after they arrived in the country. After paying multiple recruitment agents in order to get their jobs, many workers were still in debt when production stopped and they lost their jobs. Even the additional wages Flextronics paid them in compensation were not nearly enough for most workers to pay off the debt they had incurred getting their jobs in the first place. Housed in employer-provided dormitories, workers waited for months for word on when they would return home. Many fell out of legal immigration status as Flextronics failed to renew their visas and work permits.<sup>220</sup> This case illustrates one of the ways that production surges and market fluctuations impact workers in this sector. While the complex and flexible supply chain of electronics manufacturing plays a big role in the sector's profitability, it can also result in increased vulnerability to exploitation and trafficking for electronics workers, particularly for those in low-skilled, low-wage positions within the sector.

The number of inputs in the supply chain of any given electronics product is vast, with major component parts each possessing their own supply chains. Primary inputs come from raw materials supply chains for metals, plastics, and chemical compounds around the world. These inputs make their way to manufacturing facilities for electronics and electrical components, which are often produced in industry manufacturing hubs in Asia and Southeast Asia such as China, Taiwan, and Malaysia. Components are then assembled – often in different facilities or even countries – into finished products, which are finally distributed to wholesalers and retailers around the world. The supply chain in the sector is therefore not strictly hierarchical, but in many cases more accurately described as reciprocal, with some companies acting as both customers to some suppliers – buying parts and components that they assemble into an end product – and as suppliers to other companies, depending on where in the supply chain the product they produce is located.<sup>221</sup> Because production in the sector is so globalized, it relies heavily on inputs from the transportation section (see the [Transportation and Warehousing](#) sector report for more information) and other supporting service sector industries as well.

The complexity of supply chains in this sector makes scrutiny of the labor practices throughout the totality of a product's production cycle quite difficult. Even when a particular facility within the chain implements safeguards against trafficking or other labor abuses in its own management practices, trafficking may occur in the course of sourcing labor for the facility, or in the labor practices involved in production of the inputs on which it relies, or in the supply chain into which its own products feed.

#### **Federal Procurement in the Electronics and Electrical Products Manufacturing Sector:<sup>4</sup>**

Because subcontracts for inputs are not tracked in the Federal Procurement Data System, federal spending in the electronics sector is not possible to isolate, but electronics are deeply implicated in many kinds of products and contracts, and purchased by virtually all agencies of the US Government.

Federal expenditure in this sector may be assumed to be dominated by the agencies of the Departments of Defense and Energy, for weapons systems and other high-tech hardware with significant electronics components. Such purchases include aircraft, ships, guided missile systems, tanks, trucks, cars, and navigation and surveillance equipment of all kinds. Information technology such as computers, networks and servers are procured by agencies as diverse as the Internal Revenue Service, Immigration and

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<sup>4</sup>All federal procurement data is drawn from the [Federal Procurement Data System](#). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

Customs Enforcement, National Laboratories, and USAID. Telephones and phone networks and other communications hardware are also procured by virtually all federal agencies. Medical and laboratory equipment with significant electronics content is also purchased by many federal agencies. Direct purchases of computers and related advanced data processing (ADP) equipment (PSC 70%, excluding software (PSC 7030) accounted for \$5.31 billion of the federal spend in FY2013. As noted, however, such direct computer purchases do not capture electronics inputs to prime contracts for complex hardware purchases.

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<sup>180</sup> Better Work, *Electronics Feasibility Study Executive Summary*, August 2010  
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# Extractives/Mining and Basic Metal Production

*This report covers the labor in the extraction of minerals and other geological materials from the earth as well as the processing of these materials. For more information on the human trafficking risks associated with the extraction and processing of specific minerals and metals, see the forthcoming commodity reports: [Aluminum](#), [Charcoal](#), [Coal](#), [Coltan](#), [Tungsten and Tin](#), [Copper](#), [Diamonds](#), [Gold](#), [Granite and Other Stone](#), [Gravel and Crushed Stones](#), [Jewels](#), [Lead](#), [Rare Earth Metals](#), [Silver](#), [Steel](#), [Titanium](#), and [Zinc](#).*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Extractives/Mining and Basic Metal Production Sector:**

Extractives refer to the extraction of minerals and other geological materials from the earth. This report will mostly cover the process of removing materials from earth, but will also draw attention to processing where relevant. The minerals and mineral products produced through mining are critical to a variety of sectors including technology, electronics, jewelry, construction, and manufacturing.

The United States Bureau of Labor Statistics groups mining operations into the following broad categories: oil and gas extraction, mining except oil and gas (including coal mining, metal ore mining, nonmetallic mineral mining and quarrying), and support activities for mining. Support activities may include mineral cleaning, stone cutting and crushing, water carrying, transport, driving, shaft digging, drilling, welding, carpentry, mechanics, and driving.<sup>222</sup> In mining camps in remote areas, high numbers of migrant (whether domestic or international) workers and mine owners drive demand for domestic services such as cooking and cleaning, and often illicit activities such as petroleum and drug trafficking and prostitution.

### *Economy and Workforce: Minerals, Metals, and Stones:*

Mining is carried out in almost every country in the world and plays an important role in many economies, both of extremely rich and developing countries.<sup>223</sup> Mining and the use of mined products in industry drive an estimated 45 percent of global GDP.<sup>224</sup> According to the International Council on Mining and Metals, the value of world mineral production increased over 400 percent between 2002 and 2010. This increase was driven by the emerging economies of China and India, as well as by rising commodity prices.<sup>225</sup> Of the approximately 40 countries depending on non-fuel minerals for over 25 percent of their exports, 75 percent are low and middle income countries. Half of the countries that are mineral reliant are in Africa.<sup>226</sup> Many mineral reliant countries rank low on the Human Development Index,<sup>227</sup> suggesting that workers in those regions may be particularly vulnerable to exploitation.<sup>228</sup>

Globally, minerals and metals are generally mined either through hard-rock or alluvial mining. In hard-rock mining, minerals and metals are extracted from rock, which can be done in large open-pit mining or in tunnels that are dug into rock faces. In alluvial mining, minerals and metals are extracted from water. This can be done through panning in rivers; sluicing, in which water is combined with materials (such as sand and dirt) and is channeled into boxes that sift and separate the minerals and metals from the

material; and dredging, in which minerals and metal-laced sediment is sucked up from sediment in bodies of water.<sup>229</sup>

Mineral extraction is carried out by large-scale commercial mines and by small-scale artisanal mines. In general, large-scale commercial mines overseen by national or multi-national companies have relatively lower risks of trafficking. According to the World Bank, these mines produce about 95 percent of world's minerals, including fuel, and employ 2.5 million people world-wide. There are a relatively small number of large mining companies, whose headquarters are concentrated in the US, South Africa, Australia, and Canada.<sup>230</sup>

Artisanal small-scale mining (ASM) refers to mining with simple, usually non-mechanized means of extraction that is typically highly labor intensive.<sup>231</sup> ASM is usually conducted by individuals or small groups of people, although it may include larger partnerships or cooperatives.<sup>232</sup> ASM provides approximately 15 percent of the world's non-fuel minerals and provides income for an estimated 80-100 million men, women and children.<sup>233</sup> ASM activities are usually informal and may be illegal or unregulated. There are five primary types of artisanal mining as described by the International Council on Mining and Minerals and the International Finance Corporation:

- Traditional ASM occurs where local people have been mining for a long period of time, possibly generations. Mineral rights may be passed down within families and mining is often the primary source of livelihood.
- Seasonal ASM provides secondary livelihood support to families during “off-peak” agricultural seasons.
- Permanent co-habitation refers to ASM miners “squatting” around the edges of large scale legal concessions, and may have a contentious relationship with the multi-national concession holders. These miners may be local or may migrate to the area.
- Shock ASM is driven by catastrophes such as drought, economic depression, armed conflict, the closure of formal mines, or other sudden factors leaving large groups of people without livelihood options.
- Influx ASM is driven by “booms” or discoveries of new mineral deposits. These booms can cause large groups of people to appear at mining sites in a short period of time.<sup>234</sup>

While medium-sized and large-scale mines generally operate legally and are thus considered formal, much of the ASM mining is considered informal or illegal. For example, for mines to be considered legal/formal in Peru, they must have a title to the concession or an agreement with the concession owner, authorization to work the land, an approved environmental impact study, water rights, a certificate of non-existence of archaeological artifacts, authorization to carry out exploration and/or processing activities, and accreditation as a small-scale or artisanal miner, among others.<sup>235</sup> Mines that fail to meet these requirements or that operate in environmentally protected areas are considered illegal. In Bolivia, children work mining zinc and tin in abandoned commercial mines. Because the mining is illegal, they work in more remote and dangerous regions of the mine to avoid detection by guards.<sup>236</sup> The combination of highly labor intensive work and low levels of regulation and oversight in illegal mining creates increased risk of trafficking for workers in the sector.

Minerals and metals are used in a huge number of supply chains including construction, aerospace, automobiles, ships, electronics, durable consumer goods, makeup, jewelry, manufacturing, packaging, and currency. Stone materials extracted via quarrying, including coal, limestone, granite, marble, slate, gravel, sand, and clay, are primarily used in construction. Gemstones are used in jewelry and for industrial purposes.

*Economy and Workforce: Oil and Gas:*

While no official numbers are kept, energy use in 2008 was estimated at 11.29 billion tons, with global energy expenditures at approximately \$4.969 trillion.<sup>237</sup> The United States Federal Government spend on oil and gas was \$14.379 billion in FY2013. Large quantities of oil and gas flow daily from "exporting" regions such as the Middle East, Africa, and Latin America to "importing" regions such as North America, Europe, and East Asia.

Petroleum, which is extracted from the earth via drilled wells, provides about 60 percent of the world's energy needs, and is also used for petrochemicals. As much of the world's petroleum supply is underwater, oil rigs (also known as oil platforms) are used to extract, process, and store oil before it is brought to shore for refining. Oil is transported through pipelines onshore.

Gas, including natural gas and shale gas, are also produced by drilling. Gas is used for electricity generation, transportation, and fertilizers.

Jobs in the oil and gas sectors range from low-skilled to extremely high-skilled labor. This report will cover workers involved directly in extraction or directly supporting extraction activities as well as pipeline construction, as these tend to be either relatively lower-skilled jobs and/or jobs performed by migrant workers. Some specific jobs related to extraction and construction in the oil and gas industry include: drill/machinery operators, carpenters, welders, pipe layers, mechanics, maintenance/repair workers, solderers, brazers, machine operators, and transportation drivers. For more information on drivers, see the [Transportation and Warehousing](#) sector report.

#### **Risks to Human Trafficking in this Sector:**

The United States Department of State's 2014 *Trafficking in Persons Report* noted evidence of human trafficking in the extractives/mining and metal production sector in the following countries: Angola, Bolivia, Brazil, Cameroon, Chile, Colombia, Cote d'Ivoire, Democratic Republic of the Congo, Ghana, Guyana, Indonesia, Madagascar, Mali, Mongolia, Nigeria, North Korea Pakistan, Panama, Papua New Guinea, Peru, Senegal, Sierra Leone, Solomon Islands, Sudan, Uganda, Vietnam, Zambia, and Zimbabwe.<sup>238</sup>

#### *Hazardous/Undesirable Work*

Mining is a highly hazardous sector. Hazards facing miners include working in spaces without light or ventilation, falling rocks, lack of personal protective equipment, mine collapse, lung disease, repetitive stress injuries, chemical exposure, explosions, fire, electrocution, heavy equipment, carrying heavy loads, working at heights, exposure to extreme heat and noise, chemical vapors, and exposure to radiation.<sup>239</sup> Children and juveniles working in mining are particularly vulnerable to these hazards. Workers who live in isolated mining camps are at increased risk for infectious diseases such as tuberculosis, hepatitis and HIV.<sup>240</sup>

Artisanal mining is particularly hazardous due to its unregulated nature. Most miners in small scale mining are working on a subsistence level and without the backing of any larger organization. This leaves them without access to protective equipment or to safety training. Where regulations do exist, they may be created for the context of large commercial mines and, according to the International Institute for Environment and Development, "exaggerated safety requirements tend to discourage small-scale miners, inspiring them to simply ignore all safety advice."<sup>241</sup>

According to the ILO, children, as well as adults, are exposed to a variety of dangers in artisanal mining, which it considered one of the activities that presented the greatest danger to children's physical and mental development. One of the many health and safety risks is loud noises created by perforation, explosions, grinding, and pumping. Vibration produces a risk to children's muscular and skeletal development. Exposure to sunlight for long periods of time puts both adults and children at risk to skin

damage, dehydration, and severe sun burns that can result in death and cancer. Miners can also be exposed to extreme cold, putting them at risk of hypothermia and frostbite.<sup>242</sup>

Accidents are common in artisanal mining, due to the fact that the ASM is carried out without the benefit of modern technology or personal protective equipment (PPE) and often occurs outside of the purview of the law.<sup>243</sup> Additionally, precisely because illegal mines operate outside of the law, workers lack social security and health insurance and accidents are rarely reported. Therefore, many workers and their families receive no compensation if workers are injured or killed on the job. Workers interviewed by Verité in Peru reported a large number of fatal accidents in illegal gold mines, with some workers being buried in unmarked graves without any information or compensation being provided to their family members.<sup>244</sup>

Finally, exposure to cyanide and mercury used in gold processing presents a grave danger to workers and self-employed miners. Verité research in Peru indicates that in some formal processing plants, workers are also exposed to cyanide with minimal PPE and many workers are exposed to mercury with little to no PPE in illegal gold mining.<sup>245</sup> Mercury may be ingested (accidentally during work or when it contaminates water), absorbed through the skin (when it is handled with bare hands or miners have to swim in mercury contaminated water), or inhaled (when the mercury is burnt off of pieces of gold). This can result in inflammation of vital organs, the inability to urinate, shock, and death. It can also result in skin lesions, irritation to the lungs, difficulty breathing, and permanent damage to the nervous system.<sup>246</sup> Because mercury is neurotoxin, it is particularly harmful to children. Human Rights Watch found children as young as six exposed to mercury in gold mining in West Africa.<sup>247</sup>

Oil and gas extraction are considered highly hazardous. In the United States, oil and gas workers were killed at a rate over seven times higher than the average rate, between 2003 and 2010.<sup>248</sup> Hazards include vehicle accidents, being struck by machinery, explosions and fires, falls, being trapped in small spaces and chemical exposure. In the oil and gas sector, illegal drilling and siphoning also occur. Health and safety risks are especially prevalent in these unregulated activities.

Workers are also vulnerable to the volatility of their host country and can face risks such as kidnapping and armed conflict. In 2013, migrant workers off the coast of Nigeria were kidnapped by armed gunmen.<sup>249</sup> Foreign workers in South Sudan were evacuated in 2014 due to fighting between the army and rebel leaders.

#### *Vulnerable, Easily Replaced, and/or Low-Skilled Workforce*

Several minerals – most notably gold, cassiterite (for tin), wolframite (for tungsten), and coltan (for tantalite) from the Democratic Republic of Congo (DRC) as well as diamonds from Angola, Zimbabwe, Central African Republic, and Sierra Leone – are closely tied to armed conflicts.<sup>250</sup> In addition to armed conflicts, organized crime syndicates may also control mines in some areas, such as control of Mexican iron ore mines by the Knights Templar cartel in the state of Michoacan.<sup>251</sup> This is also the case in Colombia, where the vast majority of illegal mining is controlled by guerrilla groups, such as the *Fuerzas Armadas Revolucionarias de Colombia* (FARC) and narco-traffickers and other criminal groups, such as the Rastrojos and Urabeños. In fact, according to one source, the revenue generated from illegal gold mining has surpassed the revenue generated from cocaine trafficking in Colombia. This revenue funds these groups and fuels the continued armed conflict in Colombia.<sup>252</sup>

Much of recent attention to conflict minerals has focused on the DRC, where parties to the ongoing war, including the army as well as rebel groups, take control of mining sites. Revenue from these minerals provides armed groups financial resources for their operation.<sup>253</sup> These parties may require local independent miners to work without pay at their mining site. Workers may be forced to mine through induced indebtedness or under direct threat of violence. Further, the armed groups have carried out human



rights atrocities against local populations including “widespread killings of unarmed civilians, rape, torture and looting, recruitment of child soldiers to fight in their ranks, and forced displacement of hundreds of thousands of people.”<sup>254</sup>

In India, trafficking in quarrying and stone cutting/crushing activities is tied to the caste system. People belonging to “lower” castes, dalits, and indigenous people are trapped in cycles of debt bondage. Many borrow money from quarry owners to cover basic expenses that they cannot afford with their meager pay. Children may also be required to work to pay their family’s debt.<sup>255</sup>

Mining activities are concentrated in remote areas, which leads to a high degree of isolation of workers, whether domestic or migrant, who may be physically unable to escape. Further, particularly in weak states, governments lack the ability to monitor conditions and enforce laws. Migrant workers living in makeshift mining camps create high demand for labor in attendant areas such as cooking and cleaning, as well as in illicit activities such as drug trafficking and prostitution.<sup>256</sup> These tasks carry high levels of hazards and risks of human trafficking.

Mining activities often represent one of the only viable livelihood opportunities in a region, leaving workers with no alternatives even if they are facing exploitation. In unregulated coal mines in Turkey, for example, where a large number of children working in hazardous labor were identified, locals pressured mining companies to keep the mines open as local residents felt they lacked other employment options.<sup>257</sup>

In some cases, the mines themselves contribute to destruction of other livelihood opportunities. Mining activities are highly detrimental to surrounding environments, causing desertification<sup>258</sup> and producing large amounts of waste. These environmental impacts can negatively affect the ability of local people to carry out traditional livelihood activities such as agriculture and fishing, thus greatly increasing their overall vulnerability to human trafficking in mining as well as in other sectors.<sup>259</sup>

Further, in some contexts, because of its highly unregulated nature, illegal mining can provide employment opportunities to marginalized groups who face discrimination or other barriers to working in the formal sector. In the Peruvian gold sector, Verité identified a number of “*indocumentados*,” Peruvians who lack a National Identity Document (DNI). For many *indocumentados*, the illegal mining sector constitutes their only chance for employment, as formal sector employers require that their workers possess a DNI. In some cases, they are extremely poor, geographically isolated, or indigenous Peruvians who never obtained a birth certificate and have thus been unable to acquire a DNI. These individuals are generally very vulnerable due to their lack of alternative employment and their low levels of education and socio-economic status. In other cases, the *indocumentados* are criminals or people suspected of having committed a crime who are running from the law and seek refuge in the lawless environment of the mining camps. *Indocumentados* reported feeling vulnerable to denunciation to authorities.<sup>260</sup>

In Ghana, although the gold sector is booming, many Ghanaians have difficulty securing employment in the formal sector, and therefore turn out of necessity to the informal sector. The miners do not have access to capital to purchase equipment and often take out high interest loans. Typically, they are forced to repay these loans by selling their gold back at rates well below the market value. This cycle of debt and low earnings has induced many to use forced, child, or other exploitative labor.<sup>261</sup>

Children and adolescents – a highly vulnerable demographic group – are active in many types of mining, particularly in the ASM sector. The ILO notes that about 20 percent of children engaged in artisanal mining work for adults who are not their parents – leaving them vulnerable to economic exploitation.<sup>262</sup> Children enter the sector both voluntarily and through trafficking. In many cases, children work alongside family members to supplement family income. Some children, particularly older juveniles, may migrate to mining areas to seek economic opportunity. For example, in Burkina Faso and Mali, children are

leaving school at a high rate to work in artisanal gold mining in an attempt to support themselves and their families.<sup>263</sup> However, once on-site, these children are vulnerable to exploitation and human trafficking.<sup>264</sup> Other children have been forced to work in mines through a recruiter; recruitment often occurs through informal networks of extended families and acquaintances.<sup>265</sup> Children in Nigeria are also forced to work in granite and quarrying,<sup>266</sup> and there have been incidences in which children were sold to traffickers by their parents.<sup>267</sup>

Regardless of how children enter the mining sector, due to the extremely hazardous nature of the work, mining is nearly always considered a Worst Form of Child Labor (WFCL). Children are commonly used to enter narrow mine shafts that adults can not fit down.<sup>268</sup> In gold mining, children are also often tasked with cleaning the gold using mercury, a highly toxic substance.<sup>269</sup> Children are also heavily employed under hazardous conditions in the cutting and polishing of gemstones.<sup>270</sup> The isolated nature of mining means that many children abandon their education, another indicator of the WFCL.

Women are much more likely to be involved in ASM than in large-scale commercial mining. In countries such as Mali, Madagascar, Guinea and Zimbabwe, over 50 percent of those involved in mining activities are women.<sup>271</sup> A study among female ASM miners in Tanzania found that women were motivated to work in ASM mining as a means of supporting their family's survival, particularly when traditional subsistence farming was no longer supporting their family due to drought, low agricultural commodity prices, or lack of access to farmlands.<sup>272</sup> Although women are less likely to participate directly in shaft mining, women and girls are often involved in panning and attendant activities and sectors such as mineral cleaning, trading, and domestic activities such as cooking, cleaning, and fetching firewood in mining camps. Where women work as part of a family unit, income derived from her work may be directly controlled by her husband or other men in her family, leaving her uncompensated for her work.<sup>273</sup>

Women are also involved in prostitution around mining camps, many of whom have been trafficked. Verité research on gold mining in Peru found that among those interviewed, nearly all women and girls involved in prostitution had been trafficked, with indicators including deception, debt bondage, kidnapping, confiscation of identity documents, and violence. Women hired as cooks are also often forced to provide "sexual favors" to miners.<sup>274</sup>

In countries with repressive governments, the high economic value of oil and gas can incite regimes to conscript citizens in the oil and gas sector. Under Burma's former military regime, the soldiers who had provided security on behalf of a French oil company reportedly forced villagers to work in construction on and around an oil and gas pipeline.<sup>275</sup>

### *Migrant Workforce*

In addition to local workers, both domestic and international migrants are involved in mining activities in some regions. The isolated nature of mining means that in some areas, nearly all workers must migrate from their home regions to reach mining camps. In countries lacking alternative livelihood options or during surges in mineral or metal prices, a "rush" can emerge around mining activities, particularly artisanal mining which has lower barriers to entry.<sup>276</sup> Migration may take place rapidly, over a longer period of time, or seasonally.<sup>277</sup>

In the Kedougou region of Senegal, for example, villagers who cannot support their families through agriculture or have lost their land to logging have turned to gold mining as a necessity. They are joined by international migrants from neighboring countries of Mali, Guinea, Gambia, Ghana, Burkina Faso, Togo, and Nigeria. In many cases, migrant workers in the mining sector include children and juveniles, either travelling with their families or independently (for a further discussion of child labor, see *Vulnerable, Easily Replaced, and/or Low-Skilled Workforce*).<sup>278</sup> There have also been reports of the trafficking of Chinese and Indian migrants into mining in other African countries.

In Peru, Verité research found that large number of workers migrated internally from impoverished rural and urban areas to illegal gold mines, both in the highlands and the Amazon region. There were also some reports of Ecuador immigrants being trafficked by armed Chinese gangs who held them captive and forced them to work in illegal gold mines. Migrant workers were trafficked through deception about conditions of work, debt linked to recruitment and transportation, withholding of wages, and threats and isolation.<sup>279</sup>

In the oil and gas industry, oil booms often drive demand for workers, and if companies are unable to fully staff their operations using domestic workers, they may need to turn to foreign workers who are often hired quickly.

Although most jobs in the oil and gas sectors are high-skilled labor, foreign workers may be paid considerably less than their domestic counterparts, as is the case with foreign workers from Mexico, Ireland, Portugal, and Italy in Canadian oil sand fields. These workers were brought in to replace unionized domestic workers, and were recruited through labor intermediaries.<sup>280</sup> There have also been reports of the trafficking of Filipino and Indian migrants into the oil sector in the US. Migrant workers, primarily from South Asia, are employed on oil rigs in several regions including Gulf States, off the shores of New Zealand and Australia, and off the coast of West Africa.<sup>281</sup> In 2013, oil workers in Gabon went on strike to protest the rampant use of undocumented foreign workers who were paid low wages.<sup>282</sup>

*Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in the Labor Supply Chain:* In some mining contexts, workers flock willingly to mining sites drawn by the perceived livelihood opportunity. In other contexts, where conditions are especially hazardous or otherwise undesirable, deception may be prevalent in worker recruitment. Verité research in the gold sector in Peru found that domestic workers are recruited in their hometowns via recruitment offices where intermediaries seek brokers. Workers are given advances of money, clothing, tools and transport, which many workers are led to believe are gifts and do not realize they will have to pay back. The recruiters describe the opportunity for workers to strike it rich and are provided with little to no accurate information of the conditions of their employment, including, often, the length of their contract. Many workers are then told that they have to work for three months before they can leave the mines and are prevented from doing so by recruitment-linked debt, physical isolation, and threats. Some workers are sold to another person by family members, who receive a payment for recruiting them, and are then told that they are required to work off this fee.<sup>283</sup>

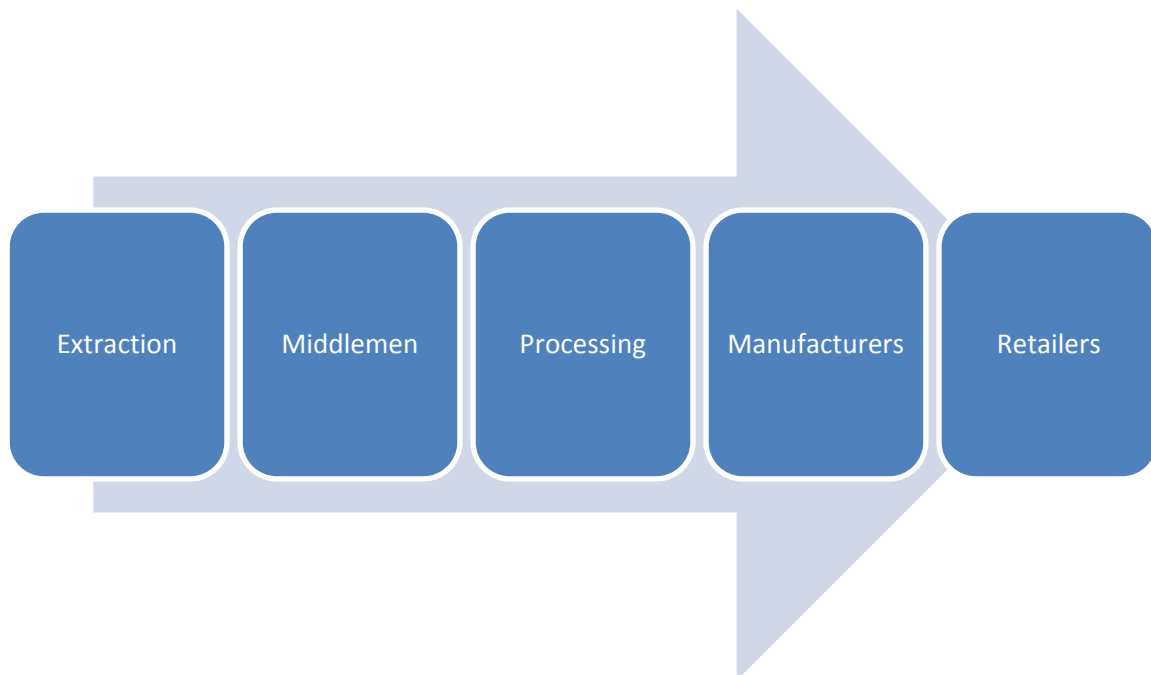
Although seemingly less common, recruitment in the minerals and stones sector can also occur in a transnational context. The United States Department of State reports that in Zambia, Chinese and Indian men are recruited to work in Chinese-owned mines in Zambia's Copperbelt where they are held in conditions conducive to human trafficking.<sup>284</sup> In the Ghanaian gold sector, Chinese workers were apparently trafficked to work in illegal ASM gold mines. Traffickers provided fraudulent work visas to work on construction projects. Upon arrival, the workers' passports were seized, and the workers were required to pay off their travel and visa debts.<sup>285</sup>

Oil rigs and oil fields in the United States employ migrant workers on H-2B visas and there are several alleged cases of human trafficking. These workers are recruited through labor contractors, who deceive workers in the recruitment stage, making unrealistic promises about wages and immigration status. For example, in 2006, Indian metal workers were trafficked into Louisiana to rebuild oil rigs destroyed by Hurricane Katrina. One worker reported paying his recruiter \$20,000 to secure his job, and said he was promised permanent residency in the United States. Instead, he faced poor living conditions and hazardous working conditions.<sup>286</sup> Filipino workers, some of whom died in an explosion, were forced to work in oil fields in Texas in 2012.<sup>287</sup> These workers were recruited through a labor agency in the Philippines tied to a receiving country agency in Louisiana.<sup>288</sup> The labor recruiters promised high wages,

but workers were paid much less than promised, forced to work long overtime hours, and required to pay over \$3,000 per month for overcrowded bunk houses.<sup>289</sup> Filipino workers hired by a Hong Kong recruiting firm to work on Australian oil rigs were reportedly paid only \$3 an hour.<sup>290</sup>

### *Long, Complex, and/or Non-Transparent Supply Chains*

Because the mining sector is so varied, different types of minerals take different paths before they reach the consumer. However, most minerals, whether from large commercial mines or ASM follow a basic path. After extraction from the earth, minerals are cleaned, sorted, transported, refined, smelted, or otherwise processed before being sold to manufacturers and retailers. In the case of mined gem stones, the processing consists of cutting and polishing. ASM minerals pass through several additional layers of consolidators, intermediaries, and exporters (some of whom may actually be illegal smugglers) before the minerals enter into the processing level of the supply chain.



*Source: Verité image.*

Each additional layer of middlemen limits the transparency of the supply chain. Global Witness, among other groups, has documented how middlemen in the DRC (in this context, known as “comptoirs” and “negociants” obscure the origin of conflict minerals before selling them up the supply chain, purposefully obscuring their origins.<sup>291</sup> The smelting/processing stage is also a critical point in the supply chain in terms of transparency – during processing, minerals from a variety of origins are normally mixed together. For this reason, the ENOUGH Project, has identified smelters as a key strategic point for certifying minerals from the DRC as “conflict-free.”<sup>292</sup>

Intermediaries can also play a role in suppressing wages of self-employed miners involved in small-scale mining – miners may have no choice but to sell their goods to an intermediary in their region, which means they may be forced to accept profits significantly lower than what they could fetch on the open market.<sup>293</sup> Miners may also take loans from these middlemen to pay for their basic living expenses, leaving them vulnerable to cycles of indebtedness. For example, consolidators in Mali, foreign traders, who control about 90 percent of the country’s gold exports, “buy gold through a complex network of intermediaries and local buyers.” These intermediaries also provide loans to the miners, while paying rates much lower than market prices.<sup>294</sup> Verité research on gold mining in Peru found that many

independent ASM miners are forced to operate illegally if they cannot afford to pay excessive up-front fees to land concession holders, even if the independent miners have been working the land for years. Peruvian law prohibits the sale of gold without a receipt, which is only provided to miners who have formalized businesses and are operating legally. Both workers who are paid in gold (a common practice) and independent ASM miners working in these informal mines are therefore left with the only option of selling gold to middlemen who pay them a lower price for their gold due to the lack of receipts. This further lowers the already meager earnings of workers and self-employed ASM miners.<sup>295</sup>

Where minerals are illegally extracted, they may be smuggled out of the country, obscuring their origins even further. Consumer and governmental pressure for “conflict-free” minerals from the DRC may have actually increased smuggling of minerals out of the country. The UN reported that after the Congolese government mandated that all minerals were required to be conflict free, smuggling into neighboring countries or Rwanda and Burundi increased.<sup>296</sup> Large amounts of iron ore mined in Mexico have been smuggled out of the country to processors in China.<sup>297</sup> After processing in China, the ore will be mixed with and indistinguishable from ore mined legally. This is also the case with gold extracted illegally from Peru. Verité’s research indicates that a significant amount of the Peruvian gold that is produced illegally and/or under conditions conducive to human trafficking makes its way into Peru’s exports.<sup>298</sup> According to an in-depth study released in 2012 by Marcoconsult, a private Peruvian research firm, approximately 1.6 million ounces of illegally produced gold worth \$2.9 billion was exported from Peru in 2011, representing approximately 22 percent of Peru’s gold exports.<sup>299</sup> The director of the study claimed that illegal gold exports superseded cocaine exports from Peru,<sup>300</sup> which surpassed Colombia as the world’s biggest cocaine exporter in 2012.<sup>301</sup> Much of these illegal gold exports are shipped to Switzerland where they are melted down and combined with gold from other countries and it is impossible to determine the provenance of gold once it has been processed into gold ingots.<sup>302</sup> Because informal and illegal gold miners fail to declare their profits and pay taxes, the State loses an estimated \$450 million in tax revenue.<sup>303</sup> The profits from illegal gold exports also fund criminal groups.<sup>304</sup>

While vulnerability for trafficking is typically the highest at the level of extraction, there are also cases of human trafficking around mineral/metal refining and processing. For example, charcoal used in the production of Brazilian pig iron has been produced with forced labor.<sup>305</sup> Child labor has also been reported in the processing of gemstones.<sup>306</sup>

### **Federal Procurement in the Extractives/Mining and Basic Metal Production Sector:<sup>5</sup>**

Very little iron or steel is procured in primary form by the United States Government. The mining sector is mainly implicated in the federal spend in the context of primary inputs to prime contracts involving heavy hardware purchases such as weapons systems, spacecraft, aircraft, ships, tanks, trucks, and passenger cars. Steel is also a key primary input to many federal construction contracts. Both heavy equipment and construction are major elements of the federal spend. In FY2013, transportation equipment (air, space, ground, and sea combined) accounted for \$78.14 billion in federal spending.<sup>6</sup> Construction (PSC Y%) accounted for \$19.71 billion.

Metal ore is procured by the United States in primary form mainly by the US Mint, which spent \$3.54 billion in FY2013 on precious metals in primary form (PSC 9660). Spending on ore by the US Mint is quite consolidated, with nearly all FY2013 contracts distributed among only six suppliers, the largest of

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<sup>5</sup> All federal procurement data is drawn from the [Federal Procurement Data System](#). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

<sup>6</sup> Total spending on transportation equipment was derived from a composite of PSC codes 15%, 16%, 17%, 18%, 19%, 20%, 22%, 23%, 25%, 26%, 28%, 29%, 30%, and 31%.

which, Coins ‘N Things, provided 40 percent (\$1.42 billion) of ore. Gold is a major component of the Mint’s spend, a commodity known to be at risk for trafficking in many world supply chains.

The federal spend on oil and gas (PSC 9130, 9140, 9150) in FY 2013 was \$14.379 billion.

## Human Trafficking in the Commercial Sex Industry

President Obama’s Executive Order 13627 – Strengthening Protections Against Trafficking in Persons in Federal Contracts – clearly prohibits Federal contractors, contractor employees, subcontractors and subcontractor employees from “directly supporting or promoting trafficking in persons, the procurement of commercial sex acts, or the use of forced labor in the performance of the contract or subcontract,” and tasks the Federal Acquisition Regulatory (FAR) Council to amend the Federal Acquisition Regulation to reflect this.<sup>307</sup>

There were 4.5 million victims of forced sexual exploitation worldwide in 2012, according to ILO estimates. The vast majority of victims were female (98 percent) and most were adults (79 percent). The majority of victims of forced sexual exploitation were found to have crossed international borders (74 percent), while 19 percent were trafficked domestically. Seven percent of victims remained in their home areas.<sup>308</sup>

In a 2014 report, the ILO estimated that forced sexual exploitation generated \$99 billion in annual profits. Profits are highest in the Asia-Pacific region (\$31.7 billion) and the developed economies and the EU (\$26.2 billion). Forced sexual exploitation has the highest profits per victim, more than any other category of human trafficking. This is because of the low capital investment, the low operating costs, and the high prices clients pay. The global average annual profit per victim is \$21,800, which is six times more than the profits made off of victims of forced labor.<sup>309</sup>

There is a strong link between labor trafficking and forced sexual exploitation. Whenever there are large migrations of men to an area for employment (a risk indicator for human trafficking), there is a high demand for sexual services, which often generates sex trafficking. This is exacerbated when workers are living in isolated regions, away from familial and social connections. In Peru, for example, there is a high prevalence of sexual exploitation in and around gold mining camps. A local NGO in Madre de Dios reported that girls are deceived, kidnapped, threatened, or forced into debt bondage and brought to brothels in mining camps.<sup>310</sup> Verité research revealed that some girls and women respond to advertisements for jobs or are directly recruited by middlemen who offer unspecified employment in mining camps or jobs as cooks, store clerks, or waitresses. The research found that some of them were employed in these occupations, but were also forced to provide men with sexual services, while others were trafficked into brothels, where they were threatened with physical and sexual violence if they tried to flee.<sup>311</sup> The United Nations’ Special Rapporteur on Contemporary Forms of Slavery echoed this finding.<sup>312</sup> Similarly, women from Mexico who are promised jobs in legal industries such as tourism or healthcare in the United States may be forced by traffickers to repay smuggling fees by working as prostitutes in brothels based at agricultural migrant work camps.<sup>313</sup>

Although the United States Department of Defense has a strict prohibition against facilitating or supporting trafficking,<sup>314</sup> sex trafficking has also been connected to United States military bases. A 2009 report found that women are trafficked to meet demand for prostitution near United States military bases in South Korea.<sup>315</sup> Influxes of U.N. peacekeepers and associated personnel in conflict and post-conflict environments have also been identified with increased demand for prostitution, which can fuel sex trafficking.<sup>316</sup>

In addition to the mining and agriculture sectors, the hospitality and transportation sectors are closely tied to the sex industry. Hotels are a major location for commercial sexual exploitation, and tourism development in a region often increases the demand for commercial sex. Airplanes, buses, and trains are modes of transportation for trafficking victims, and forced sexual exploitation often occurs at truck stops. The hospitality and transportation industries are gradually beginning to take some steps to combat the problem. For example, Hilton, Starwood, Sabre, which owns Travelocity, and Carlson, which owns Radisson and Country Inns and Suites, have both begun training employees around the world to identify and report trafficking victims.<sup>317</sup> Marriott and Sabre, in partnership with the World Tourism Organization, the United Nations Office on Drugs and Crime and UNESCO, launched a program aimed to educate travelers on human trafficking issues using websites, newsletters and consumer apps.<sup>318</sup> The Department of Homeland Security, Department of Transportation, and Amtrak are partnering to provide trainings to employees as well.<sup>319</sup>

<sup>222</sup> US Department of Labor Bureau of Labor Statistics. *Industries at a Glance: Mining, Quarrying, and Oil and Gas Extraction: NAICS 21*. <http://www.bls.gov/iag/tgs/iag21.htm>

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# Fishing and Aquaculture

*This sector report covers wild caught fishing, farm fishing (aquaculture) and fish processing. For more information on the human trafficking risks associated with fishing and aquaculture, see the forthcoming commodity reports: [Fish](#) and [Shrimp](#).*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Fishing and Aquaculture Sector:**

### *Economy and Workforce:*

The fishing and aquaculture sector is one of the world's fastest growing sectors. In 2012, global per capita fish consumption was approximately 19.2 kg per person, up from 9.9 kg per person in 1960.<sup>320</sup> The FAO estimates that fishing and aquaculture provide livelihood for 10-12 percent of the world's population. Over 58 million people are involved in fishing and aquaculture, approximately 37 million of whom are engaged full-time. Over 84 percent of those involved in the fish sector are in Asia, with an additional ten percent in Africa. Although the majority of workers in the direct-capture fish sector are men, the sector also provides livelihood for women, who represent an estimated 15 percent of all workers engaged in fishing and aquaculture, and up to 90 percent of workers in secondary activities such as processing.<sup>321</sup>

Fish is a highly traded commodity, with about 200 countries exporting fish and fishery products. Fish and fish products are particularly important for many developing nations, where the fish trade accounts for more than half of the total value of traded commodities. Developing economies saw their share rise to 54 percent of total fishery exports by value in 2012.<sup>322</sup> In addition to trade, fishing and aquaculture are important to many rural poor. Fish provides a key protein source in diets as well as providing jobs and income in areas where other income sources are scarce.<sup>323</sup>

With the expansion of the fish sector has come an increase in illegal, unreported, and unregulated (IUU) exploitation of wild fish stocks. IUU fishing refers to all activities that happen outside the control of laws and regulations, including activities such as fishing without a license, fishing in a closed area, fishing with prohibited gear, fishing in excess of a quota, and fishing of prohibited species. Fishing regulations can be challenging to enforce, as much of the IUU fishing happens on the high seas – that is, in water over 200 nautical miles from shore, where there is little regulation and enforcement. Outside of a nation's "exclusive economic zone" (the 200 mile strip of ocean adjacent to the shoreline), vessels are generally governed by the laws of the country in which they are registered, or their "flag state." Under the practice known as "flags of convenience," fishing vessels may be registered in countries with no meaningful link to their operations, including in countries with severely limited interest or capacity to enforce fishing-related laws on vessels flying their flag.<sup>324</sup> This structural loop-hole built into the regulation and enforcement of fishing practices has led to increased environmental and social abuses in the sector, as the prevalence of IUU fishing has contributed to sharply declining world fish stocks through overfishing, leading vessels to undertake longer and longer voyages in order to find fish, and thereby increasing the vulnerability of workers who are stuck aboard for longer and longer periods of time. Declining stocks also increase the precariousness of employment for workers involved in fish processing, by threatening the overall viability of the industry.

As overfishing has reduced the biomass of many fish species, aquaculture has emerged as a way to fill rising demands for fish, and the FAO predicts that aquaculture harvests will surpass wild catches in the relatively near future.<sup>325</sup> By 2030, more than 60 percent of consumed fish, mollusks, and crustaceans may come from aquaculture. Like fishing, aquaculture is particularly strong in developing economies, and over 90 percent of aquaculture activities take place in Asia. While not contributing to overfishing, aquaculture can lead to other kinds of environmental degradation through chemical inputs, disease, contamination of wild stocks, land conversion, and water pollution. Some aquaculture species are fed fishmeal, which is often derived from wild caught stocks, thus contributing to the problem. If their development is not well managed, aquaculture operations may also risk depriving local populations of previously arable farm land, potentially leading to land conflicts.<sup>326</sup>

#### *Supply Chain Overview:*

Fish and shellfish are harvested in open waters or raised via aquaculture in ponds, tanks, or bounded coastal waters. After harvest, fish are packed and transported to processing facilities or wholesalers. Processors convert the fish to consumer products such as canned, frozen, or smoked products, and fillets or other fresh products. Some fish may pass through multiple levels of processing, while others, such as certain kinds of shellfish, are transported live. Wholesalers receive both processed products, as well as more minimally processed fresh fish, from both foreign and domestic sources. The wholesalers then distribute the products to retailers and restaurants. Some fish products and by-products are not used for human consumption, but are instead used in fish and animal feed.<sup>327</sup>

#### *United States Seafood Supply Chain:*

The United States has the largest Exclusive Economic Zone fishing rights in the world and fishing regions include the Northeast, Southeast, Alaska, Pacific Coast, and South Pacific. Top species include crabs, shrimp, salmon, lobsters, cod, flatfish, scallops, hake, scallops, oysters, herring, and sardines. Catfish is by far the most common aquaculture-raised product in the US followed by crawfish, salmon, trout, oysters, tilapia, striped bass, clams, shrimp and mussels.<sup>328</sup>

The United States imports between 80-90 percent of its fish, about half of which is sourced from aquaculture.<sup>329</sup> The top imported products are shrimp, freshwater fish, tuna, salmon, groundfish (such as cod, flounder, and halibut), crab, and squid. Shrimp constitutes the US's largest seafood import, with over \$3.4 billion worth of shrimp imported to the US from the top producing countries of Thailand, Indonesia, India, Ecuador, Vietnam, Malaysia and China in 2012.<sup>330</sup> Tuna is the second most imported fish product, with canned, fresh, and frozen tuna coming from Thailand, Philippines, Indonesia, Vietnam, and Ecuador.<sup>331</sup> Other important products in order by volume imported include: salmon from Norway, Canada, and Chile; groundfish species like cod, haddock, pollock and hake from Canada and Northern Europe, crabs and crabmeat from Southeast Asia, and frozen fish from China, Russia, Canada, and Iceland.<sup>332</sup>

Although domestic fishing is heavily regulated in the United States, according to one study, an estimated 20-32 percent of wild-caught fish imported to the United States comes from IUU fishing.<sup>333</sup> One recent study found that Thailand had the most illegal fishing, with 25-40 percent of Thai tuna being illegally caught. Pollack and salmon from China, as well as tuna from the Philippines, Vietnam and Indonesia also registered high rates of illegality.<sup>334</sup> Imports from Canada all had levels of illegal catches below ten percent, as did imports of clams from Vietnam and toothfish from Chile.

### **Risks to Human Trafficking in this Sector:**

The United States Department of State's 2014 *Trafficking in Persons Report* noted evidence of human trafficking in the fishing and aquaculture sector in the following countries: Angola, Bangladesh, Belize, Burma, Burundi, Cambodia, Comoros, Costa Rica, Democratic Republic of the Congo, Fiji, Ghana, Indonesia, Israel, Jamaica, Kenya, Kiribati, Madagascar, Malawi, Mauritius, Mongolia, Namibia, Federated States of Micronesia, Sierra Leone, Singapore, Solomon Islands, Sri Lanka, Taiwan, Tanzania, Thailand, Timor-Leste, United Kingdom, and Vietnam.<sup>335</sup>

#### *Hazardous/Undesirable Work:*

The ILO identifies fishing as a highly hazardous sector.<sup>336</sup> Fishers on vessels routinely face hazards and conditions of work that are exacerbated by poor weather conditions, a constantly moving work environment and the lack of medical care on the open water. While on vessels, fishers are exposed to sun and salt water without protective clothing, slippery/moving work surfaces, malfunctioning gear, regular use of knives/other sharp objects, entanglement in nets, large waves, inadequate sleeping quarters, inadequate sanitation, and a lack of fresh food and water. Should someone become ill while on board a vessel, it can be difficult to seek medical care in a timely manner. Collisions or shipwrecks are also a risk.<sup>337</sup>

Fishing crews are generally overseen by a captain or boss. The captain or boss has a high financial stake in a profitable voyage, incentivizing abusive management practices including actual or threatened physical abuse (hitting, threats, or actual violence with weapons, denial of rest), verbal abuse (yelling, threats), and other forms of intimidation. When setting nets or hauling in a catch, workers may be required to work around the clock without breaks for days. In some cases, captains may force workers to use amphetamines or other drugs as a way to combat fatigue.<sup>338</sup> In extreme cases, crew members have reported witnessing murders of crew members at the hands of bosses.<sup>339</sup>

Fish and shrimp processing workers also face a high exposure to hazardous work conditions. Previous studies of the sector have identified a wide variety of risks including mechanical and electrical accidents, excessive noise levels, extreme cold, aggravation of respiratory conditions including asthma, skin and eye infections, and musculoskeletal injuries. Workers may also be exposed to "bioaerosols containing seafood allergens, microorganisms and toxins."<sup>340</sup> Workers in shrimp processing facilities in Bangladesh interviewed by Verité reported being denied access to bathroom facilities for entire shifts, which can cause urinary tract infections and gastrointestinal disorders.

#### *Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

Workforce vulnerability in fishing derives from a variety of causes, some of which have to do with the typical structure of employment relationships in the industry, and some of which have to do with the economic and education levels of the worker populations in question.

On small fishing boats, employment relationships are predominantly casual.<sup>341</sup> Sometimes relationships between captains and crews are rooted in traditional patronage dynamics, leading to a high degree of dependence for workers, who may belong to families with historically subservient, dependent relationships to their boss's family, on whom their kin might depend for access to things like school fees or land rights, severely limiting the employee's ability to advocate for better working conditions on the fishing boat.<sup>342</sup> Further complicating employment relationships in fishing, payment on both large and small fishing vessels is often based on the traditional "share" system, in which worker pay is based on an allotment of net proceeds from the catch after expenses for output (food, fuel, etc.) are deducted. Under the "share" system, workers are considered 'partners' in the fishing venture rather than employees, and are therefore denied legal protections available to other classes of workers. The "share" system also means that crew members share the risks normally associated with being owners. If a voyage does not clear a profit, workers may not be compensated, leaving them vulnerable to debt.<sup>343</sup> Fishers may also

have their pay docked for items consumed on board, including cigarettes, alcohol, medicine, and in some cases, food. These items are often deducted at highly inflated rates, and in situations where fishers already have debt to money lenders, labor brokers, or the boat operators, this can tip them over into a situation of debt bondage. In some cases, a worker's family at home may also take loans from the boat ownership while the fisher is at sea; this too is deducted from the fisher's pay and workers are typically charged high rates of interest. The many fishers who are paid under some version of the "share" system often lack visibility into the calculation of boat profits, and therefore of their wages. For example, workers interviewed by Verité in the Philippines' tuna sector noted that they are barred from observing the catch being weighed, leaving them reliant on employer promises, and leading to a perception of being cheated in the payment of their wages.<sup>344</sup>

Fish processing facilities are increasingly reliant on "casual" labor rather than permanent employees, allowing them flexibility to respond to lower and unpredictable catches. For example, Verité research into the tuna sector in the Philippines found that canning facilities have shifted to hiring nearly all of their workers through labor cooperatives, which provides them with a highly flexible labor pool and allows them to avoid a direct employment relationship and the ensuing benefits for workers that that relationship would entail. The growing casualization of the canning work force has had a particular impact on women, who make up the bulk of the canning workforce and are often the wives or female family members of the fishers. Workers employed through employment agencies face constant labor insecurity, as their contracts generally range from five to six months. Workers employed by cooperatives also face job insecurity, since one of the requirements for them to maintain their cooperative membership is to keep themselves employed. They may reapply at the end of each employment period, but there is no guarantee they will be re-hired. Due to the decrease in catch due to overfishing, employees across the tuna sector in the Philippines expressed fear that voicing any grievance would result in "black-listing" from the entire industry, a fear that seriously limits workers' capacity for self advocacy. In areas such as the General Santos Region of the Philippines, where the fishing sector represents the vast majority of economic activity, the threat of black-listing is experienced as a severe menace.<sup>345</sup>

Workers aboard fishing vessels are inherently isolated. Fishing vessels, particularly those involved in long-distance fishing, have an increasing capability to stay at sea for long periods of time – even up to several years. Rather than regularly docking, these vessels can "transship" caught fish and fuel via smaller vessels. This may mean that the crew of these ships has no access to port, leaving them unable to escape, report abuse, or seek assistance.<sup>346</sup> While aboard vessels, workers rarely have access to means of communication with the outside world. They may be out of reach of cell phone communication, and barred from using other on-board communication devices such as radios or satellite phones. Depletion of fish stocks may also contribute to longer voyages, as vessels journey further and further from port, leaving workers on board for longer periods of time. Verité research has found that in some cases, vessel operators may deceive workers regarding the length of the voyage or the geographic itinerary, taking workers into illegal fishing zones or the sovereign waters of other countries, where workers may face detention or arrest.<sup>347</sup>

In fact, workers engaged in illegal fishing are especially vulnerable to labor trafficking and other forms of exploitation. They often use prohibited fishing techniques, such as explosives, which are extremely hazardous. They are sometimes employed by, or owe money to, criminal groups, making it hard for them to escape from exploitative situations without a perceived threat of violent reprisal. Also, because they are engaged in illegal activities, it is unlikely that they will complain to authorities about violations of their rights for fear of arrest. Fishermen are also vulnerable to maritime drug traffickers and piracy. Verité research in Ecuador indicated that drug traffickers sometimes killed or intimidated fishermen or forced them to traffic drugs. There were also reports that pirates robbed fishermen of their boats, catches, or motors, making them vulnerable to debt bondage. In some cases, their employers deducted the amount of these goods from their pay. In other cases, self-employed fishermen had obtained loans from informal

money lenders for their boats, and upon losing them, had to work in fishing for prolonged periods to pay off the debt.

A final point is that child labor is common in fishing and aquaculture across the globe. Many children who are engaged in fishing or aquaculture participate on an informal basis, and it is common for children to enter the sector working alongside their parents or other adult family members.<sup>348</sup> Some children may seek out work in the fishing sector as a means to earn money or support their family, particularly when this is considered a culturally appropriate way for boys to prove their maturity.<sup>349</sup> Children may enter the sector as a means to pay off family debt owed to boat captains or ownership. In some contexts, such as fishing around Lake Volta in Ghana, children are recruited through traffickers who make upfront payments to the child's parents and deceive families regarding working conditions.<sup>350</sup> Like adults, children participating in fishing may also be subjected to deductions for provisions, such as food and cigarettes, leaving them in debt.<sup>351</sup> In some cases, children may be recruited for fishing activities because of a perceived advantage in lung capacity (i.e. their capacity diving for fish) or hand dexterity.<sup>352</sup> Children may also be recruited because of a perception that they are more docile.

#### *Migrant Workforce:*

Migrant labor is increasingly used in the fishing, aquaculture and fish processing sector as a means of cost savings. Abuse of migrant workers in the fishing sector has been well-documented. Fishers are generally recruited in their home villages or ports and a worker may pass through a series of agents, each adding an additional debt burden through fees for their services.<sup>353</sup> This recruitment-related debt burden can act as a binding force for fishers, preventing them from resigning or advocating for better conditions, for fear of losing their jobs. Working conditions are often obscured until the worker is on board the vessel, possibly already in international waters, with no means of recourse. All workers, including migrant workers, on vessels are routinely required to surrender identity documents such as passports, thereby restricting their freedom of movement in foreign ports.<sup>354</sup> Some larger vessels can stay at sea for a year or more at a time, and lack of access to legal documentation can powerfully inhibit a worker's ability to escape, even if he does gain access to port. Cases of foreign fishers being forced to work in the sector have also been reported.<sup>355</sup>

Thailand, where human trafficking has been well documented in both fishing and fish processing, has one of the lowest rates of unemployment in the region,<sup>356</sup> leaving it dependent on a low-skilled work force composed of foreign workers. Up to 80 percent of migrant workers in Thailand are from Burma, and the general migrant worker population is vulnerable to a variety of abuses, including killings, torture, extortion, sexual abuse, and forced labor.<sup>357</sup> There are estimated to be thousands of Burmese migrants working aboard Thai vessels, many in conditions tantamount to slavery.<sup>358</sup>

In the United States, fish processing, like other forms of meat processing, relies heavily on the labor of migrant workers. Documented migrant workers in United States fish processing are classified as H-2B workers (a visa category intended for guestworkers in sectors other than agriculture), who are generally not afforded the same protections as H-2A workers (see the [Guestworker Visas](#) pullout box for more information). In 2012, the United States Department of Labor found a Louisiana seafood processing company employing H-2B guestworkers in violation of a number of labor protections – including health and safety and minimum wage violations.<sup>359</sup> Workers also alleged that management made threats of retaliation against them, including threats of deportation and threats against their families in Mexico through their labor brokers.<sup>360</sup> A recent report from Centro de los Derechos de Migrante, Inc and the American University Washington College of Law Human Rights Clinic detailed abuses faced by female H-2B workers in the Maryland crab processing sector. The workers interviewed for the report were indebted to labor brokers who recruited them for the jobs. Wages were much lower than promised by recruiters, and workers reported wage deductions and piece-rate wage structures that made it nearly impossible to attain the minimum wage. Further deductions were taken for the purchase of basic personal



protective equipment. Although the workers face abuse and harassment in addition to low wages and hazardous working conditions, they feared retaliation from their employer and believed they had no viable grievance mechanism.<sup>361</sup>

In Japan, labor exploitation has been identified in the fishing sector in conjunction with the Industrial Trainee and Technical Internship Program, whose stated purpose of is nurturing talent from developing countries. The program has been seen to effectively permit the exploitation of inexpensive migrant labor.<sup>362</sup> Many of the workers placed within the foreign trainee program work on fishing boats.<sup>363</sup> The training program lasts for up to three years.<sup>364</sup> These workers are initially recruited and hired by labor brokers in their home country, and the United States Department of State reports that workers in the training program often pay substantial fees to secure their jobs, leaving them vulnerable to bonded labor, even though such fees are illegal.<sup>365</sup> The majority of foreign trainee workers in the Japanese fishing sector are Indonesians<sup>366</sup> and Filipinos, with some Chinese fishers also present.<sup>367</sup> Though less media attention has been paid to abuses committed against foreign trainees working within the fishing and aquaculture sector in Japan, it appears that these individuals face the same abuses as those working on farms and in factories. Like other fishermen, the trainees face long hours and hazardous conditions. Foreign trainees in the fishing sector are paid approximately 25 percent of the wages of Japanese fishers.<sup>368</sup>

Migrant workers are also reportedly exploited in the Irish and Scottish fishing sectors where they are subject to underpaid wages, physical abuse, and intimidation. In one publicized case, Filipino men were recruited illegally on transport visas, were charged fees for recruitment, and had their passports confiscated and their wages withheld upon arrival.<sup>369</sup> Nigerian fishers in UK waters have also reported exploitation, and a recent report suggested that migrants from North Africa, Russia, and Turkey may also be vulnerable.<sup>370</sup>

#### *Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chains:*

Employment in the fishing sector is highly dependent on local context, the size of the vessel, and the type of fishing undertaken. Fishers employed on larger boats may have relatively formal employment agreements with the captain of the vessel or fleet ownership, but contracts are rare. Workers may be recruited through formal or informal labor recruiters, to whom they owe debt for their job placement. Often, workers recruited through brokers will have no advance knowledge of their actual employer, with whom they may be required to spend months at sea. Many trafficked workers on fishing vessels have reported incidents of violence, including homicide.<sup>371</sup>

There have been many documented cases of Southeast Asian workers forced to work in the fishing sector from countries such as Cambodia, Burma and Indonesia through labor agents or brokers. In one case documented in Bloomberg News, an Indonesian man sought work through an employment agency in Jakarta specializing in placing crews on foreign fishing vessels. Promised a relatively high salary, he borrowed money to pay a fee to secure his job. The labor agent rushed him through a contract in English, which he could not read. The contract compelled the worker to surrender 30 percent of his salary, which he would forfeit unless he completed his contract. He was to be paid nothing for the first three months of work, and if he did not perform work to the fishing company's satisfaction, he could be sent home and charged for airfare. He was required to work as many hours as required by the boat captains.<sup>372</sup> This Indonesian worker was on a South Korean owned vessel operating in New Zealand waters, illustrating the complexity of relevant jurisdiction in the fishing sector.

In some regions, recruitment, human trafficking, and abuse of migrant workers in the fishing sector is tied to organized crime. In one egregious example, in the Sea of Okhotsk, to the east of mainland Russia, at least two illegal crabbing vessels run by organized criminal organizations have made use of labor trafficked into Russia from the Ukraine. In that instance, Ukrainian crew members were recruited through employment agencies in the Ukraine, which charged workers between \$700 and \$1,000 to place them

aboard ships. The agency also facilitated the contract signing process. Many workers were required to pay for their own transportation to the ship in Russia, where the men waited for roughly a month in a hotel before they were to embark. Once in Russia the crew members were told that the original contracts they had signed were no longer valid, and that they were required to sign new contracts agreeing to half the pay they had previously agreed upon. Crew members were delivered to the “mother boat” via a smaller vessel -- the crabbing operation that they had signed a contract for was illegitimate, and the crabbing ships were hiding out at sea to avoid the Russian authorities. Once on the crabbing boat the men were not allowed to leave unless they were willing to pay an additional fee of \$1,000 to have a ship come and pick them up. Workers were required to work seven days a week for 18 to 22 hours each day; some workers sustained injuries while working due to lack of sleep. Workers were not provided with sufficient food and water; at times workers ate the bait for the crabs, or attempted to catch fish to feed themselves. Workers were constantly in freezing conditions, working in water that covered their legs that was 30 degrees Fahrenheit. As a result of these conditions many of the men developed chronic illnesses, such as pneumonia, chronic bronchitis, prostatitis, and PTSD. Physical abuse was also prevalent on the ship, with workers being beaten to the point of having their teeth knocked out. Workers aboard these crabbing ships were unable to leave for extended periods of time, as they were not allowed to disembark when the boat went to port.<sup>373</sup>

In addition to the risks posed by recruitment for migrants in the fishing sector, workers may be internally trafficked by labor contractors or middlemen. In Bangladesh shrimp processing, Verité research found that labor contractors recruit workers both from local communities and from the population of internal migrants seeking work in the industry. Local Bangladeshi shrimp processors are generally extremely poor and thus seek any source of income. Shrimp processing plants use contractors to supply workers because it allows them access to a highly flexible labor pool, which is often necessary as plants work to meet the time and cost demands of buyers. Further, it allows plants to avoid any direct employment relationship with workers. Several labor contractors may provide workers to the same facility. Labor contractors act as their workers' supervisors within the facility (although the plant may provide its own supervisors as well), so contractors are often in a position to enforce disciplinary measures or fire workers. This makes expressing any grievance difficult for workers without fear of losing their job. Labor contractors are also in a position to control the payment of workers' wages. In a typical arrangement, the labor contractor is paid by the facility per unit of production. The labor contractor in turn pays the worker a percentage of the total amount he received from the facility, which incentivizes these labor contractor to underpay wages. For example, contract workers involved in de-heading shrimp are typically paid per basket of shrimp. Supervisors fill baskets with shrimp to a pre-established weight, and then give this basket to the worker for de-heading. The worker's pay is tied to the pre-established weight of the basket. In the Verité study, workers reported that supervisors would fill the baskets to exceed the predetermined weight, so that workers were forced to de-head more shrimp than they were being paid for.<sup>374</sup>

### **Federal Procurement in the Fishing and Aquaculture Sector:<sup>7</sup>**

Federal procurement of fish and other seafood products represents a subset of overall federal subsistence procurement. Unfortunately, fish and seafood purchases are not broken out as a separate spending category within the PSC coding system, fish being grouped together with meat and poultry under the single PSC code 8905 (MEAT, POULTRY, AND FISH).

More detail is offered by the NAICS classification system, which is also tracked in the Federal Procurement Data System database. The NAICS codes 445220 (FISH AND SEAFOOD MARKETS) and

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<sup>7</sup> All federal procurement data is drawn from the [Federal Procurement Data System](#). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

424460 (FISH AND SEAFOOD MERCHANT WHOLESALERS) are used to demarcate fish and seafood purchases, and the NAICS codes 311711 (SEAFOOD CANNING), 311712 (FRESH AND FROZEN SEAFOOD PROCESSING), and 311710 (SEAFOOD PRODUCT PREPARATION AND PACKAGING) track contracts for fish processing. When FPDS.GOV is searched for these NAICS codes, however, it becomes clear that only some federal agencies are distinguishing their fish contracts from their other purchases of food in their record-keeping by using the relevant NAICS codes; other agencies simply record the general PSC code for MEAT, POULTRY, AND FISH for all food procurement transactions.

A search of FPDS.GOV for the above fish-related NAICS codes reveals a spend of \$46 million on fish and fish processing in FY2013, almost all of which was procured by the Agricultural Marketing Service, the Defense Commissary Agency, and the Federal Prisons. Verité analysis of overall subsistence spending by US agencies reveals that these three agencies account for approximately half of United States subsistence procurement. The other half is largely accounted for by the Defense Logistics Agency, which buys 45 percent of all food purchased by the United States Government, and to a lesser extent by the Veterans Administration, neither of which track fish expenditures separately from other purchases of meat and poultry.

Assuming that the DLA and VA procure fish in roughly the same proportions as other federal agencies that buy foodstuffs, the total federal spend in the fishing sector may be estimated at about \$92 million (twice \$46 million). This figure should be taken as a minimum estimate, however, since it is possible that not all AMS, DeCA, and FP fish contracts have been tagged with the NAICS codes.

There is no data at all available about fish procurement overseas in FY2013: all contracts tagged with the relevant NAICS codes were performed in the United States. This fact reflects the absence of DLA data in the analysis, and may also suggest that DeCA figures for fish purchases may only be capturing DeCA US-based procurement activities, and not subsistence purchases made by DeCA overseas. Amending the PSC system to isolate federal expenditures on fish/seafood and fish/seafood processing, or at least encouraging all relevant agencies to use the relevant NAICS codes for such contracts, would increase the ability to monitor federal supply chains in this vulnerable sector.

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<sup>344</sup> For a further discussion of profit sharing schemes, see: Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)

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# Forestry

*This report covers labor in the logging and wood processing industries. For information on the human trafficking risks associated with particular forestry commodities, see the forthcoming commodity reports: [Bamboo](#) and [Charcoal](#).*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Forestry Sector:**

The forestry sector refers to the growing and harvesting of timber.<sup>375</sup> Work in this sector includes cutting down trees with hand-held tools or felling machines, dragging logs with tractors, separating and classifying logs, and grading logs according to specific characteristics, and inspecting relevant equipment.<sup>376</sup>

### *Economy:*

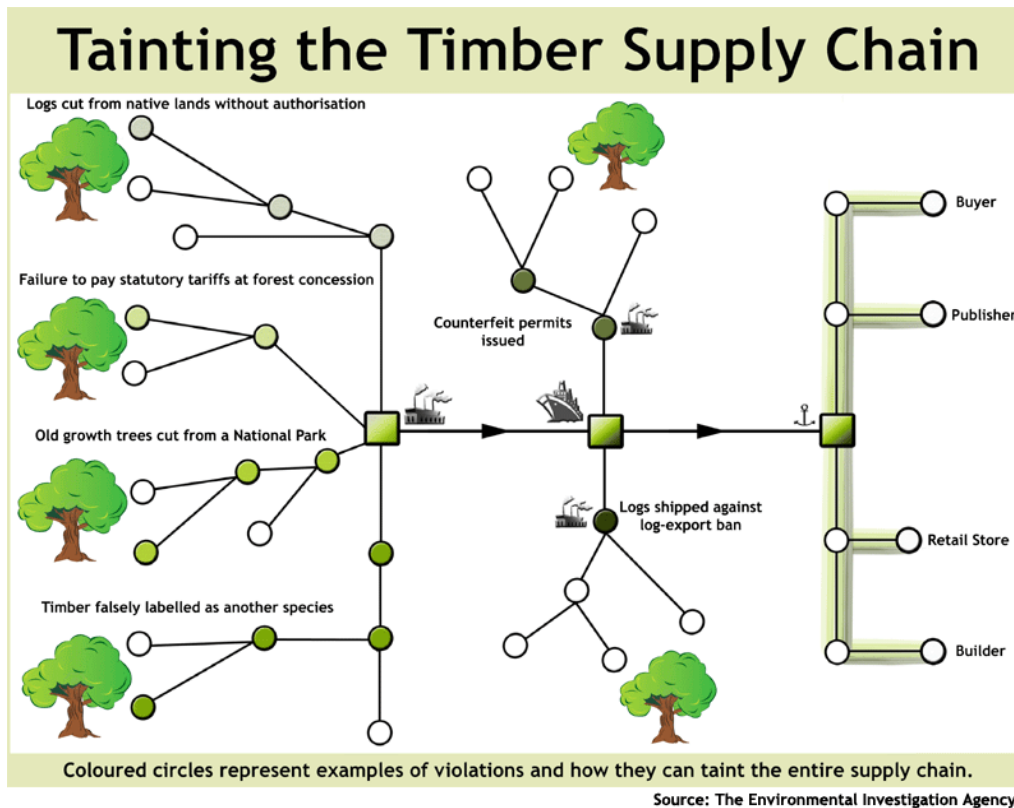
The forestry sector, which includes the extraction and processing of forest resources, contributed just under one percent of global GDP in 2011.<sup>377</sup> The United States forest product industry produces over \$200 billion worth of wood and paper products annually.<sup>378</sup>

According to the Food and Agriculture Organization (FAO) of the United Nations, forestry products can be broken down into the following categories: roundwood (wood fuel, industrial roundwood), sawnwood, wood-based panels (veneer, plywood, particleboard, and fiberboard), wood pulp, other fibre pulp, recovered paper, and paper and paperboard.<sup>379</sup> Global production of the major forestry products greatly declined in 2009 as a result of the global economic crisis. The industry is slowly recovering, but 2012 production levels were still below 2007 pre-recession levels. Production levels are expected to continue to slowly recover. The forestry products sector has historically been dependent on the success and growth of the construction sector and therefore the real estate market, so as these sectors recover, so should the forestry sector.<sup>380</sup>

In 2012, global industrial roundwood production was almost 1.7 billion cubic meters, sawnwood production was 413 million cubic meters, wood-based panel production was 301 million cubic meters, and fiber furnish (encompassing wood pulp, other fiber pulp, and recovered paper) was 399 million metric tons. Compared to other major forestry products, the production of wood fuel and paper and paperboard were relatively unaffected by the economic crisis. In 2012, global woodfuel production was almost 1.9 billion cubic meters, less than one percent below 2008 levels. Regional production patterns have changed a great deal, however. Production in North America, Asia-Pacific and Europe decreased while production in Africa and Latin America and Caribbean increased. Paper and paperboard production has been steadily increasing since 2008. In 2012, 400 million tons of paper and paperboard were produced.<sup>381</sup> Paper continues to be in demand despite the rise of digital products; paper is increasingly being used as a green alternative to petroleum-based packaging.<sup>382</sup> Global wood pellet production has increased in recent years, due in large part to Europe's bioenergy use targets and policies. Global production of wood pellets in 2012 was 19 million tons, half of which was traded internationally.<sup>383</sup>

Europe is by far the biggest consumer of wood pellets (80 percent of global consumption); North America is a distant, second (17 percent of global consumption). Europe and North America are also the top producers of wood pellets with 66 percent and 31 percent of production, respectively.<sup>384</sup> In 2012, the US was the largest producer of industrial roundwood, followed by Canada, Brazil, China, and Russia. These five countries were also the largest consumers of the product. The United State was also the largest producer of sawnwood in 2012, followed by China, Canada, Russia, and Brazil. China was the largest importer of sawnwood, followed by the United States, Japan, the UK, and Italy. China's consumption of the product more than doubled between 2008 and 2012.<sup>385</sup> China produced 39 percent of the world's wood-based panels in 2012, followed by the United States, Russia, Germany, and Canada. The top four producers were also the top four consumers. The top producing countries of fiber products in 2012 were the United States, China, Japan, Canada and Brazil. These countries, with the exception of China, were also the main exporters, along with the UK. In 2012, China and the United States are also the two largest producers of paper and paperboard, followed by Japan Germany and Sweden. These four countries, with the exception of Sweden, are also the major consumers, along with India.<sup>386</sup>

Illegal logging operations, including the processing of the wood, are valued at \$30-100 billion or ten to 30 percent of the global wood trade.<sup>387</sup> In 2006, The World Bank estimated that the financial losses from illegal logging equaled approximately \$15 billion every year. The Government of Indonesia estimated that it loses approximately \$3.2 billion a year from illegal logging.<sup>388</sup> Illegal logging is carried out using the following methods: "falsification of logging permits, bribes to obtain logging permits (in some instances noted as \$20-50,000 per permit), logging beyond concessions, hacking government websites to obtain transport permits for higher volumes or transport, laundering illegal timber by establishing roads, ranches, palm oil or forest plantations and mixing with legal timber during transport or in mills."<sup>389</sup>





### *Workforce:*

Occupations within the logging industry include: fallers who cut down the trees with chainsaws or mobile felling machine; buckers who trim the felled trees and cut the logs; tree climbers who scale the trees in order to remove tree limbs; choke setters who set up the steel cables or chains and connect them to tractors that bring the logs to landing areas where they are sorted and loaded onto trucks; rigging slingers and chasers that set up the yarding system; log sorters, markers, movers, and chippers that sort the logs based on different specifications and tend the machines that chip up logs; logging equipment operators; drivers of tree harvesters, tractors, and skidders; and log graders and scalers who inspect and measure the logs.<sup>390</sup>

According to the FAO, the formal forestry sector employs 13.2 million people globally and the informal forestry sector employs 41 million. It is estimated that 840 million people, 12 percent of the global population, collect woodfuel and charcoal for their personal use as well.<sup>391</sup>

The United States Bureau of Labor Statistics reported that there were 43,900 logging workers in the United States in 2012, and that it is projected that this number will decline by nine percent from 2012 to 2022.<sup>392</sup> In 2013 20,600 workers in the industry were employed as logging equipment operators, which accounted for the largest occupation in the sector. There were 7,870 workers employed as truck drivers, heavy and tractor-trailer, 5,030 workers employed as fallers, 2,420 workers employed as first-line supervisors/managers of farming, fishing, and forestry workers, and 610 workers employed as sawing machine setters, operators, and tenders, during the same year.<sup>393</sup> The United States Bureau of Labor Statistics' Current Population Survey, which includes self-employed workers, reported that 47,000 workers were employed in Forestry, not including logging and 91,000 workers were employed in logging in 2013.<sup>394</sup>

### **Risks to Human Trafficking in this Sector:**

The United States Department of State's 2014 *Trafficking in Persons Report* noted evidence of human trafficking in the forestry sector in the following countries: Brazil, Czech Republic, Guyana, Kyrgyz Republic, Laos, North Korea, Papua New Guinea, Peru, Solomon Islands, Sweden, Uganda, and Vietnam.<sup>395</sup>

### *Hazardous/Undesirable Work:*

In 2012, in the United States forestry and logging industry, there were 4.3 injuries per 100 workers and 65 fatalities overall, down from 5.0 injuries per 100 workers and 78 deaths in 2011.<sup>396</sup> In 2010, there was a fatality rate of 73.7 deaths per 100,000 workers in the United States forestry and logging industry. This rate was 21 times higher than the overall fatality rate of 3.4 deaths per 100,000 workers in the United States in 2010.<sup>397</sup> The tools and equipment used by loggers, for example chainsaws, are extremely dangerous to operate. Loggers are in danger of falling or rolling logs as well. The hazards are exacerbated by poor weather conditions and the isolation of work sites.<sup>398</sup> The pulp and paper industry is also dangerous. Pulpwood loads are very heavy and can fall and harm workers. There are also dangerous machines that workers are expected to operate.<sup>399</sup> These risks are also true for other wood processing operations.

Loggers employed on illegal logging sites are even more vulnerable to dangerous working conditions and abuse due to the lack of regulation and the presence of organized crime. In key producing countries in the Amazon basin, Central Africa, and Southeast Asia, it is estimated that between 50 and 90 percent of all forestry activity is carried out by organized crime,<sup>400</sup> which has increased incidents of murder and violence against indigenous peoples living in or near the forests.<sup>401</sup> There are a number of recent articles about the involvement of organized crime in the illegal logging industries, particularly in Latin America.<sup>402</sup> In Peru, 2012 World Bank estimates indicate that 80 percent of timber exports were linked to illegal logging, which funds narco-trafficking organizations and aids them in money laundering. In Peru,

and especially in Brazil, a large number of anti-logging activists have been murdered.<sup>403</sup> Verité research in Peru indicated that there was a high rate of exploitative, dangerous, and forced labor linked to illegal logging.

*Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

Logging, legal and illegal, often occurs on the lands of indigenous people. This is especially true in Peru and Brazil where there are a number of large Indigenous Land Conservation Units that are home to the “greatest population of isolated indigenous communities” in the Amazon. In Brazil, the 1988 constitution secures the right of indigenous communities to this land. Despite this protection, these lands have been ravaged by mining and timber extraction as well as drug trafficking.<sup>404</sup> The indigenous peoples living on the land are at great risk of violence and exploitation in illegal logging operations run by organized crime. In the Peruvian Amazon, it is estimated that 33,000 people, most of whom belong to various ethnic groups in the Amazon, are trafficked in the logging industry.<sup>405</sup> Illegal logging is also pushing indigenous populations off of the land that they depend on for survival. Recently a video was released by Brazil’s National Indian Foundation that shows an isolated group of indigenous people allegedly seeking outside assistance because of the pressures and attacks they were experiencing from illegal logging and drug trafficking operations.<sup>406</sup>

In Burma, there are reports of indigenous people forced to work in the teak logging industry. If they complain or refuse to work, they are vulnerable to fines, imprisonment, and even torture by Burmese soldiers. The workers are often unpaid and no compensation is given for injuries that occur on the job.<sup>407</sup>

Anti-Slavery International’s 2006-2007 report on North Koreans attempting to flee to China found that many of those who were deported back to North Korea were trafficked while in detention. One of the major forced labor projects was state-run mountain logging. In the labor camps, prisoners were subject to beatings, overcrowding, unhygienic facilities, and a shortage of food.<sup>408</sup>

*Migrant Workforce:*

Migrant workers are vulnerable to human trafficking in the forestry and logging industry. In the United States, migrant guestworkers may be given H-2B visas to work in forestry, which has been classified as non-agricultural activity since 1986. Many American citizens, and even undocumented workers, do not want to work in forestry, as it is a dangerous and demanding job that offers low pay and only seasonal employment. Labor brokers have found that H-2B workers are more productive than work crews in the United States because they spend more time planting and less time traveling, as they live at or near the worksite in many cases. Forest Labor Crews also prefer H-2B workers because they risk raids by immigration authorities if they employ undocumented workers and it would be prohibitively expensive to employ United States citizens. Therefore, most large labor contractors have turned to the H-2B program to recruit their workforce. This is evidenced by the fact that 41 percent of labor brokers in forestry employ a workforce made up of over 75 percent H-2B workers, who comprised approximately 84 percent of forestry workers in 2005. The three largest hand tree-planting labor brokers in the Southeastern United States, which were responsible for over half of all tree planting in the Southeast, reported that all of their workers were H-2Bworkers (see the [Guestworker Visas](#) pullout box for more information).<sup>409</sup>

Migrant workers employed under H-2B visas are more vulnerable to trafficking than agricultural workers employed under H-2A visas since they have reduced rights to minimum wages and reimbursement of travel expenses, lack access to legal services, and enjoy fewer protections under current regulations. Guestworkers in the forest industry, many of whom have no previous work experience or access to social networks in the United States, face extreme isolation at worksites, are beholden to contractors, fear losing their jobs if they complain, and are generally unaware of their basic rights. By contrast, many undocumented forest workers belong to established social networks through which they are recruited onto forest labor crews. Therefore, guestworkers, who are more isolated and may be subject to deportation if

they complain, are more vulnerable to human trafficking. According to Verité's interviews and secondary sources, forestry workers tend to pay for part of their recruitment, visa, and travel fees up front, the rest of which is deducted from their paychecks by the labor brokers after arrival in the US. One forestry worker earned 13 cents per hour after deductions.<sup>410</sup>

In the United States, a number of workers from Hidalgo, Mexico were allegedly subjected to human trafficking during the 2012-2013 forestry season by a forestry company. The workers were recruited on H-2B visas. According to worker accounts, their passports were taken upon arrival in the United States, and the workers were immediately transported to Northern California where they were split into groups and were led deep into the forest. The workers were forced to sleep in tents in the woods and made to work up to 13 hours a day, six days a week. The workers were forced to use dangerous chemicals with very little protective equipment; only gloves and overalls were provided. Workers said that the chemicals caused vomiting, skin peeling, and burning eyes. The workers were paid very little, sometimes as little as \$100 for two weeks of work, as illegal deductions, including a \$2,000 visa cost per worker, were taken out of their wages. The workers had to pay \$240 every two weeks for their food, which was provided by the father of one of the company supervisors. The meat was often spoiled when the workers received it and the drinking water that they were given was later deemed unsanitary. Supervisors were allegedly verbally abusive; some carried guns and threatened to kill workers if they didn't work hard..<sup>411</sup>

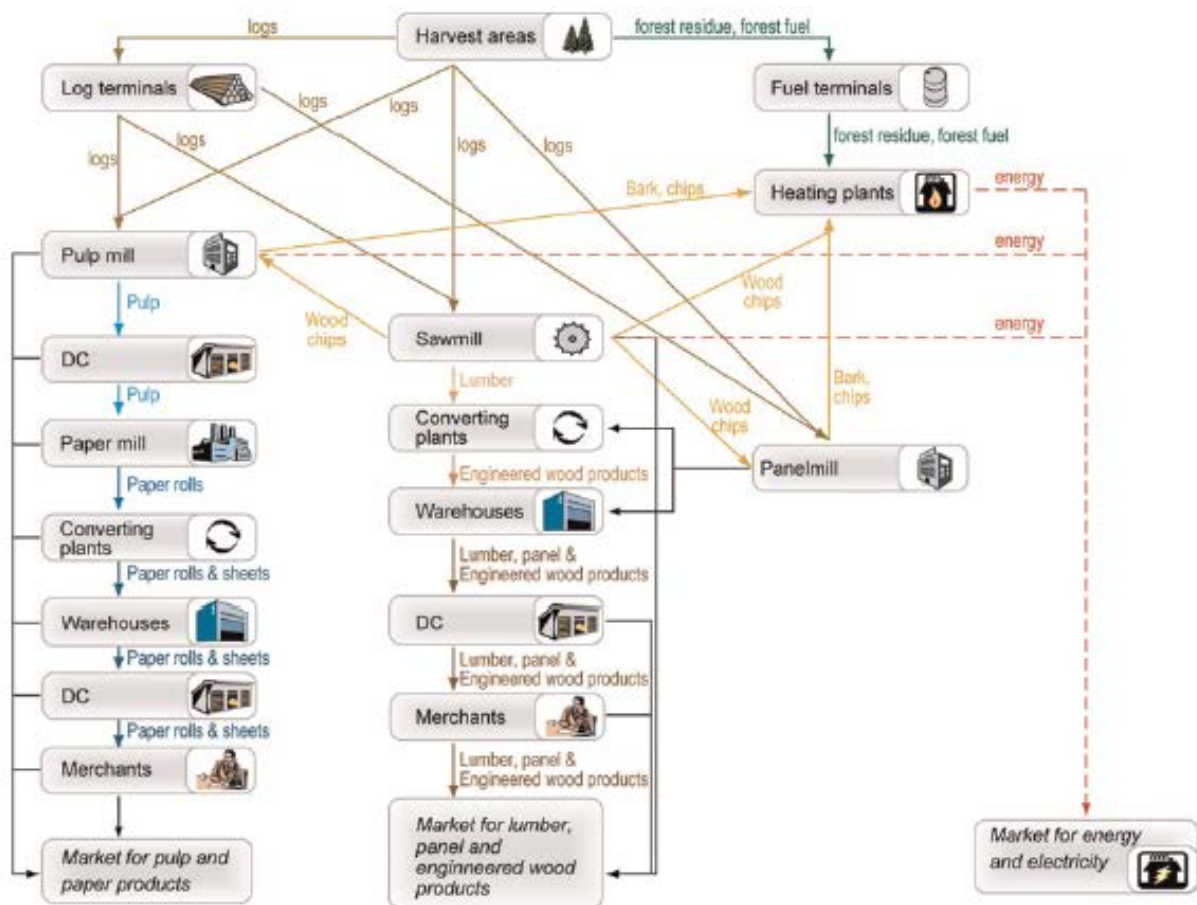
*Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chain:*

The presence of labor brokers and other types of middlemen in the production and export of timber creates a massive potential for abuse. In the United States, the visa system creates the need for labor brokers, as employers lack connections in sending countries and migrants seeking jobs need a sponsor in the US in order to secure a visa. Labor brokers thus play a crucial role in connecting these two parties and facilitating the complex visa application process. However, in many cases, labor brokers engage in exploitative practices that increase workers' vulnerability to trafficking, such as deception about the nature and terms of employment, excessive deductions from workers' pay, document retention, and threats.<sup>412</sup>

A type of debt bondage specific to the forestry industry and other primary industries occurs when middlemen, having previously agreed on a price for timber from the local community, claim that the market price for the timber has gone down and refuse to pay the previously set price, leaving the community in debt.<sup>413</sup> In Peru, brokers, known as *habilitadores*, lure young men to the timber harvesting areas for employment. Once they are there, the brokers charge the men inflated prices for supplies in order to do the work. Since the sites are so isolated, the men have no choice but to pay for the supplies, which can result in a cycle of insurmountable debt.<sup>414</sup>

*Long, Complex, and/or Non-Transparent Supply Chains:*

Illegal timber passes through a long and complicated international supply chain, making it difficult to prosecute the perpetrators of timber smuggling and to determine the products' provenance. Illegal timber is harvested around the world, but mainly in Africa and Asia where there are low levels of sustainable forest management and certification schemes, high levels of poverty, and weak governance. In Asia, much of the illegal timber is transported to Singapore, South Korea, and China, where it is processed, labeled as legal, and exported to the US and Europe.<sup>415</sup> In Russia, for example, there has been a major issue with illegal logging operations in the Russian Far East region that contains old-growth temperate hardwood forests. Ninety-six percent of this illegal wood is exported to China where it is mixed in with legal woods and sold on the international market.<sup>416</sup> Workers employed in illegal logging, which is primarily controlled by violent criminal groups, are inherently more vulnerable to human trafficking since they have a legitimate fear of reprisal for leaving their jobs without permission or walking away from debts. As they are engaged in illegal activities, they are less likely to be comfortable filing grievances with authorities.



Source: Carlsson, Dick, Sophie D'Amours, Alain Martel, and Mikael Ronnqvist. "Supply Chain Planning Models in the Pulp and Paper Industry." *Information Systems and Operational Research (INFOR). Journal*, Vol. 47, No. 3, (2009): 167-183.

### Federal Procurement in the Forestry Sector:<sup>8</sup>

One major way that the forestry sector is implicated in the federal spend is via the lumber and other wood products that are used in federal construction projects. As with other building materials, lumber is most often procured through subcontracts embedded within prime construction contracts, rather than directly purchased by the Government, making spending on lumber difficult to isolate in the Federal Procurement Data System. Direct spending on lumber and other wood building materials (PSC 55%) in FY2013 was only \$42 million out of a total spend on construction of \$19.71 billion.

Tree planting and forestry associated with recuperation from forest fires is procured by the Forest Service, the Bureau of Land Management, and the United States Fish and Wildlife Service, as well as a few other agencies. In FY2013, the United States spent \$55 million on forestry labor of this kind (PSC F004, F005, and F018).

<sup>8</sup> All federal procurement data is drawn from the [Federal Procurement Data System](http://www.fedprocurement.gov). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

Paper products for forms and office use are used by virtually every federal agency, with most procurement made through the GSA's Federal Acquisition Service. In FY2013, the federal spend on office stationery and forms (PSC 7530 and 7540) was \$25 million, \$12 million of which was procured from sheltered workshops for the blind and UNICOR/Federal Prison Industries.

Federal spending on books, newspapers, and periodicals (PSC 7610 and 7630) was \$202 million in FY2013. Digital media subscriptions are not distinguished from paper media purchases in the PSC tracking system, however, so it is likely that many of these expenses are not relevant to the forestry sector.

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<sup>376</sup> US Bureau of Labor Statistics, US Department of Labor. "Logging Workers." *Occupational Outlook Handbook, 2014-15 Edition*. <http://www.bls.gov/ooh/farming-fishing-and-forestry/logging-workers.htm#tab-2>

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<sup>379</sup> Food and Agriculture Organization of the United Nations. FAOSTAT. "Global production and trade of forest products in 2012." 2012. <http://www.fao.org/forestry/statistics/80938/en/>

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<sup>383</sup> Food and Agriculture Organization of the United Nations. FAOSTAT. "Global production and trade of forest products in 2012." 2012. <http://www.fao.org/forestry/statistics/80938/en/>

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<sup>389</sup> United Nations Environment Programme/INTERPOL. *Green Carbon, Black Trade*. 2012. [http://www.unep.org/pdf/RRALogging\\_english\\_scr.pdf](http://www.unep.org/pdf/RRALogging_english_scr.pdf)

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# Healthcare

*This report focuses on the services provided by the healthcare industry, specifically on the services provided by lower skilled positions that are more vulnerable to human trafficking. For risks associated with healthcare equipment manufacturing, please see the pull out box.*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Healthcare Sector:**

The global medical industry incorporates a vast array of services provided by hospitals, nursing homes, diagnostic laboratories, and pharmacies. These institutions employ workers at all professional levels and they are supported by drug, pharmaceutical, chemical, and medical equipment manufacturers and suppliers. Public policy workers, medical writers, clinical research lab workers, IT professionals, sales and marketing professionals and health insurance providers are also connected to the industry.<sup>417</sup> Many, if not most, jobs in the healthcare sector involve skilled forms of labor, and are not generally at risk for human trafficking. Lower-skilled healthcare occupations such as certain forms of nursing, home nursing, and personal care provision may be at risk, however, and are the focus in this report. In addition, human trafficking has been documented in conjunction with the production of certain kinds of medical equipment (see the [Healthcare Equipment Manufacturing](#) pullout box for more information). Equipment involved in healthcare provision is also at risk for trafficking at the level of primary inputs such as metals (see the [Extractives/Mining and Basic Metal Production](#) sector report for more information), electronics (see the [Electronics and Electrical Products Manufacturing](#) sector report for more information), and certain chemical supply chains.

## *Economy:*

The healthcare industry as a whole is one of the world's fastest growing industries, representing over ten percent of most developed nations' gross domestic product.<sup>418</sup> In 2013, the Economist Intelligence Unit (EIU) reported that the global average spent on healthcare as a percentage of GDP was 10.5 percent and was likely to continue at that level in 2014. The EIU estimated that, in 2014, the regional percentages will be as follows: 17.4 percent in North America, 10.7 percent in Western Europe, 8.0 percent in Latin America, 6.6 percent in Asia and Australasia, and 6.4 percent in the Middle East and Africa. In 2013, global health spending was expected to increase by 2.6 percent and then continue to increase by an average of 5.3 percent per year for the next four years.

Due to a combination of increasing life expectancies worldwide and the aging "Baby Boomer" generation in the US, demand for healthcare is rising steadily. In the United States, healthcare spending increased by 3.7 per cent in 2012, bringing total spending to \$2.8 trillion or \$8,915 per person.<sup>419</sup> The overall population of the United States is projected to increase by at least 18 percent between 2000 and 2020, and the population age sixty-five and older is expected to increase at three times that rate, a trend that will lead to a rapid increase in demand for registered nurses (RNs) and other healthcare practitioners. The United States Department of Health and Human Services (HHS) estimated that in 2000 there was a shortage of 111,000 full time equivalent (FTE) RNs in the United States. HHS predicted a shortage of 275,000 in 2010, and estimated that the shortfall will reach 800,000 by 2020.<sup>420</sup>



Overseas, emerging healthcare market countries include China, India, Indonesia, Russia and Mexico. The fastest growing region in terms of healthcare spending is expected to be the Middle East and Africa. Key factors of growth include population growth and government healthcare access programs.<sup>421</sup>

According to the Health Policy Coordinator at the ILO Social Protection Department, Xenia Scheil-Adlung, there is currently a shortage of around 10.3 million health workers worldwide.<sup>422</sup>

#### *Workforce:*

According to the World Health Organization, there were around 60 million health workers worldwide in 2010. About two-thirds of these, or 40 million workers, provided health services, while the other one third, 20 million workers, were employed in management or support positions.<sup>423</sup>

The Center for Health Workforce Studies' Healthcare Employment Projections (2012) reported that between 2000 and 2010, healthcare employment in the United States increased by more than 25 percent. In 2010, approximately 14 million people were employed in the healthcare sector in the United States. The Center anticipated that between 2010 and 2020, 4.2 million jobs would be created in the healthcare sector, 63 per cent in ambulatory care.<sup>424</sup>

The United States Bureau of Labor Statistics reported that 18,302,700 people were employed in healthcare and social assistance in December 2014.<sup>425</sup> The Bureau broke the sector down into ambulatory healthcare services (6.8 million),<sup>426</sup> hospitals (4.8 million),<sup>427</sup> nursing and residential care facilities (3.3 million),<sup>428</sup> and social assistance (3.4 million).<sup>429</sup>

Utilizing a different survey, the report focuses mostly on the lower-skilled positions, such as home health aides, personal care aides, nursing assistants, and orderlies, who experience greater risk of human trafficking than skilled healthcare workers. In 2012, there were 875,100 home health aides employed in the United States, 1.2 million personal care aides, 1.5 million nursing assistants (more than half of whom work in nursing and residential care facilities), and 54,600 orderlies. The demand for home health aides is increasing rapidly, in part because of the potential for cost-savings in healthcare delivery represented by a shift to lower-paid home health workers.<sup>430</sup> The United States Department of Labor's Bureau of Labor Statistics projects that home health aide employment will grow 48 percent from 2012 to 2022.<sup>431</sup> By 2018, it is estimated that the direct care workforce will total more than 4 million employees.<sup>432</sup>

International migration for healthcare jobs is becoming more and more common as the demand for health workers in "high-income" countries continues to increase. The migration trend tends to be south to north migration of both unskilled and skilled health workers from Africa and Asia to Europe and North America. The "brain drain" associated with the migration of skilled health workers out of the Global South greatly affects the health systems of the source countries. For example, India, Nigeria, and Pakistan have "critical health workforce shortages" but these countries are in the top 25 countries that send doctors and nurses overseas.<sup>433</sup> Countries experience financial loss and sometimes even partial or complete collapse of their health systems. This migration trend is so common in countries like Fiji, Jamaica, Mauritius and the Philippines that students often enter school with the intention of working abroad. The Philippines are now training students especially for international careers because the demand is so high.<sup>434</sup>

#### **Risks to Human Trafficking in this Sector:**

##### *Hazardous/Undesirable Work:*

The World Health Organization (WHO) lists the following safety hazards that workers in the healthcare sector face: biological hazards (such as TB, Hepatitis, HIV/AIDS, SARS), chemical hazards (such as glutaraldehyde and ethylene oxide), physical hazards (such as noise, radiation, slips, trips, and falls), ergonomic hazards (such as heavy lifting), psychosocial hazards (such as shift work, violence, and stress),

fire and explosion hazards (such as oxygen and alcohol sanitizing gels), and electrical hazards (such as frayed electrical cords).<sup>435</sup> Physical injury rates are reportedly thirty times higher in the healthcare field than in other sectors.<sup>436</sup> Further, time constraints placed on health-care providers can increase the risk of physical harm.<sup>437</sup>

Workers in lower positions such as home healthcare aides face additional undesirable and hazardous tasks such as bathing and cleaning patients, working with potentially volatile and sometimes violent patients, and responsibility for cleaning facilities or patient's homes. Home health aides and personal care aides often work in clients' private residences.<sup>438</sup> The associated invisibility and isolation adds an additional layer of vulnerability to exploitation and abuse; experts report that hospice and home healthcare workers frequently face serious safety risks, and that the problem is severely underreported.

In addition to physical risk, healthcare workers may be subject to psychological abuse and harassment.<sup>439</sup> According to research conducted by the New Orleans Family Justice Center, 60 percent of community nurses have experienced verbal or other forms of abuse on the job in the past two years, mainly from family and friends of the patients. In general, the survey participants were largely unaware of policies and procedures concerning abuse at work, and 20 percent said they weren't sure if their employers would do anything if they reported the abuse. Eighty percent of participants said that they did not report incidents to their employers.<sup>440</sup> Such exploitive conditions can create a culture of intimidation for workers, particularly when they are also marginalized due to gender, ethnicity, or migration status. Intimidated workers may fear expressing any grievances regarding their working conditions.

#### *Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

In the United States, the rapid growth in healthcare employment has been concentrated in growth of low-skilled healthcare positions such as home healthcare aides, nursing aides, medical assistants, and orderlies. Over 60 percent of healthcare workers now have less education than a four year degree. The demand for these lower-skilled workers has been driven by the need to rapidly staff up for care of the aging population in the US.<sup>441</sup>

Many of these jobs have low barriers to entry. While some positions, such as pre-baccalaureate registered nurses (RNs) require associate degrees or other post-secondary education, other positions such as home health aides may not even require a high school diploma.<sup>442</sup>

These low-skilled jobs with low educational barriers to entry also tend to be relatively low-paying. Most of the new jobs in the sector pay less than \$30,000 a year. Home health care workers in the United States usually make \$8.03 to \$14.17 an hour and have historically been exempt from minimum wage and overtime laws. The Department of Labor recently issued a final rule extending minimum wage and overtime protections to home care workers, but litigation regarding the rule is pending. There are reports that almost 40 percent of health aides are on government assistance programs, like food stamps and Medicaid.<sup>443</sup> In 2014, a group of health aides in California filed a class-action lawsuit alleging that their employer underpaid wages. Workers reported that they were paid flat fees for 12 or 24 hour shifts, leaving their per hour rate far below the minimum wage.<sup>444</sup>

The worker population engaged in low-skilled healthcare work tends to have vulnerabilities tied to gender, ethnic background and migration status. Racial and ethnic minorities are disproportionately represented in these positions; In the United States, almost thirty percent of all in-home healthcare workers are immigrants.<sup>445</sup> Migrant workers are particularly prevalent among nurses, personal care aides, psychiatric aides and home health aides.<sup>446</sup> One in five immigrant direct care workers is undocumented, further increasing their vulnerability to exploitation and abuse.<sup>447</sup> Fifty-six percent of in-home healthcare workers are from a minority racial or ethnic group.<sup>448</sup> According to the Obama administration, close to 30 percent of home healthcare workers are black and 12 percent are Latino.<sup>449</sup> Low-skilled health workers

are predominantly female. Approximately 92 percent of home healthcare workers are women.<sup>450</sup> Women in these positions have been found to make considerably less than women in other jobs: \$308 weekly median compared to \$560 in other professions.<sup>451</sup> In general, migrant workers, black and Hispanic workers, and women are clustered in the lowest paid healthcare professions with the lowest educational barriers to entry. These positions are often the most hazardous healthcare positions, and are associated with other poor conditions of work.

#### *Migrant Workforce:*

The United States relies on a large number of foreign healthcare workers. According to the Pew Research Center, there were 11.6 million native born employees and 2.1 million foreign born employees in the healthcare sector in the United States in 2012. Of these 2.1 million foreign born employees, a large majority come from South and East Asia (782,204). The next largest groups of foreign born employees migrated from the Caribbean (369,711), Mexico (169,669), and South America (142,162).<sup>452</sup> Between 2001 and 2008, an estimated one-third of the 476,000 full-time RNs in the United States were foreign born. Migrant health-care workers tend to receive lower wages: one study found that hiring a foreign-educated nurse instead of a native, per-diem nurse could save a company up to \$50,000 in two years.<sup>453</sup> In Kuwait, the United Arab Emirates, and other countries in the Middle East, migrants make up more than 50 per cent of healthcare employees.<sup>454</sup>

Migrants are likely paid less than equivalent domestic healthcare workers. An article on migrant nurses in Dubai noted that Filipino nurses are paid less than half of the rate of nurses from Dubai.<sup>455</sup> In some cases, migrant healthcare workers in conflict areas may be vulnerable to violence. In one well-publicized case, 40 female nurses from India were trapped in an area of Iraq attacked by armed members of the 'Islamic State.'<sup>456</sup> Similarly, over 400 Indian nurses were trapped by militia violence in Libya.<sup>457</sup>

#### *Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chain:*

Migrant health-care workers in the United States and other developed countries, including nurses in particular, are recruited via firms specializing in health-care recruitment.<sup>458</sup> A 2003 survey by the National Council of State Boards of Nursing (NCSBN) found that 35 percent of foreign-educated RNs and 17 percent of foreign-education Licensed Nurse Practitioners (LNPs) and vocational nurses used a recruiting agency to get their jobs.<sup>459</sup> In addition to direct recruitment of foreign nurses by healthcare organizations, one study found two primary models of foreign nurse recruitment: in the first model, foreign nurses are recruited by placement agencies and then directly employed by the healthcare organization; in the second model, the recruitment agency also acts as the employer and "leases" the nurse to the healthcare organization.<sup>460</sup>

Recruitment conditions can increase foreign healthcare workers' vulnerability to human trafficking. A small percentage of recruitment agencies charge applicants fees for placement, potentially increasing their vulnerability to debt bondage, in the event that the fees charged are high in comparison to earnings.<sup>461</sup> More significantly, foreign nurses recruited by staffing agencies are generally contractually tied to their employer for a period between 18 and 36 months. In some cases, these contracts state that, if they wish to pre-terminate their contracts, foreign nurses must repay all expenses borne by recruiter in addition to paying a penalty of as much as \$50,000, according to some reports.<sup>462</sup> Although salaries for nurses tend to be relatively high compared to wages for positions such as home healthcare aides, placement agencies can take up to 50 percent of a foreign nurse's salary.<sup>463</sup>

These recruitment conditions can facilitate vulnerability to human trafficking, even for these relatively skilled workers. In one recent case, a man was accused of luring foreign nurses, mostly from the Philippines, to Colorado with promises of salaries from \$68,000 to \$72,000. Prosecutors said that once the nurses arrived, the defendant demanded \$1,200 a month from each recruited nurse and threatened to revoke their H-1B visas if they refused.<sup>464</sup> One recruited nurse reported that the man promised her a

university teaching job that didn't exist and required up-front fees of up to \$10,000. He was also always threatening to deport the nurses if they broke their contracts. The accused man was convicted of human trafficking and sentenced to 11 years in prison.<sup>465</sup>

In another recent case, *Panwar v. Access Therapies, Inc.*, a number of people from India and the Philippines were recruited to work for healthcare companies through the H-1B visa program (see the [Guestworker Visas](#) pullout box for more information on visa programs). The defendants in this case allegedly used coercion, threats of visa revocation, and threats of financial penalties and debt, specifically the \$20,000 promissory note that the employees were forced to sign, to trap the workers in their employment.<sup>466</sup>

### **Healthcare Equipment Manufacturing**

*This pullout box focuses on the labor used to create the equipment used in the healthcare sector. For more information on the human trafficking risks associated with the inputs to equipment manufacturing, see the [Extractives/Mining and Basic Metal Production](#) and the [Electronics and Electrical Products Manufacturing](#) sector reports and the related commodity reports.*

Medical equipment or devices refers to products that are “designed to diagnose and treat patients.” Medical equipment ranges from tongue depressors and bandages to pacemakers and complex imaging systems. Medical equipment may be divided into the following principal product categories: surgical appliances and supplies, surgical and medical instruments, electro-medical equipment, in-vitro diagnostic substances, irradiation apparatuses, and dental and ophthalmic goods.<sup>467</sup>

The United States was the world's largest producer of medical equipment in 2008 with a market valued at over \$100 billion, which was 42 percent of the world's total medical equipment market at that time. United States exports totaled \$31.4 billion in 2008. The United States is also the world's largest consumer of medical equipment with imports valued at \$33.6 billion in 2008. Most of these imports are “lower tech products,” like scalpels and surgical gloves.<sup>468</sup>

The United States medical equipment manufacturing industry presents a low risk of human trafficking due to the small average company size, the high skill level required for the job, and the relatively high compensation level. In 2007, there were approximately 5,300 companies manufacturing medical equipment in the United States, and 73 percent had fewer than 20 employees, with average wages of \$60,000.<sup>469</sup> Most pieces of medical equipment manufactured in the United States are relatively complex, high value-added products, and the labor involved is not of concern for trafficking risk, except at the level of primary commodity and electronics inputs.

According to the UN Comtrade database, however, in 2013 the United States imported \$2.4 billion worth of “Instruments etc for medical, surgical, dental, etc. use” from Japan, almost \$2.3 billion from Germany and \$2.1 billion from China. Japan and Germany do not in themselves raise significant red flags for human trafficking risk, but these countries both source medical instruments from Pakistan, a country cited by the United States Department of Labor's *List of Goods Produced by Child Labor or Forced Labor* (2013) for producing surgical instruments with child labor.

Children as young as eight have been found making surgical instruments, such as scalpels, clamps, and scissors, in Pakistan. These children work in dangerous conditions without protective equipment and injury is common. Wages are low; some workers are only making INR 170 (\$3.4 in 2008) a day. The city of Sialkot is the center of Pakistan's surgical instrument manufacturing industry. The ILO has estimated that 5,800 children work in the industry in Sialkot.<sup>470</sup> Some children are reportedly involved in the industry to pay off family debts that were owed to the employer. The manufacturers that provide these

products to large international health companies often sub-contract production to small, informal production workshops where compliance standards are more difficult to enforce. These conditions are often hidden from the large companies that purchase the products as the supply chain is long and lacks transparency. Britain's National Health Services was a major buyer of surgical instruments from Sialkot, Pakistan and has since developed draft guidelines on ethical purchasing to try and prevent future purchases tainted with labor abuses.<sup>471</sup>

Pakistan's top five exporting partners for "instruments etc for medical, surgical, dental, etc use" are: China (\$43 million), Singapore (\$25 million), Germany (\$23 million), United States (\$12.9 million), and Japan (\$10.4 million).<sup>472</sup> The import of medical instruments by the United States suggests a risk of child labor for federal supply chains.

Medical equipment made in China may also pose a risk for human trafficking in United States supply chains. China has recently come under scrutiny for its use of compulsory labor in its prisons. A 2005 BBC News Article states that Chinese prisoners "produce everything from green tea to coal, paperclips to footballs, medical gloves to high-grade optical equipment" (see the [Prison Labor in Federal Supply Chains](#) pullout box for more information).<sup>473</sup>

### **Federal Procurement in the Healthcare Sector:<sup>9</sup>**

The vast majority of federal healthcare purchases are made by the Department of Veterans' Affairs and the agencies of the Department of Defense.

Among categories of healthcare expenditures at particular risk for human trafficking are spending on home nursing care, and expenditures on low-tech medical and dental equipment. In FY2013, the United States spent approximately \$369 million on home care nursing contracts (PSC Q402), nearly all of which was contracted by the Department of Veterans' Affairs. The United States spent about \$3.964 billion (in more than 140,000 separate new contracts) on medical, surgical, and dental instruments, equipment, and supplies (PSC 6515 and 6520) in FY2013. One 2013 contract from the VA sourced \$45,000 in surgical instruments directly from Pakistan, despite these being on the United States Department of Labor's list of goods known to be produced with child labor.

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<sup>9</sup>All federal procurement data is drawn from the [Federal Procurement Data System](#). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

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# Hospitality

*This report covers services that are provided in the hotel, foodservice, and tourism industries. The products that are involved in the administering of these services are not addressed in this report. For information on the human trafficking risks associated with the production of these products, see the forthcoming sector reports: [Agriculture](#), [Construction](#), [Extractives/Mining and Basic Metal Production](#), [Electronics and Electrical Products Manufacturing](#), [Fishing and Aquaculture](#), [Textile and Apparel Manufacturing](#), and [Transportation and Warehousing](#). Services closely related to hospitality, such as janitorial and laundry services, are discussed in the [Housekeeping/Facilities Operation](#) sector report.*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Hospitality Sector:**

The hospitality sector is defined differently by different authorities. The ILO refers to the Hotels, Catering and Tourism Sector; the World Travel & Tourism Council refers to the Travel & Tourism sector; and the United States Department of Labor refers to the Leisure and Hospitality sector. In this report, Verité uses the term “Hospitality Sector” to refer to those industries that provide food, accommodation, tourism, and leisure services, and in particular focuses on the hotel, foodservice, and tourism industries. As a service-based industry, delivery of hospitality is by nature localized. The relevant supply chain considerations relate primarily to the supply of labor to the sector, while other related inputs, such as food, buildings, and transport are addressed in the analysis of Agriculture, Construction, Transportation, and other relevant sectors. Janitorial and laundry services more broadly are also discussed in the Housekeeping/Facilities Operation sector report.

The hotel industry comprises commercial establishments that provide temporary lodging. Hotels range widely in size and quality, but most are of moderate scale (under a hundred beds), with nearly half the industry’s workforce employed in relatively small hotel enterprises.<sup>474</sup> In developed countries, many hotels operate as part of chain or franchise consortiums, sharing brands, marketing, architectural design, and management strategies with a network of related enterprises, which is sometimes extensive. Other hotels (both smaller and larger) operate independently, although the industry is dominated by the large chains, particularly in North America.<sup>475</sup>

The foodservice industry is very broad, encompassing both restaurants and contract catering providers. Independent sit-down restaurants are most often owned by private individuals, but fast food and chain restaurants are generally owned by large, often transnational, companies. The contract catering industry is dominated by three major corporations (Compass Group PLC, Sodexo Group, and Aramark) who together employ 1 million workers in up to 90 different countries. A small number of transnational catering companies also control transportation-related catering, such as catering on airlines and railways. Contract catering firms provide foodservice to hotels, schools, hospitals, military bases, prisons, industrial worksites, and other institutional settings, and account for as much as half the food consumed outside the home in some countries.<sup>476</sup> The contract catering industry is growing steadily, reflecting increased global demand for outsourcing of services generally, as well as changing social and workplace cultures.<sup>477</sup>

The tourism industry provides services to both travelers and residents engaging in temporary leisureed activities, often away from home. Tourism providers include travel agencies, tour operators, tour guides, cruise ship companies, theme parks, medical/wellness retreats, and providers of recreational and leisure activities. The industry also employs marketing and facilities management personnel. For the purposes of this report, personal care service providers, such as workers in nail salons and beauty parlors, are included as part of the tourism service industry.

Employment in the hospitality sector has become increasingly “fissured.” That is, according to David Weil in his 2011 book, “the lead firms that collectively determine the product market conditions in which wages and conditions are set have become separated from the actual employment of the workers who provide goods or services.”<sup>478</sup> This fissuring plays out in a variety of ways. Franchised businesses are increasingly common across the hospitality sector, most notably in hotels and restaurants. In the franchise model, the franchisor (often a large, multi-national company), sells rights to use its brand to a franchisee (an individual business owner, or, increasingly, an incorporated business or trust). The franchisee agrees to follow the franchisor’s business model, including standards that may impact conditions of work for employees -- and to pay royalties or fees.<sup>479</sup> Employees of a franchised business have no direct employment relationship with the franchisor brand.

Workers are also “fissured” from hospitality brands by the use third-party staffing agencies that recruit, hire and manage workers. Third-party agencies commonly provide staff to hotels, including housekeeping, janitorial services, security, valet, grounds and landscaping, food and beverage, and laundry.<sup>480</sup> Outsourced staffers are increasingly replacing directly-employed employees in many hotels. Workers hired through agencies may also be considered temporary employees even though they have worked at the venue for many years.<sup>481</sup> Workers on cruise ships are also commonly recruited and/or managed via third-party agencies.<sup>482</sup> In some cases, hospitality workers may work at multiple layers of remove from the multi-national hospitality companies they ostensibly work for – for example, a worker at a franchised hotel who is managed by a third-party logistics provider.<sup>483</sup>

These “fissured” arrangements have several implications for workers’ vulnerability to human trafficking. First, workers lack direct employment relationships with the entities that exert control over their immediate working conditions. This lack of a direct employment relationship undermines opportunities for workers to express grievances, and also limits the ability and incentive for businesses to comply with relevant labor standards. Further, the outsourcing trend itself increases the economic pressure on the actual employers of workers – whether they be franchise owners or third-party suppliers – to limit labor costs in order to maintain their competitiveness, further raising the risk that workers will be exploited or even trafficked.<sup>484</sup>

#### *Economy:*

The hospitality sector is one of the fastest growing components of the contemporary global economy, with growth across all sub-sector industries, but led by particularly robust growth in the global tourism industry. The World Travel & Tourism Council’s (WTTC) *Economic Impact Analysis* reports that Travel & Tourism’s contribution to the world economy at 9.5 percent of global GDP in 2013, or \$7 trillion (2013 prices). The travel and tourism sector generated approximately 4.7 million new jobs worldwide last year, supporting “nearly 266 million people in employment – that’s 1 in 11 jobs on the planet.”<sup>485</sup> The sector attracted \$754 billion in investment in 2013 (4.4 percent of total investment) and generated \$2.3 trillion in exports (5.4 percent of world exports). The WTTC expects 2014 numbers to be even more impressive with an expected GDP contribution growth of 4.3 percent.<sup>486</sup> The United Nations’ World Tourism Organization (UNWTO) estimates 2014 international tourism earnings alone at \$1.4 trillion, making tourism the world’s fifth largest export sector (after fuels, chemicals, food and automotive products), and notes that international tourism ranks first in export earnings many developing countries.<sup>487</sup>

Geographically, Southeast Asia was the region with the fastest growth in the sector in terms of GDP and employment contributions in 2013. Within this region, Thailand, Indonesia, Singapore, and Burma were the strongest performing countries. Overall, the countries with the fastest growth in terms of GDP contribution were The Gambia, Georgia, Qatar, Hong Kong, and Thailand. Syria, Mali, and Egypt were the countries with the greatest decline in contribution, reflecting ongoing conflict in these countries. Italy, France, and Germany also experienced declines in contribution in 2013 due to lingering effects of the economic recession.<sup>488</sup>

#### *Workforce:*

Work in the hospitality sector ranges from specialized and skilled jobs such as tour guiding and senior chef positions, to low-skilled and relatively unpleasant jobs such as dishwashing. Hotel industry jobs include front desk, valet, concierge, wait staff, bartender, housekeeping staff, room service staff, spa and recreation staff, security staff, maintenance & engineering staff, information technology staff, and hotel management staff. Catering industry positions include cooks/chefs, dishwashers, wait staff, bartenders, cashiers, hostesses, drivers, and managers. The tourism industry includes a wide range of jobs, from desk clerks or drivers at tour companies, dish washers on cruise ships, and maintenance crews at theme parks, to massage therapists at spas and manicurists at nail salons.

While some skilled and specialized jobs, such as gourmet chefs or hotel management, do exist in the hospitality sector, most positions are relatively low-skilled and poorly paid. In the US, 14.9 million people were employed in December 2014 in what is referred to by the United States Bureau of Labor Statistics as the Leisure and Hospitality sector. Of these, 13.1 million worked in production and nonsupervisory roles.<sup>489</sup> According to a 2012 United States Department of Labor report, 3.6 million workers in the United States Leisure and Hospitality sector earn an hourly wage at or below the federal minimum wage of \$7.25 an hour, although workers in restaurants and catering do sometimes receive tips as well.<sup>490</sup> Median weekly earnings for full time workers in the sector were \$492 in 2013; weekly earnings by union members were somewhat higher, at \$605. Union participation in this sector is very low, however, at only 2.7 percent in 2013.<sup>491</sup> Allegations of union-busting by major hotel chains have been made, and the trend toward outsourcing is accelerating.<sup>492</sup>

There is high staff turnover in the hotel, restaurant, and tourism industries, attributed to the lack of job stability (the sector is very vulnerable to market fluctuations, and workers may be laid off on short notice), the irregular hours, the lack of opportunities for upward mobility, and the generally low pay.<sup>493</sup> According to the ILO, the tourism industry employs a large number of part-time, temporary, and seasonal workers, many of whom are subcontracted or outsourced.<sup>494</sup> Due to the low skill and language requirements associated with much hospitality work, many migrants, young people, and women initially find work in the hospitality sector, often hoping later to leverage such experience to gain eventual entrance into a more secure or desirable form of employment.<sup>495</sup> Hotel and restaurant employees often make up a substantial percentage of overall migrant populations in destination countries. For example, OECD data from 2009 showed that hotel and restaurant workers made up nearly 15 percent of the entire migrant workforce in Spain, and nearly nine percent in the United Kingdom.<sup>496</sup>

#### **Risks to Human Trafficking in this Sector:**

The United States Department of State's 2014 *Trafficking in Persons Report* noted evidence of human trafficking in the hospitality sector in the following countries: Australia, Argentina, Belgium, Belize, Brazil, Bulgaria, Burkina Faso, Cameroon, Canada, Chile, Cote d'Ivoire, Cyprus, Denmark, Gabon, Georgia; Germany, Fiji, Finland, Ireland, Italy, Iceland, Luxembourg, Macedonia, New Zealand, Niger, Palau, Panama, Portugal, Romania, Singapore, South Sudan, Sweden, Switzerland, Uganda, United States, Vietnam, and Zimbabwe.<sup>497</sup>

While many examples of human trafficking occur overseas, the problem is also reported in the United States. One example, *Juana Sierra Trejo v. Broadway Plaza Hotel*, involved a situation in which five employees were hired to clean rooms at a hotel for eight hours a day, six days a week, with a salary of approximately \$250 a week. However, when the employees began work, they were routinely made to work seven days per week and often for 15 hours per day without meal or bathroom breaks. After work hours, the employees were also made to clean the personal homes of their employers and to run errands for them as well. The employees were never paid overtime, were denied time off, and were sexually harassed, verbally abused, and threatened with deportation. The two parties eventually settled the case.<sup>498</sup>

#### *Hazardous/Undesirable Work:*

Work in the hospitality sector can be very demanding and even hazardous. Jobs often require employees to endure long periods of standing and/or walking, and may also include carrying heavy loads. The work can also be extremely dirty. Specific jobs, like dishwashing, hotel cleaning, and cruise ship maintenance, have frequent exposure to water and harsh cleaning products and other chemicals. Kitchen employees working in restaurants, catering, cruise kitchens, or hotels are exposed to a variety of dangerous equipment that can result in cuts and burns. Hotel housekeepers report injuries from tasks such as lifting heavy mattresses, particularly under tight time constraints. Many workers in the hospitality sector have strict quotas to complete on each shift.<sup>499</sup> Hotel housekeepers, for example, are often required to clean up to 20 rooms per day.<sup>500</sup> The average hotel laundry worker handles over two tons of laundry per day<sup>501</sup> which can lead to severe skeletomuscular pain and disorders. A 2006 study by the union Unite Here! found that hotel housekeepers were "more than 48 percent more likely to be injured on the job than the typical service worker" and more than 51 percent more likely to experience disabling injuries.<sup>502</sup> The same study reported that hotel housekeepers experience an injury rate 86 percent higher than non-housekeeper hotel staff.

Violence and harassment from management as well as customers has been reported in association with this sector as well.<sup>503</sup> The United States Department of Labor's Bureau of Labor Statistics reports that there were 245 work-related fatalities in the Leisure and Hospitality sector in 2012, 238 fatalities in 2011, 254 in 2010, and 238 in 2009, although it does not detail how the fatalities occurred.<sup>504</sup>

Sexual harassment and abuse are particular dangers for women working in hospitality and service sectors. Many positions in the sector place a premium on satisfaction of all customer expectations. Many female workers are therefore expected to appear socially friendly and attractive to customers, which can lead to instances of abuse, harassment or assault from both customers and employers.<sup>505</sup>

Sexual harassment, sexual violence, and forced commercial sexual exploitation are particular dangers for women and children in conjunction with the development of tourism industry establishments and certain leisure facilities.

Even in the absence of violence or other physical hardship, working conditions and remuneration in the hospitality sector can be very poor. In 2011, the organization Restaurant Opportunities Centers (ROC) United released a report entitled *Behind the Kitchen Door: A Multi-site Study of the Restaurant Industry*.<sup>506</sup> The study surveyed employers and employees of the restaurant industry in eight regions in the United States. The study found that the average yearly income for restaurant workers was far below that of the rest of the private sector: restaurant workers made \$15,092 in 2009, compared to the average private sector worker, who made \$45,155. The study also found that 87.7 percent of restaurant workers do not have paid sick days and 46.3 percent of workers experienced overtime violations. There is also widespread racial discrimination reported in the industry, with white workers making a median wage of \$13.25 and workers of color making \$9.54.<sup>507</sup> Kitchen staff, dishwashers and cooks also frequently work over 70 hours a week for very little pay.<sup>508</sup>

Internationally, many working conditions in the sector are also often poor. The organization Tourism Concern, with support from the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF), issued a report in 2013 on working conditions in hotels in Barbados, Kenya, and Tenerife, Canary Islands. Through a combination of desk research, respondent questionnaires and stakeholder interviews, it was found that hotel staff in all types of hotels experienced low wages and "unfavorable working conditions," including irregular work hours, stress, and exposure to risk. Hotel staff in "all-inclusive" hotels (hotels that include food, entertainment, and tourist activities in the price) endured working conditions that were even more undesirable. Poor conditions faced by workers in the study included short term contracts, few benefits, low job security, low overall wages (due in part to the lower occurrence of tipping), and unpaid overtime.<sup>509</sup>

*Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

Reflecting the low-paid, low-status, and difficult nature of the work most often associated with the hospitality sector, many of the employees who work in restaurant, hotel, and tourism jobs do so because they are relatively impoverished and have few options for better employment due to lack of skills or other resources.

Lower-level positions within the hospitality sector often require little training, language fluency, or formal education, making them accessible to workers such as poor women, children, less-educated migrants, and undocumented migrants, all of whom are more vulnerable to being trafficked than their more prosperous or empowered counterparts in higher-level positions within the sector. The 2013 Trafficking in Persons Report notes that women employed in the hospitality sector tend to be concentrated in "low paid, low status and non-managerial positions,"<sup>510</sup> as do migrants from poorer, less-developed countries.<sup>511</sup> Among migrant workers in the hospitality sector in Australia and New Zealand, for example, Asian employees tend to fill the well-paid managerial positions, while migrants from the Pacific Islands routinely fill the low level positions.<sup>512</sup> In many Asian hotels, executive and technical positions are filled by migrants from Europe, North America, Australasia, and Japan, while non-executive, low-skilled jobs are usually filled through in-country, in-region migration.<sup>513</sup> Migrant women make up the majority of hotel housekeepers in the United States for example, one of the lowest paid, lowest skilled positions.<sup>514</sup> The employees hired for executive and technical positions are less vulnerable due to their higher skill level, making them less easily replaced, and therefore more able to advocate for themselves. Migrants from wealthier nations generally also have relatively more resources, and hence more options in the face of unfavorable working situations.

Women in the hospitality industry may face an added risk of trafficking in conjunction with commercial sexual exploitation, often in the context of hostess clubs, strip clubs, or other similar establishments. Victims of labor trafficking in these clubs are typically forced to dance and/or serve food and drink, and may at times also be forced into prostitution. Russian stripping networks often traffic women from Eastern Europe and Russia to the United States where they are then controlled by club owners who can move them around to multiple clubs. Asian hostess clubs or "room salons" and Latino "cantinas" may also have ties to trafficking. These clubs are often tied to organized crime, which adds another layer of fear and coercion.<sup>515</sup>

Children and undocumented migrants are often particularly vulnerable to exploitation, as in recent cases of children being forced to work in restaurants in both Uganda and Vietnam,<sup>516</sup> and a recent legal case in the United States in which a group of 11 men were indicted for forcing undocumented Mexican immigrants to work in seven Mexican restaurants in New York, Pennsylvania, and West Virginia, by holding over them threat of deportation.<sup>517</sup> Another category of vulnerable workers in the hospitality industry are those employed on cruise ships, where, as is also true in the fishing and deep sea transport sectors, workers have no possibility of escape from an abusive situation while the ships are at sea. In April 2014, 11 crew members, working in "slave-like conditions" on board the Italian owned MSC

Magnifica cruise ship, were rescued by Brazilian police. The employees were forced to work up to 16 hours a day and some were allegedly victims of sexual harassment. Employees on cruise ships are especially vulnerable to labor abuses because the laws governing cruise ships are vague due to the fact that they operate in international waters and vessels are often registered under “flags of convenience” in countries where the costs and regulatory requirements are low.<sup>518</sup> In addition to fees paid to staffing agencies to secure their jobs, workers may also be required to lodge “runaway” deposits or bonds as a means to prevent workers from attempting to escape the ship in port.<sup>519</sup>

#### *Migrant Workforce:*

The preponderance of migrant labor within the hospitality sector is a significant risk factor for trafficking, for many of the reasons already noted above. Much of the vulnerability faced by migrant workers in the sector derives at least in part from the structural circumstances that all migrants face, being far from home in unfamiliar cultural and often linguistic contexts, and cut off from support networks and other social resources, all of which contribute to their likelihood of being exploited by unscrupulous middlemen or employers. Migrant hospitality workers often end up dependent on such labor intermediaries not only for their job placements, but also for their visas, work permits, housing, and other essentials, leaving them vulnerable to manipulation and exploitation, including human trafficking.

In a recent example from the US, *United States v. Sophia Manuel*, 39 Filipino migrants were forced to work in country clubs and hotels in Florida. The workers were forced into debt with false promises, had their passports confiscated upon arrival, were threatened with deportation, and were forced to live in substandard housing with little food. The workers were not allowed to leave the premises without an escort and they were paid very little or nothing for their work. The two defendants were eventually sentenced to 51 and 78 months in prison.<sup>520</sup>

Most migrant workers in the United States hospitality industry are of Latin American origin, where push factors in the sending country such as poverty, political instability, and trafficking by organized criminal networks have driven migrants to seek low-skilled hotel and restaurant jobs in the US.<sup>521</sup> Once in the US, the structure of US immigration and visa policy often further contributes to their vulnerability to trafficking, by making it virtually impossible for them to change jobs legally if they find themselves in untenable or illegal working situations (see the [Guestworker Visas](#) pullout box for more information).

The hospitality sector in the United States is also heavily dependent on young, university-age foreign guest workers participating in the “Summer Work Travel Program,” which is one of several types of J-1 visas for temporary workers and other visitors. The program is sponsored by the United States Department of State to promote cultural exchange, but has also served as a source of low-cost labor for hotels, camps, restaurants, shops and other businesses that rely heavily on short term summer labor. Abuses of these workers have also been documented, including young foreign workers who face high, illegal fees to secure their J-1 visas, and encounter work conditions and pay starkly different from what was promised, substandard living conditions, harassment, and other issues that can potentially facilitate human trafficking.<sup>522</sup>

Significant numbers of migrants from Asia also seek work in the hospitality sector abroad. One particularly large out-flow of Asian workers is to the United Arab Emirates (UAE), which has a booming hotel and tourism industry.<sup>523</sup> The UAE is notoriously reliant on migrant labor in order to sustain its rapid rate of economic growth and high standard of living: 7.8 million people out of a total population of 9.2 million in UAE are migrants. The temporary guest worker program in UAE, called the Kafala Sponsorship System, ties migrants’ immigration status to their employment by a particular employer, an arrangement that renders workers highly dependent on their employers, and increases opportunities for migrant labor abuses. The UAE has recently sought to reform the Kafala system in response to concerns

voiced about such abuses, but “human-rights and migrant organizations maintain that abusive labor practices have persisted at alarming rates, largely due to poor enforcement.”<sup>524</sup>

Migrants may also be exploited in the hospitality industry as a result of their ethnic difference or minority status. A recent report by the Joseph Rowntree Foundation looked at human trafficking in the British food industry, including agriculture, food processing, and catering. In the report, migrant workers interviewed reported upfront fees and debt bondage, threats and bullying, disciplining through dismissal and threats of denunciation, productivity targets and workplace surveillance, overwork, no breaks or holiday, non- and underpayment of wages, underwork and indebtedness, deductions and charges, and passport retention. The report highlighted particularly long hours for Chinese workers in what it termed “minority ethnic catering.”<sup>525</sup>

*Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chains:*

Because the hospitality sector has historically attracted a large percentage of migrant workers, international labor brokers, recruitment agents, and other middlemen often play a role in the supply of labor to the sector. As noted in the discussion of risk factors for human trafficking in [Section II](#) above, the presence of such middlemen in labor supply chains represents an inherent risk factor for trafficking, due to the likelihood of workers becoming indebted or otherwise dependent on them in the course of their recruitment and job placement.

Domestic hospitality workers may be recruited, hired, and managed by third-party staffing agencies. These third-party agencies allow companies to avoid direct employment relationships with workers and to maintain a highly flexible workforce. Third-party agencies commonly provide staff to hotels and other hospitality venues such as event venues for functions including housekeeping, janitorial services, security, valet, grounds and landscaping, food and beverage, and laundry.<sup>526</sup> Although workers are managed, supervised and paid by the third-party agencies, in some cases, the hotel sets standards and conditions of work, often including quotas.<sup>527</sup>

Restaurant workers may also be recruited by employment agencies. In Canada, workers from Belize were recruited by an employment agency to work in a McDonalds franchise restaurant. The workers reported that they were promised high wages and no fees to secure their jobs, but pay was lower than expected and they were not reimbursed for fees they paid as promised. Further, upon arrival, they were required to live in expensive apartments, for which their employer had signed a lease, far from their worksite. One foreign worker was fired after speaking to the media.<sup>528</sup>

Such risk is exacerbated further in situations where the middlemen facilitating the placement of migrants in hospitality jobs overseas are affiliated with organized criminal networks. In one recent case, two employment agencies operating out of Houston were shut down for their involvement in an alleged human smuggling ring. The agencies recruited undocumented migrants, mostly from Mexico and Central America, to work in Chinese restaurants in Texas, Louisiana, Maine, and a number of other states. The workers were paid below minimum wage, worked up to 12 hours a day, six days a week, and were housed in cramped accommodations. The workers were also moved around to different states based on requests from clients of the recruitment agencies.<sup>529</sup> In Australia, migrants from the Pacific Islands, India, China, South Korea, and the Philippines are often forced by their employment agents to work in hospitality, among other sectors. Traffickers in Australia are often associated with organized crime networks that have business connections overseas, enabling them to abuse the legal system to prevent victims who contact authorities from actually receiving help. Trafficked men and women in Australia face ID confiscation, confinement, debt bondage, and threats of physical harm. Students in Australia on student visas, particularly Asian students, are especially vulnerable to such trafficking.<sup>530</sup>

A 2013 account in the UK Sunday Times reported that Vietnamese migrants were being forced to work in “nail bars” in the UK, of which there are an estimated 30,000. Migrants were reportedly promised high wages and charged large smuggling fees to crime syndicates in order to get into the country. Once they arrived, they were forced to work for years to pay back their debt. Since 2008, raids were conducted in 100 nail bars in the countries. One hundred and fifty illegal immigrants were discovered, but experts say that the actual number of Vietnamese trafficked into work in nail bars is much higher.<sup>531</sup>

Even when organized criminal rings are not involved, migrants in the hospitality sector are still vulnerable to human trafficking when brokers or other middlemen are involved. Migrant workers in restaurants and hotels in countries as varied as Denmark, Singapore, and Palau have all reported experiencing deceptive recruitment, debt bondage, withholding of wages, threats of deportation, confiscation of passports, and physical and sexual abuse.<sup>532</sup>

### **Federal Procurement in the Hospitality Sector:<sup>10</sup>**

The United States Federal Government procures services within the hospitality sector in a variety of ways. Hotel and motel accommodation and travel-related services are purchased by many federal agencies, as military and civilian government personnel travel for meetings, conferences, relocation, or other work-related reasons. Hotel/motel services are also procured by the United States Government in the course of hosting conferences and providing temporary shelter to disaster victims. The various departments of the military, the Department of State, and FEMA are particularly big consumers of hotel/motel services.

In FY2013, the federal spend included net contracts worth \$246 million on lodging while traveling (PSC V231), and \$26 million on travel agent services (PSC V302). The United States spent \$39 million on leasing/renting conference facilities (PSC X1AB) in FY2013.

Expenditures on restaurants are not distinguished from contracts for institutional foodservice (for prisons, hospitals, military bases, federally-sponsored conferences and the like) within the PSC code system, and are therefore not possible to isolate as an element of the overall federal spend. Many, if not most, incidental government expenditures on restaurants may in fact be paid for with purchase cards, per diems, or other informal means, rather than contracted in advance, and therefore not tracked within the Federal Procurement Data System. Contract catering (PSC S203), however, is a significant element of the federal spend. Institutional foodservice contracts totaled \$1.07 billion in FY2013, though some contracts coded with PSC S203 appear to be food purchases (meat, produce, baked goods), so this number is probably somewhat high. Top foodservice providers often involve state-run vocational/disability rehabilitation and training programs.

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<sup>477</sup> PR Newswire-PRF, “Global Contract Catering Market (Foodservice) 2014 Report, *Marketwatch*, April 28, 2014.  
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<sup>10</sup> All federal procurement data is drawn from the [Federal Procurement Data System](#). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.



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# Housekeeping/Facilities Operation

*This report covers the services involved in the basic operation and maintenance of facilities, including janitorial, laundry, guarding/security, and waste management services, as well as ground maintenance. Products utilized in the implementation of these services broadly include cleaning supplies, equipment, and vehicles. For more information on the human trafficking risks associated with the production of these products, see the forthcoming sector reports: [Extractives/Mining and Basic Metal Production](#), [Electronics and Electrical Products Manufacturing](#), and [Transportation and Warehousing](#).*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Housekeeping and Facilities Operation Sector:**

There are a number of different services included in the Housekeeping and Facilities Operation sector, including janitorial services, laundry services, grounds maintenance, guarding/security services, and waste management services. These services are not typically provided by the same people, but they share characteristics as an industry, in that the jobs are all relatively low-skilled and labor-intensive, and are associated with the basic operation and maintenance of facilities. Virtually all facilities require janitorial, landscaping, security, and waste management services, while laundry service is more intensively associated with residential facilities such as VA hospitals, military bases, and federal prisons. Staffing in the sector ranges from the informal employment of individual maids or gardeners to the formal sourcing of whole workforces from employment agencies that specialize in providing particular facilities-related services to clients. Commodity inputs to the sector are relatively minimal, consisting mainly of cleaning supplies, equipment, and vehicles, with associated links to the Extractives/Mining and Metal Production, Electronics Manufacturing, and Transportation and Warehousing sectors for the purposes of risk analysis for human trafficking. As a service-based industry, however, housekeeping delivery is by nature localized, and by far the most significant risk of human trafficking in the Housekeeping/Facilities Operation Sector derives from the supply of labor.

### *Economy:*

Although housekeeping services are grouped together under an umbrella category within the PSC code system used to track federal contracts, the various component industries of this sector are not generally considered to comprise a unique sector of the global economy, more commonly being treated as subsets of a more general “service” sector. Aggregate global economic data are therefore somewhat difficult to assemble, but the industry-specific US market data give a sense of the relative scale and nature of the various housekeeping service industries:

There are currently approximately 800,000 janitorial businesses in the United States, with annual revenue of \$52 billion.<sup>533</sup> The cleaning industry has low barriers to entry and is quite competitive, although it is somewhat consolidated at the top end, with the fifty largest companies accounting for about thirty percent of the revenue, according to one industry analysis.<sup>534</sup> Smaller companies and self-employed cleaners tend to service residential properties, while larger companies generally provide cleaning services to businesses and institutions.

A 2014 market analysis of the industrial laundry and linen supply industry shows about 3,000 industrial laundry enterprises in the United States, with annual revenues of about \$11 billion.<sup>535</sup> The industry is moderately capital-intensive, requiring industrial laundering and transport equipment, but the workforce is low-skilled.

The landscaping or grounds maintenance industry currently has nearly 400,000 businesses in the United States, generating revenues of \$73 billion.<sup>536</sup> The landscaping industry has extremely low barriers to entry, and little regulatory oversight. It is an important employer of unskilled and immigrant labor.

The security industry encompasses a range of security-related services, including specialized and technical fields like information technology security, design and installation of security equipment, and private detective investigation work, in addition to guarding services. Of these, only guarding services are low-skilled and labor intensive, and therefore of concern for potential human trafficking risk. Excluding IT security and the security equipment industry, the United States security services industry currently consists of about 11,000 businesses, generating annual revenue of approximately \$27 billion.<sup>537</sup>

The United States garbage collection industry generated \$47 billion in revenue in 2014, with approximately 8,500 businesses.<sup>538</sup>

One area in this sector in which global data are available is that of household domestic laborers, who provide janitorial, laundry, and sometimes cooking services inside the homes of their employers. A 2013 ILO study of the global domestic worker industry found domestic work to be a major global employer, accounting for 1.7 percent of total employment worldwide, and rates as high as 11.9 percent of all paid jobs in Latin America and the Caribbean, and eight percent in the Middle East.<sup>539</sup> A recent analysis by Human Rights Watch reports that there are an estimated 53 million domestic workers worldwide.<sup>540</sup>

Hotel housekeepers make up a very significant proportion of the labor force of the multi-trillion-dollar global hospitality industry as well.

#### *Workforce:*

The majority of jobs in this sector are low-skilled and low-paid. The duties of janitors and building cleaners include gathering and emptying trash, cleaning building floors, cleaning and stocking restrooms, cleaning spills, washing windows and walls, and making minor repairs in buildings.<sup>541</sup> Laundry and dry-cleaning workers inspect articles for stains, sort articles, load clothing into machines, add detergent and bleach to machines, sort and hang clothing, and clean and maintain laundry machines.<sup>542</sup> Ground maintenance workers mow, edge, and fertilize lawns. They weed and mulch landscapes, trim hedges, shrubs, and small trees, remove dead, damaged, or unwanted trees, plant flowers, trees, and shrubs, and water lawns, landscapes, and gardens.<sup>543</sup> The duties of security guards and surveillance officers include protecting and enforcing laws on an employer's property, monitoring alarms and closed-circuit TV cameras, controlling access for employees and visitors, conducting security checks over a specified area, writing reports on what they observed while on patrol, interviewing witnesses for court testimony, and detaining violators.<sup>544</sup> Refuse and recyclable material collectors collect and dump refuse or recyclable materials. Some collectors may be operating the vehicles, while others are strictly tasked with collection and disposal.<sup>545</sup>

In 2012, 2.3 million janitors and building cleaners, 1.2 million grounds maintenance workers, and just over 1 million security guards and surveillance officers were employed in the United States.<sup>546</sup> In May 2013, the United States employment estimate for refuse and recyclable material collectors was approximately 120,000 workers.<sup>547</sup>

A major subset of housekeeping sector laborers globally are household domestic workers. The demand for domestic workers has grown significantly over the past two decades. A recent ILO study found that there were over 52.5 million domestic workers worldwide in 2010. The largest numbers were employed in Latin America and the Caribbean (19.5 million) and Asia and the Pacific (21.4 million), although rates of employment of servants were also high in the less densely populated Middle East.<sup>548</sup> The large majority of domestic workers are women: on average fully 83 percent according to the ILO study, and the employment arrangements tend to be informal, with varied employment titles and arrangements.<sup>549</sup> Many domestic workers are international migrants seeking employment opportunities in wealthier countries, moving both within regions such as Latin America and Southeast Asia, and from such regions to more prosperous countries in North America and Europe. In countries such as the United States, where rates of employment of domestic servants are fairly low, the industry is disproportionately dominated by foreign migrants, although no precise global data on percentages of migrants within the industry are available.<sup>550</sup>

### **Risks to Human Trafficking in this Sector:**

The United States Department of State 2014 Trafficking in Persons report noted evidence of human trafficking in the housekeeping and facilities operation sector in the following countries: Australia, Belgium, Curacao, Denmark, Egypt, Finland, Italy, Morocco, Netherlands, and the United States.<sup>551</sup>

#### *Hazardous/Undesirable Work:*

Many positions within the housekeeping service industries are classic examples of “3D” jobs – dirty, dangerous, and difficult. In laundry, employees work long hours, usually standing up, in hot and noisy environments, and the work may involve the use of harsh chemicals.<sup>552</sup> Janitorial jobs require long hours of walking, standing, or bending and sometimes involve moving and lifting heavy supplies and equipment.<sup>553</sup> Cleaners have high levels of musculoskeletal problems compared to other professions and they also are known to suffer from hand dermatitis caused by wearing gloves for long periods of time and working with harsh chemicals.<sup>554</sup> Janitors may have to work night shifts as well, depending on the nature of the facility being cleaned,<sup>555</sup> and are often not given enough time to complete their tasks, which adds an additional element of danger and stress.<sup>556</sup> Landscaping and grounds maintenance work is very physically demanding and requires the use of dangerous equipment and the application of harsh chemicals, contributing to worker vulnerability to injury. Groundskeeping work is also highly seasonal.<sup>557</sup> Seasonal work is often associated with income instability for workers. Security guards work long hours standing or sitting, and by its nature their work has the potential to be very dangerous.<sup>558</sup> Waste management employees lift heavy loads and work with unpleasant material. Many domestic workers are expected to work long hours and to be on call 24 hours per day. Female domestic workers are vulnerable to sexual harassment and assault.

Jobs of these kinds typically require few skills and little language competence, making them accessible to workers who may have few other options for formal employment, and may ultimately serve as a pathway to more desirable modes of employment for low-skilled women, international migrants, youth, and others at the margins of the formal workforce.<sup>559</sup> Because of their marginality, however, such workers are often in a poor position to advocate for improved working conditions or employment terms for themselves, and are vulnerable to exploitation and abuse, including human trafficking. In one particularly egregious case in 2008, for example, six women from China were allegedly held as “slaves” by a laundry company owned by Techoclean in Japan. The women reported working more than 15 hours a day for as little as 22 yuan an hour (\$3.25), less than half of Japan’s legal minimum rate. The working conditions were extremely poor and the women got fungal skin infections from wearing rubber gloves and shoes for such long periods of time, as well as chemical burns from handling detergent. The women protested their conditions but were met with beatings and deportation.<sup>560</sup>

Even when not in a situation of outright trafficking, outsourcing, cutbacks in staff, and other money saving techniques can lead to lower safety standards for workers in housekeeping industries. A recent

protest by cleaners at the Frankfurt University Hospital in early 2014 was a relatively unusual occurrence, but their demands – for higher standards in training, equipment, and protection – reflect the concerns of workers in these sorts of industries.<sup>561</sup>

*Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

Most of the tasks performed by janitors, housekeepers, laundry workers, groundskeepers, and security guards are considered low-skilled, and the jobs are generally poorly paid. Workers who take on such jobs generally do so because they lack better employment alternatives, typically due to a combination of poverty and lack of skills. Because such jobs typically require little investment in workforce training on the part of employers, and because poor and low-skilled workers are often abundant in the populations supplying the labor for these industries, such workers are easily replaced and therefore poorly positioned to advocate for themselves in the face of exploitation or trafficking. Many workers in these industries are women, children, migrants, members of ethnic minorities, or members of other relatively disenfranchised groups. Such people often lack robust social and economic resources, and may be dependent on their employers or employment agents not only their job security, but also their immigration status, housing, food, or other necessities.

Perhaps the most vulnerable workers in the housekeeping sector are domestic workers, who are often vulnerable to exploitation or trafficking at the hands of their employers, due both to the isolated, closed-off environments in which many of them work, and to the lack of adequate legal protections for domestic employees in many countries. According to the ILO, “more than half of all domestic workers have no statutory limitation of their weekly working hours, more than two out of five are not entitled to be paid a minimum wage, and more than a third have no right to take maternity leave.”<sup>562</sup> A recent Human Rights Watch article reports that the vast majority of domestic workers are women and girls, many of whom are migrants.<sup>563</sup> Such workers “often work 14 to 18 hours a day, seven days a week, for wages far below the minimum wage. They may be locked within their workplace and subjected to physical or sexual violence. Children and migrant domestic workers are often the most vulnerable.”<sup>564</sup> Reports of domestic worker abuse from all over the world suggest a widespread problem.<sup>565</sup>

Child trafficking in domestic labor is also common in many parts of the world. A 2012 ILO estimate defines “child domestic work” as a “situation where children aged 5 to 17 years perform domestic tasks in the home of a third party or employer (with or without remuneration),” and found that 17.2 million children were engaged in such labor.<sup>566</sup> A Human Rights Watch study of the problem in West Africa, for example, found a network of child trafficking routes centered on Togo including one route focused on trafficking Togolese girls into domestic and market labor in Gabon, Benin, Nigeria, and Niger.<sup>567</sup> It is also a common practice throughout Africa for orphaned children to be sent to live in the homes of their extended relatives, where they work as domestic laborers for free, sometimes without adequate food or the opportunity to attend school.<sup>568</sup> In Haiti, there have been a large number of reports of the trafficking and exploitation of *restavivks*, children from impoverished families sent to live with and work for more prosperous families.

Workers who lack legal immigration status may be particularly vulnerable to exploitation by employers or outsourcing agents (see below), who may use the threat of arrest or deportation to enforce their labor. In a recent lawsuit against Wal-Mart in New Jersey brought by a group of undocumented migrants working as janitors, the plaintiffs claimed that Wal-Mart and the janitorial contractors on which the company relied exploited them by “forcing them to work in excess of the statutory maximum; denying them lawful pay and benefits under FLSA; denying them sick leave, meals or breaks; hiding them from law enforcement by threatening them with deportation or locking them in the stores during their shifts; in some cases physically beating them.” The case is awaiting trial.<sup>569</sup>

Disabled or socially stigmatized workers may also be at heightened risk of trafficking or other forms of labor abuse. The Magdalene Laundries, run by four religious orders in Ireland in the 19<sup>th</sup> and 20<sup>th</sup> centuries, were notoriously used as workhouses for women and girls who were considered deviant (single mothers, victims of sexual abuse, and women with mental disabilities). The last of the laundries operated until 1996 and the Irish Parliament just recently announced, following the publication of a report on the subject, that there was “significant state involvement” in the operation. Estimates state that 10,012 young women worked in the laundries, a quarter of whom were sent by the state as an alternative to prison. When the women escaped, they were returned by police. The women were kept “in a system of slave labor,” working six days a week without pay, according to one story.<sup>570</sup>

While such historical situations may seem unlikely to pose a contemporary human trafficking risk to US supply chains, the United States does actually source significant labor in the housekeeping and facilities operation sector from workshops for the disabled such as the Goodwill Industries and National Industries for the Blind (NIB), particularly in the laundry and janitorial industries. Due to a 1930s-era law still on the books permitting payment of sub-minimum wage rates to disabled people in federal workshops, nearly 400,000 disabled United States workers in Goodwill and NIB workshops currently earn subminimum wages, despite the fact that many affiliates have successfully transitioned to a minimum/fair wage model.<sup>571</sup> The presence of low wages does not necessarily mean the presence of trafficking, but the unequal structural arrangement governing such workplaces may pose risks of greater vulnerability to exploitation for disabled workers. Indeed, reports of wage theft, sexual harassment, and other abuses in workshops for the disabled have been alleged for years.<sup>572</sup>

#### *Migrant Workforce:*

Migrant workers are more vulnerable to human trafficking for a number of reasons, including deceptive recruitment, lack of local support systems, lack of familiarity with the local culture or language, dependence on the job and employer due to migration-related debt, vulnerability to deportation due to immigration status, and constraints imposed by employers on their freedom to leave the workplace. Migrants may also feel pressured to remain in coercive or abusive situations due to the dependence of their family members back home on their remittances.<sup>573</sup>

In the United States, a large proportion of the workers in housekeeping industries are temporary migrants or immigrants. According to the Pew Research Center, just under 2.5 million (almost one-third) of the construction, landscaping, cleaning, and maintenance workers employed in the United States in 2012 were foreign born. Nearly half of the foreign-born workers were from Mexico. Migrants are less common in the security services industry: only 289,000 (just over five percent) of the nearly 4.1 million workers in the Pew study were foreign born, mostly from Mexico, South and East Asia, and the Caribbean.<sup>574</sup>

Housekeeping and other facilities operation services for large international projects such as military or post-disaster recovery operations and major sporting events are often provided by migrant laborers who are hired by third-party labor recruiters or outsourcing agencies. Low-skilled positions in construction and transportation, as well as housekeeping positions for janitors, landscapers and groundskeepers, launderers, foodservice providers, and security personnel all need to be staffed quickly in such contexts. If sufficient numbers of appropriate workers are unavailable locally, migrants are imported for such jobs, raising the risk of human trafficking. See the [Federal Procurement of Large Logistics Management Contracts](#) pullout box below for a discussion of the risk of human trafficking associated with large logistics management contracts issued by the United States military.

Trafficking of migrants has been documented in a number of housekeeping-related industries, even in countries not normally noted for having labor rights problems. In the Netherlands, for example, migrant men and boys from Romania, Nigeria, Poland, Pakistan, Sierra Leone, Angola, China, Ghana, Guinea, India, Bulgaria, Egypt, Hungary, and the Philippines are known to have been trafficked into janitorial



service work, among other sectors. Migrant domestic workers in the Netherlands are very vulnerable as well, and some of these workers are employed by foreign diplomats posted in the Netherlands.<sup>575</sup> An additional report of migrant trafficking for cleaning services occurred in Denmark recently. In that case, two Romanian migrant workers were forced to work as janitors for three years. They were not paid for their work and lived in horrible conditions “in a closet on the alleged traffickers’ balcony.”<sup>576</sup>

Security companies have also been implicated in human trafficking. In Uganda, licensed security companies and employment agencies in Kampala recruit Ugandans to work as security guards in the Middle East. Some of these workers have reported passport retention, nonpayment of wages, and lack of food.<sup>577</sup> In Iraq, migrants from Bangladesh, India, Indonesia, Nepal, the Philippines, Sri Lanka, Thailand, Pakistan, Georgia, Jordan, Ethiopia, and Uganda are known to have been forced to work as security guards, among other occupations.<sup>578</sup>

*Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chain:* Labor brokers, outsourcing agents, and other middlemen play a significant role in the supply of labor to the housekeeping and facilities operation professions, both internationally and within the US Industries such as janitorial services, hotel cleaning, landscaping, and laundry services register high levels of migrant labor, and are increasingly reliant even within the United States on outsourcing for staffing. For migrants especially, the presence of middlemen opens workers to the possibilities of deception in recruitment regarding the types and terms of employment and recruitment and job placement fees. These workers frequently have to borrow money to obtain their jobs and earn less than expected, increasing their risk of debt bondage. Migrants are also vulnerable to having their passports retained by their agents or employers, severely restricting their ability to remove themselves from exploitative or abusive situations.

In a recent case brought against a landscaping company in Tennessee with the help of the Alliance of Guestworkers for Dignity serves as an example of the worst types of abuses that can occur. In this case, a migrant worker hired through the H-2B visa program reported that the company confiscated his passport and visa as soon as he arrived in the United States. He said that the working conditions were akin to slavery and that employees were sometimes forced to work at gunpoint. Following a US Department of Labor investigation, the company, Vanderbilt Landscaping, was made to pay \$18,496 worth of back wages to 42 workers for failing to pay workers minimum wage and overtime.<sup>579</sup> In addition, the Department assessed \$18,000 in Civil Monetary Penalties for violations of H-2B provisions. In total, the employer paid \$36,496. Fifteen workers subsequently filed a federal lawsuit accusing the company of human trafficking, forced labor, and civil rights violations.<sup>580</sup> In addition to passport and visa confiscation, the group of workers claimed that managers kept them under constant surveillance and issued threats. One worker was sent back to Mexico after he complained about the working conditions. Another described being trapped by debt, as he had to borrow money to come to the US, and had not made enough money to pay back the loan. The work itself was described as exploitative – the workers were tasked with mowing the medians and picking up trash on Tennessee highways and interstates – and the housing conditions were inhumane. The Tennessee Occupational Health and Safety Administration fined the company \$4,700 for equipment safety and crowded and unsafe housing conditions (see the [Guestworker Visas](#) pullout box for more information on visa programs).<sup>581</sup>

In a similar case in Ohio, *United States v. Maria Terechina*, the defendant was accused of recruiting women from Eastern Europe to work in hotel and laundry operations in Columbus, Ohio. The workers were held in debt bondage and “involuntary servitude” with their salaries and passports withheld. In that case, Terechina pled guilty to “conspiring to defraud the government and conduct human trafficking,” and was sentenced to one year in prison.<sup>582</sup>

Workers in the housekeeping sector overseas are also vulnerable to exploitation and trafficking by employment intermediaries. The union United Voice recently uncovered the abuse of international

student workers in the office cleaning industry in Melbourne, Australia. In that case, the international students interviewed by the union representatives were mostly unaware of their rights and were chronically underpaid. Despite a formal labor agreement ensuring that cleaners in the biggest office buildings were to be paid \$24.35 an hour for overnight work, the United Voice investigation discovered that most cleaners were in fact paid \$15 to \$20 instead, with the building owners or the subcontracted cleaning companies pocketing the remaining money, a form of wage theft made possible by outsourcing.<sup>583</sup>

Perhaps most relevant for purposes of EO compliance, there have also been reports of trafficking and other labor abuses of migrants recruited to work for United States military and humanitarian operations through large logistics management contractors.<sup>584</sup>

### **Federal Procurement of Housekeeping Services:<sup>11</sup>**

Housekeeping services like landscaping, janitorial and laundry services, guard/security services, and waste management/garbage collection are purchased by virtually all federal agencies. The largest and most numerous contracts are centered geographically in areas with significant clusters of federal buildings, including the National Laboratories, Centers for Disease Control, and NASA facilities, and in Washington, DC. Overseas, contracts are clustered around both temporary US facilities such as military camps and compounds associated with relief operations, and permanent facilities such as embassies, military bases, and hospitals.

Total combined net action obligations for FY2013 on janitorial (PSC S201) , landscaping (PSC S208), laundry (PSC S209), guarding (PSC S206), and waste management/garbage collection (PSC S205) services amounted to \$5.856 billion. Housekeeping services are also frequently bundled into large logistics and facilities management contracts (see the [Federal Procurement of Large Logistics Management Contracts](#) pullout box for more information).

Of the \$5.856 billion spent on direct housekeeping contracts in FY2013, \$1.228 billion was spent overseas, with 217 contracts (amounting to \$1.123 billion) greater than \$500,000, qualifying for compliance scrutiny under the Executive Order.

Overall, the US spent \$1.330 billion on janitorial services (PSC S201), \$421 million on landscaping (PSC S208), \$323 million on garbage collection/waste management (PSC S205), and \$144 million on laundry (PSC S209) in FY2013. Guarding services coded under housekeeping (PSC S206) (i.e., not prison or detention center guards) were the largest expenditure category in this sector, amounting to \$3.638 billion in FY2013. The largest guarding contracts were overseas, mainly in Afghanistan, Iraq, Germany, Israel, and South Korea, but there were several large (>\$20 million) contracts in the United States as well.

### **Federal Procurement of Large Logistics Management Contracts**

In recent decades, the Department of Defense and other federal agencies have increasingly turned to civilian contractors for assistance managing large logistical operations associated with military, humanitarian, and training missions at home and abroad.

The largest and most well-known of these contracts are those associated with the Army's Logistics Civil Augmentation (LOGCAP) Program, operating primarily in Afghanistan, Iraq, and Kuwait, although

<sup>11</sup> All federal procurement data is drawn from the [Federal Procurement Data System](#). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

in FY2013, there were also large contracts of this kind in Oman, Bahrain, and Central African Republic. The LOGCAP program is currently in its fourth iteration (LOGCAP IV), created after LOGCAP III was halted due to controversy over misappropriation of funds by its sole contractor, Halliburton-KBR. Under LOGCAP IV, three firms, Fluor, DynCorp, and KBR compete for contracts, which are indefinite-quantity/ indefinite-delivery contracts with up to nine year durations.<sup>585</sup> In FY2013, the Army spent a total of \$4.248 billion on contracts for facilities support services (NAICS 561210) and logistics support (PSC R706) from these three companies. \$3.787 billion of this was spent in just three contracts to Fluor and Dyncorp for logistical services in Afghanistan. Total US spending on such contracts (all agencies, all vendors, all locations) was \$5.367 billion in FY2013.

LOGCAP contracts provide the Army with a remarkably extensive range of services. According to a feature on the subject on the Army's official website, "highlights of a LOGCAP Fluor day at Bagram include: 3,800 bags of laundry washed, dried and folded; more than 24,000 meals; a supply support activity...that manages more than 11,000 line items going to more than 400 customers; and a solid waste facility that processes nearly 200 cubic meters of recyclable items out of a total of almost 3,000 cubic meters of waste processed each day. They also operate fuel points, wash racks, MWR facilities, and other services that literally touch each military, civilian and contractor at Bagram every day."<sup>586</sup>

Providing the staffing necessary to field such massive and complex operations is a significant component of the overall product being sold by companies like Fluor, Dyncorp, and KBR. While these firms typically hire some labor locally, workers are also imported from all over the world. Dyncorp, for example, claims that, "by leveraging worldwide expertise in contingency operations and an extensive global network, high-performing teams have quickly organized and deployed a workforce of more than 20,000 people to more than 70 sites throughout the Middle East on five task orders."<sup>587</sup>

Given the range of services such contracts deliver, many of which are in the [Housekeeping/Facilities Operation](#), [Construction](#), and [Transportation and Warehousing](#) sectors, much of the workforce involved is relatively low-skilled. Migrants in these positions, in particular, are at significant risk for human trafficking, and trafficking abuses of migrant workers on LOGCAP contracts have been reported in the media.

A particularly damning exposé was published by *Al Jazeera* in March of 2014, which drew upon five months of investigation of US military bases in Afghanistan, and described widespread collusion between DOD subcontractors and recruiters to profit from exorbitant fees charged to migrants for job placements, sometimes leaving the workers in situations of debt bondage for as much as a year.<sup>588</sup> The report found that, although prime contractors such as Dyncorp or KBR officially profess to having zero tolerance for TIP, they do not meaningfully scrutinize the behavior of their subcontractors, on whom they rely for the bulk of their recruiting. The report described a system in which recruitment agents in the migrant-sending countries pay bribes to DOD subcontractors to hire from their pools, with the costs of these bribes passed on to the workers. Such kickbacks are a disincentive for subcontractors to hire workers directly, instead encouraging the recruiter middlemen.<sup>589</sup> Contractors reportedly pay workers extremely low wages – as little as \$150 per month – while receiving upwards of 10 times worker wages in compensation from the Department of Defense.<sup>590</sup> The report also found widespread examples of excessive recruitment fees, and of deceptive recruitment, including situations in which workers had been sent to different countries, earned lower wages, or ended up doing different work than they had been promised when making the decision to migrate.<sup>591</sup>

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# Textile and Apparel Manufacturing

*This report covers labor on sites where textiles and apparel are manufactured. For information on the human trafficking risks associated with the production of the materials used in the manufacturing of textiles and apparel, see the following commodity reports: [Cotton](#), [Leather](#), [Silk](#), and [Wool](#).*

## **This sector has the following risk factors:**

- Hazardous/undesirable work
- Vulnerable, easily replaced, and/or low-skilled workforce
- Migrant workforce
- Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- Long, complex, and/or non-transparent supply chains

## **Overview of the Textile and Apparel Manufacturing Sector:**

Industries in the textile manufacturing sector convert basic fiber into usable items. Textile mills use natural or synthetic material such as cotton or polyester to produce items such as fiber, yarn, or thread. Yarn is produced through spinning short fibers together. Fabric is produced by weaving or knitting yarn using hand looms or automated machines. Fabric may undergo finishing processes to improve the look and feel. Dyeing gives color to fabric and can be done at any stage of textile manufacturing. Garment or apparel making involves multiple steps including cutting, sewing, pressing and finishing. Value addition includes embroidering, printing, and other embellishment.

### *Economy:*

Apparel and textiles are two of the largest industries in the world, with the global apparel retail industry valued at \$1.175 trillion in 2011.<sup>592</sup> Most nations in the world participate to some degree in the textile and apparel sector. The World Bank notes that apparel production is often a “springboard for national development.”<sup>593</sup> The sector has relatively low barriers to entry as it is not highly capital intensive and primarily utilizes low-skilled workers.<sup>594</sup> Further, production can easily be shifted from country to country in pursuit of lower production costs.<sup>595</sup> Thus, the same factors that create low barriers to entry also mean that the sector is highly competitive, and create downward pressure on wages and working conditions.

Emerging economies in which apparel and textiles play a large role include Cambodia, Bangladesh, Pakistan and Sri Lanka. In Bangladesh and Cambodia, over 80 percent of manufacturing exports derive from the apparel and textile sectors.<sup>596</sup> Bangladesh is home to the world’s fastest growing apparel sector.<sup>597</sup> China is the world’s largest exporter of apparel and textiles, producing over 40 percent of global exports in 2012, followed by the European Union (25.2), India (4.1), Turkey (3.6), and Bangladesh (3). The US is the largest apparel market in the world, with a value of about 331 billion annually, around 28 percent of the global market. Ninety-seven percent of garments sold in the US are made internationally.<sup>598</sup> The exporters to the US market are China, Vietnam, Indonesia, Bangladesh, and Mexico.<sup>599</sup>

Domestic textile production is located primarily in Southeastern states and California while the majority of the apparel industry is located in California, New York, and North Carolina.<sup>600</sup>

### *Workforce:*

The textile and apparel industries are two of the world’s most globalized sectors, providing employment for over 60 million workers worldwide.<sup>601</sup> For many workers, employment in the textile and apparel sector offers a first opportunity to gain employment in the formal economy, which is typically higher paid

and more stable than the informal sector or agriculture. However, due to the highly competitive nature of these industries, wages and working conditions are often sub-standard or exploitive.<sup>602</sup> Both the textile and apparel industries are characterized by low levels of unionization and at least some reliance on migrant labor. Brands attempting to cut transport costs and shorten lead times move their production bases closer to retail markets, using migrant labor to keep costs low. This trend leads to an increase in temporary, contract, and seasonal labor within the workforce. Hundreds of thousands of migrant workers are employed within the garment and textile supply chains across Europe, Asia, North and South America, and Africa. Migrants are particularly prevalent in the textile and apparel industries of Taiwan, Malaysia, Thailand, Mauritius, Jordan Egypt and Maldives. Approximately 85 percent of these workers are female low-skilled or unskilled workers.<sup>603</sup>

### **Risks to Human Trafficking in this Sector:**

The US Department of State 2014 Trafficking in Persons report noted evidence of human trafficking in the textile and apparel manufacturing sector in the following countries: Brazil, India, Italy, Kyrgyz Republic, Malaysia, Nepal, Russia, Turkmenistan, and Zambia.<sup>604</sup>

#### *Hazardous/Undesirable Work:*

Workers in the textile and apparel manufacturing sector face a wide variety of potential labor violations including withholding and deduction of wages, forced overtime, and verbal, physical, and sexual harassment.

Health and safety risks facing workers include chemical exposure, dust, poor ventilation, musculoskeletal stress, and noise exposure.<sup>605</sup> Apparel and textile production, particularly sewing machine operation and hand sewing, often require workers to complete “monotonous, highly repetitive and high-speed tasks,” as well as to remain in one posture for long period of time. Workers who are paid at a piece rate may be incentivized to work far beyond what is safe in order to earn a basic wage. Musculoskeletal disorders can lead to long-term disability. Chemical hazards include formaldehyde exposure, which is associated with cancer development both, during production and in warehouse areas. Organic solvents used in finishing can lead to neurological, central nervous system, and liver illnesses.<sup>606</sup> Sandblasting, a process used to fade denim, has been found to cause the serious lung disease, silicosis.<sup>607</sup> Child workers are at particular risk of exposure to toxins and musculoskeletal injury.

Further, many apparel factories are housed in poorly maintained or constructed buildings, leaving them vulnerable to collapse. These risks are compounded when facilities are not adequately inspected, due to corruption or lack of capacity. In Bangladesh, the Rana Plaza facility collapse – which killed 1,129 workers – has been largely attributed to corruption and negligence on the part of the government and factory owners.<sup>608</sup> Fire is also a serious concern, particularly in Bangladesh where 800 workers were injured in fires in 2013.<sup>609</sup> Apparel and textile facilities are especially vulnerable to fires due to the use of highly flammable material. In some cases, management locks exits or otherwise prevents workers from leaving.

Wages in the textile and garment sector are low, and workers face irregularities in wages and payments. According to the Clean Clothes Campaign, garment workers globally rarely earn more than \$2 per day.<sup>610</sup> Workers also lose expected wages when a factory suddenly reduces workforce or closes due to reduced client orders – a frequent occurrence in the apparel sector due to the volatility of buyer demands.<sup>611</sup>

The necessity of meeting tight buyer deadlines also drives high rates of forced overtime in the apparel sector. Forced overtime is common, and workers who protest may be fired and blacklisted from the industry. Workers may work up to 18 hour days, seven days a week in advance of a deadline. In some cases, workers may rely on overtime pay to earn a living wage. Many factories, however, do not



adequately compensate workers for overtime, and often underpay wages by taking advantage of unrealistic quota systems or by falsifying overtime records.<sup>612</sup>

Wage and hour violations are “endemic” in the US garment sector, according to a labor expert interviewed by Verité. A 2008 National Employment Law Project (NELP) survey of 4,387 low-wage workers in Chicago, Los Angeles, and New York City found that apparel and textile factories posted the highest rate of minimum wage violations of surveyed industries employing low-wage workers, at a rate of 42.6 percent.<sup>613</sup> NELP reported that 23.6 percent of workers in New York City’s apparel and textile factories registered minimum wage violations. Sixty percent of workers surveyed reported being paid by the hour, while 40 percent were paid by the piece, with piece rate workers reporting more than double the rate of minimum wage violations as workers who were paid by the hour.<sup>614</sup> Reports by the Polaris Project indicate that employees in the garment industry work up to twelve hours per day, six to seven days per week, with few or no breaks.<sup>615</sup> The 2008 NELP survey indicates that 71 percent of apparel and textile factory workers reported overtime violations.<sup>616</sup> NELP further found that the apparel and textile sector registered the highest rate of meal break violations out of any industry covered by the survey in New York City, at 88.4 percent.<sup>617</sup>

*Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

The workforce in the textile and apparel sector is highly vulnerable, drawn primarily of workers from marginalized rural areas and urban areas, primarily children, adolescents and women, along with a smaller number of men.<sup>618</sup> The ILO notes that “in some countries, garment manufacturing may be one of the only opportunities to move into the formal sector.” Further there are low levels of trade-union representation, allowing few opportunities for worker grievances.

Child labor helps fill the demand for cheap and unskilled labor needed in multiple levels of the supply chain. Child labor is present in both textile and apparel production. In general, child labor is less common in first-tier formal garment production facilities due to pressure from international buyers and consumers. However, child labor is found in textile production, small sub-contracting units, home production units and in value-added processes such as beading. Children also produce fibers in spinning mills and the hand loom industry. In some cases, children are reportedly valued for their “nimble fingers,” and participate in tasks including “dyeing, sewing buttons, cutting and trimming threads, folding, moving and packing garments...embroidering, sequinning and smocking.”<sup>619</sup> Children may seek work in the textile and garment sector as a means to earn income for themselves and their families, or their parents may be offered an advance fee, entering the children into debt bondage.<sup>620</sup> In many cases, children are driven into the sector because adult wages are so low that children must supplement the wages of their parents, who work in the sector themselves.<sup>621</sup> Children who are considered to be “apprentices” or learning skills may be drastically underpaid, or not paid at all, and many face long hours that interfere with schooling.<sup>622</sup> Health and safety concerns endemic in the textile and apparel production sectors are magnified for children. Under the Sumangali scheme, girls in India are recruited to work in textile factories for two to three year periods. Salaries are withheld during work periods, and are only paid to parents when girls return home and the money is used to pay dowries. Charges for food and housing are deducted from girls’ salaries. Girls are housed at the worksite and their freedom of movement is severely curtailed. They are not allowed to leave the factory grounds except at prescribed times, during which they are accompanied by a security guard. Vulnerability to sexual abuse is high.<sup>623</sup>

In addition to sub-contracted facilities, much work in the textile and apparel sector is sub-contracted out by “homeworkers” who work in their homes and paid on a piece-rate basis.<sup>624</sup> These workers – predominantly women – are generally low-skilled, and are considered “independent contractors.” Further, because they work in the home, their labor is invisible in the regulatory context, so they lack both social protections as well as a formal relationship with an employer.<sup>625</sup>

Women and girls are the majority of the labor pool in textile and apparel sectors, representing about 85 percent of workers by some estimates. Textile and apparel work is often seen as “appropriate” for female involvement, and many may have migrated from rural areas seeking employment.<sup>626</sup> Further, tasks within the sector are highly segregated, with women relegated to the low skilled, low-wage jobs, whereas men tend to be employed in less-precarious management jobs.<sup>627</sup> Women also face high levels of sexual harassment and abuse.<sup>628</sup>

In the US prison labor is used to produce garments, including federal contracts for military uniforms.<sup>629</sup> Prisoners making apparel for the federal government were reportedly paid 23 cents to \$1.15 an hour. (See the [Prison Labor in Federal Supply Chains](#) pullout box for more information.)<sup>630</sup>

#### *Migrant Workforce:*

In many countries, the textile and apparel production sectors are highly dependent on migrants, both internal and international.

The United States garment industry’s workforce has historically been comprised of recent immigrants. The Partnership for the New American Economy points to immigration as a key reason that manufacturing companies are still able to produce in the US.<sup>631</sup> In a recent report, the Partnership argued that about 15 percent of domestic manufacturing employment (1.8 million positions) has remained in the US as a result of immigrant workforce participation.<sup>632</sup> According to a 2005 Pew Research Center report, 26 percent of apparel workers and 18 percent of sewing machines operators were believed to be undocumented.<sup>633</sup> Immigrant labor makes up about 64 percent of garment and other factory workers in New York City, according to 2013 reports.<sup>634</sup> In the US, migrant workers employed in the garment sector are subjected to rampant wage and hour violations and are vulnerable to becoming victims of human trafficking due to smuggling and placement debt, their lack of legal status, and their fear of filing grievances.

The apparel sectors in Taiwan, Malaysia, Thailand, Mauritius, Jordan, Egypt, US, Australia the European Union and the Maldives have been identified as using a high percentage of international migrant workers. Many migrant workers enter the garment sectors with recruitment fee debt to labor brokers.<sup>635</sup> Abuses in the apparel sector are exacerbated in the case of migrants. Migrant workers are often paid a lower wage than their local counterparts, calling what the Ethical Trading Initiative describes as a “two-tier” workforce. Already low wages are reduced even further for deductions – including levy payments, and mandatory medical, food, and dormitory fees. In Jordan, for example, where migrants work in the country’s Qualifying Industrial Zones (QIZ), migrants receive lower wages than Jordanians; in 2012, the national minimum wage was JOD 190 for Jordanian workers and JOD 110 for migrants.<sup>636</sup>

Other indicators of human trafficking, including document retention and mandatory “runaway” insurance (the practice of requiring workers to lodge deposits) are common.<sup>637</sup>

In the United States, textile and apparel sector production relies on migrant workers, both documented and undocumented.<sup>638</sup> Many of the migrant workers are from East Asian and Latin American countries.<sup>639</sup> Just as the globalized nature of the textile and apparel sector puts downward pressure on working conditions globally, conditions for workers – particularly migrant workers – in the US are sub-standard. Recent investigations by the United States Department of Labor have found repeated wage, overtime, and record-keeping violations.<sup>640</sup> Migrant workers in the United States are often employed through brokers who provide their labor to garment factories.<sup>641</sup> Although the Immigration Reform and Control Act of 1986 (IRCA) prohibits hiring of undocumented migrants, employers and brokers continue to do so, and use the threat of deportation to prevent undocumented workers from filing grievances.<sup>642</sup>

*Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chains:*

Labor outsourcing, both of migrant and domestic workers, is very common in the apparel sector and intermediaries play a wide variety of roles. Garment factories increasingly tend to subcontract hiring, usually through third-party labor brokers or private employment agencies. Demand for labor contributes to the hiring of undocumented workers through labor brokers.<sup>643</sup> Manufacturers look to immigrants to help fill the labor demand, but legal immigrant labor can be difficult to secure, and many employers are forced to turn to undocumented workers who are difficult to recruit directly, leading them to turn to labor brokers.

Verité research on the Indian textile and apparel sector found that brokers act as recruiters, supervisors, and agents. These roles are not exclusive and occur at the national and international level. In some cases, workers or former workers may act as brokers, recruiting new workers from informal connections in their home villages.<sup>644</sup> In general, workers are contracted with an employment agency, which serves as the primary employer, rather than the factory. This allows factories flexibility in staffing levels depending on demand and deadline.

Some labor brokers recruit workers to fill positions under factory management, but do not oversee workers on site. In India, this type of broker includes recruiters for “Sumangali” schemes, under which girls are held under conditions conducive to human trafficking for two to three years. These recruiters are often informal and have ties to the local community.

A second type of labor contractor is engaged by a company to find labor to perform a particular job within a factory. All management responsibilities of the workforce performing this specific task lie with the contractor, although legally the principal employer (the factory) holds ultimate final responsibility for labor rights compliance. These brokers either bring workers to join the company, or the employer assigns workers under them as contract workers. The employer does this to decrease their responsibility for these workers, with the contractors responsible for the specific job with a specific number of workers (either recruited by the contractor or by the employer) to complete the job. If the employer were to utilize regular (permanent) workers, the company would have to oversee all aspects of production and be responsible for the product quality, the timeliness of production, human resource management, and paying worker wages and benefits. With the job contractor functioning within the factory itself, the employer is one step removed from direct, day to day management of these workers. Job contractors are linked to the pervasive use of temporary contract labor. Through this arrangement, contractors are responsible for production planning, and assume control over wages, benefits, and general working conditions. The workers’ total salaries are given to these contractors, who then dispense salaries to workers. Contractors receive a pre-determined commission on each worker if the workers are hired by the contractor. Apart from this, as the contractor also manages the workers, they receive a commission (from the employer) of a certain percentage of the workers’ total salaries every month, again fixed by agreement between the contractor and the employer.<sup>645</sup> Migrant workers may have contracts with a recruiter, outsourcing agent, and factory management, each with different terms and conditions of work. This obscures the employment relationship and employer accountability and opens the door to abuses.<sup>646</sup>

Workers recruited by agents are often indebted due to high recruitment fees. The Clean Clothes Campaign reports that it is increasingly common for workers to be recruited for facilities where a client order falls through. In this case, the worker may be held in the dormitory, provided one meal a day, and not compensated any further.<sup>647</sup>

Recruiters can also play a role in recruiting home workers. These contractors assume work from factories, and then oversee completion of work in home-based units or households. Home work labor suppliers may

function as go-betweens or middlemen between households, where the work is being performed, and subcontracting manufacturing units, which place orders for the work with the labor suppliers.<sup>648</sup>

*Long, Complex, and/or Non-Transparent Supply Chains:*

Apparel and textile supply chains are complex, unpredictable and often include informal relationships. The current global sector has developed in response to globalization, and increasing requirements by multi-national brands for flexibility and quick turnaround times. Major brands have outsourced production, and focus mainly on branding and marketing. Production for large multi-national companies is largely managed by “agents” with large networks of worldwide factories.<sup>649</sup>

The garment industry has long presented a challenge to those seeking to monitor workplace conditions. Garment manufacturing has long relied on diverse organizational methods that keep employers from directly employing the personnel manufacturing those products. For example, “A ‘jobber’ may sell a design to a retailer, and then contract with a manufacturer for delivery of the product. The manufacturer may purchase and cut the product, but then contract the sewing to one or more companies (which may further contract out sub-assembly).”<sup>650</sup> Each time a piece of the process is subcontracted, the profit margin diminishes and competition between firms intensifies. A large number of small, informal sewing contractors can easily enter the market and compete with each other for a limited number of contracts, resulting in downward pressure on prices. Since labor costs comprise the bulk of input costs, many sewing contractors’ only option to become profitable is to pay sub-minimum wages.<sup>651</sup>

The relationship between retailers and manufacturers further encourages labor violations. Retailers negotiate prices and purchase finished garments from the manufacturers, exerting strong pressure on manufacturers to keep costs low and to speed up production times. The manufacturers place that same pressure on the contractors and subcontractors who actually produce the goods, often through the exploitation of immigrant labor.<sup>652</sup> Verité expert interviews indicate that brands have a significant amount of leverage over small-scale garment factories in unilaterally setting prices and turnaround times due to competition among various factories. In many cases, brands pay factories low prices for each piece of clothing that they produce and demand short turnaround times. This leads to the factories paying their workers low piece-rates and demanding that they work overtime to meet production demands (during which they are paid the same piece rates as opposed to overtime premiums), rather than an hourly wage that complies with minimum wage and overtime laws. In some cases, factories take a loss on an order so as to maintain its business relationship with a brand. This can result in times during which factory owners do not have enough cash flow to pay their workers, or in extreme cases, low profit margins can force them to close down, resulting in job loss, many times without workers being paid the wages owed to them.

An agent’s responsibility to the client is primarily to deliver a finished product on deadline and under budget, with little consideration of outcomes for workers. For example, if an agent receives an order from a client, they might purchase fibers from a Korean factory, dyeing and weaving services in Taiwan, purchase zippers and buttons from China, and send materials for production to a factory in Thailand.<sup>653</sup> At the factory level, production requests are often further sub-contracted.

There are two primary types of sub-contracting. Vertical sub-contracting means that the order passes from the tier one factory to smaller factory or unit. Orders may be vertically sub-contracted several times. Horizontal sub-contracting means that the order is passed to a “sibling” factory of roughly the same size.<sup>654</sup> Sub-contracting can send orders across international boundaries as first tier facilities sub-contract orders to countries where the cost of labor is even lower.<sup>655</sup> Many sub-contracting agreements between facilities are relatively informal, making transparency in the supply chain extremely difficult.<sup>656</sup> In many cases, sub-contracting may be “unauthorized,” that is, shifted without informing the client. “Value-added” processes such as embroidery are also likely to be outsourced.<sup>657</sup>

The high-levels of sub-contracting have led factories to rely on highly flexible labor pools, encouraging facilities to rely on casual, contract labor hired through agents.

### **Federal Procurement in the Textiles and Apparel Manufacturing Sector:**<sup>12</sup>

Textiles and apparel appear in the federal spend primarily in the form of personal armor, uniforms, outerwear, shoes, and other clothing for troops, prisoners, prison and border guards, and officers in agencies such as the National Parks Service, Federal Bureau of Investigation, and Transportation Safety Administration. The United States Government issued contracts worth \$1.9 billion for personal armor and clothing in FY2013 (PSC 84%, excluding PSC 8460 for luggage and 8465 for individual equipment). Of this, \$764 million was spent on personal armor, \$63 million was spent on badges and insignia, and the rest was spent on uniforms, outerwear, and shoes. Reflecting the Buy America Act, almost all clothing and armor purchased by the United States Government are procured from US contractors. UNICOR/Federal Prison Industries is the top producer of non-armor uniforms.

The United States issued contracts worth \$119 million for direct purchase of textiles (PSC 8305) for use in blankets, canvas, etc. in FY2013. Tents and tarpaulins (PSC 8340) accounted for another \$63 million in federal spending in FY2013.

## **Prison Labor in Federal Supply Chains**

***Prison labor in international law:*** International law addresses the question of prison labor most comprehensively in the UN Forced Labor Convention, 1930 (No. 29), which prohibits the use of labor undertaken involuntarily under threat of a menace of penalty. Convention 29 includes exemptions for certain forms of non-voluntary labor, including some prison labor, in recognition of the use of labor as a mode of punishment and rehabilitation for convicted prisoners in many countries. The Convention limits the exemption for prison labor, however, by specifying that it must be supervised and controlled by a public authority (i.e., not done within a privately owned or managed prison), and that prisoners must labor for a public purpose, not be hired out to private enterprises for profit.<sup>658</sup> As a recent legal review on the subject explains, “public prison labor, prison-made products or services purchased only by a state or federal government, (and) prison labor involving the maintenance of public prisons” are not classified as forced labor under international law, while products made or services delivered by prisoners in private prison facilities, or in public prisons on behalf of private enterprises, are seen to be potentially tainted with forced labor under Convention 29.<sup>659</sup> Voluntary labor by prisoners in private prisons or for private enterprises is permitted, but, in recognition of the difficulty of evaluating the true voluntariness of a prisoner’s labor, the Convention specifies that the labor in question must occur under circumstances approximating the free labor market in terms of wages (less reasonable deductions for food and housing), social benefits, and safety and health protections.<sup>660</sup> The United States and Canada are among only a handful of nations not to have ratified Convention 29, in both cases due to concerns over restrictions placed by the Convention on the use of privately-run prisons and the hiring out of prisoners in publicly-run prisons to private businesses.<sup>661</sup>

***Prison labor in the United States:*** Forced labor of US prisoners in private facilities is a potential concern in federal supply chains. As discussed above, international law permits prison labor in government-run facilities for the public good. Work programs for US prisoners in federally-owned and operated prisons, and goods manufactured by prisoners in such facilities and procured directly by the federal government –

<sup>12</sup>All federal procurement data is drawn from the [Federal Procurement Data System](http://www.fedprocurement.gov). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

\$320million to UNICOR/Federal Prison Industries in FY2013, mostly for uniforms and furniture – are therefore not defined as forced labor under international law. An increasing number of US prisons and immigration detention centers are now owned and run by private entities, however, many of which operate prison labor programs. According to recent media accounts, roughly 10 percent of the US prison population, and nearly half the population of immigrant detainees, are now housed in facilities owned by for-profit private prison companies such as Corrections Corporation of America (CCA), the GEO Group, and Cornell Companies,<sup>662</sup> with the largest of these, CCA and the GEO Group, posting revenues of more than \$1.6 billion each in 2011.<sup>663</sup> The use of prison labor in such facilities – which provide manufacturing, call centers, recycling programs, and other services to private sector clients, including many federal prime contractors<sup>664</sup> – poses a significant risk for forced labor in federal supply chains under international law. For prisoner labor in such facilities to be deemed voluntary, they would need to approximate wage rates, safety standards, and benefits of the private marketplace. Journalists and prison watchdog organizations have noted that federal prisoners typically receive sub-market wages and fail to receive the basic workplace safety protections they are afforded by law or benefit from Social Security contributions.<sup>665</sup>

**Forced prison labor overseas:** The US has a record of opposition to the use of forced labor in prisons overseas, particularly in the context of US trade relations with China and other countries with troubled human rights records. Chinese use of punitive work camps, in which prisoners are made to produce goods in poor conditions and sometimes under threat of torture, has drawn criticism from US advocacy groups and politicians for more than two decades, ever since the issue came to US public attention in the early 1990s, when a letter pleading for help was smuggled into a US-bound shipment of artificial flowers by a Chinese political prisoner in a work camp.<sup>666</sup> Chinese use of prison labor continues to be cited in discussions of Chinese human rights abuses and US-China trade, even following a 2013 announcement by the Chinese government that it was abolishing the so-called “Re-education Through Labour” system, with observers noting that many existing prisons are simply being re-named “rehabilitation” centers.<sup>667</sup> Watchdog organizations such as the Laogai Research Foundation have helped publicize first-hand accounts by survivors of these facilities, some of whom have documented being forced to produce goods destined for US markets, in violation of US and Chinese trade agreements.<sup>668</sup> The Department of Labor’s TVPRA List of Goods Produced by Child Labor or Forced Labor includes eleven products known to be made by trafficking victims in China, but as such accounts attest, such goods do make their way into US markets, and potentially into federal supply chains.<sup>669</sup> Goods reportedly made with Chinese prison labor include garments, footwear, nails, toys, electronics, cotton, coal, holiday decorations, artificial flowers and umbrellas. While it is not known to what extent these products are exported, according to a report from the US- China Economic and Security Review Commission, a 2008 US diplomatic cable specifically noted that artificial flowers, holiday decorations, shoes, garments and umbrellas produced in prisons are marketed for export by middlemen.<sup>670</sup> Construction materials, widely procured by the federal government may also be tainted by prison labor. The Laogai Research Foundation reported in 2011, a Canadian construction company imported construction materials from a factory known to use prison labor.<sup>671</sup>

<sup>592</sup> Thomasson, Sarah C. *Apparel Market: Landscape Of Change*. Textile World. July/August 2012.

[http://www.textileworld.com/Issues/2012/July-August/Features/Apparel\\_Market-Landscape\\_Of\\_Change](http://www.textileworld.com/Issues/2012/July-August/Features/Apparel_Market-Landscape_Of_Change)

<sup>593</sup> Gereffi, Gary; Frederick, Stacey. *The Global Apparel Value Chain, Trade and the Crisis: Challenges and Opportunities for Developing Countries*. The World Bank. April 2010.

<https://openknowledge.worldbank.org/bitstream/handle/10986/3769/WPS5281.pdf?sequence=1>

<sup>594</sup> Adhikari, Ratnakar; Yamamoto, Yumiko. *The textile and clothing Industry: Adjusting to the post-quota world*. 2008. [http://www.un.org/esa/sustdev/publications/industrial\\_development/2\\_2.pdf](http://www.un.org/esa/sustdev/publications/industrial_development/2_2.pdf)

<sup>595</sup> Ross, Robert J.S.; Chan, Anita. *From North-South to South-South: The True Face of Global Competition*. Council on Foreign Relations. September/October 2002. <http://www.foreignaffairs.com/articles/58240/robert-j-s-ross-and-anita-chan/from-north-south-to-south-south-the-true-face-of-global-competit>

<sup>596</sup> Keane, Jodie; te Velde, Dirk Willem. *The role of textile and clothing industries in growth and development strategies*. Overseas Development Institute. May 7, 2008. <http://www.odi.org/sites/odi.org.uk/files/odi->

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<sup>597</sup> Sreenivasan, Hari. "Making Work Safety a Priority in Clothing Industry in Pakistan and Bangladesh." *Public Broadcasting Service*. December 10, 2012. [http://www.pbs.org/newshour/bb/world-july-dec12-bangladesh2\\_12-10/](http://www.pbs.org/newshour/bb/world-july-dec12-bangladesh2_12-10/)

<sup>598</sup> Wee, Heesun. "'Made in USA' fuels new manufacturing hubs in apparel." *CNBC*. September 23, 2013. <http://www.cnb.com/id/101037568>

<sup>599</sup> *Wages and Poverty Among Top Apparel Exporters*. The New York Times. August 23, 2012.

<http://www.nytimes.com/interactive/2012/08/23/world/asia/Wages-and-Poverty-Among-Top-Apparel-Exporters.html?ref=asia>

<sup>600</sup> US Department of Commerce. Office of Textiles & Apparel (OTEXA). *The Retail Apparel Market: Trends and Opportunities in Canada and Mexico*.

[http://otexa.ita.doc.gov/webinars/OTEXA\\_combined\\_slides\\_NAFTA\\_webinar\\_Sept\\_14.pdf](http://otexa.ita.doc.gov/webinars/OTEXA_combined_slides_NAFTA_webinar_Sept_14.pdf)

<sup>601</sup> International Labour Organization. *Textiles, clothing, leather and footwear sector: A global industry facing new challenges*. <http://www.ilo.org/global/industries-and-sectors/textiles-clothing-leather-footwear/lang--en/index.htm>

<sup>602</sup> Center for American Progress. *Global Wage Trends for Apparel Workers, 2001-2011*. July 2013.

<http://cdn.americanprogress.org/wp-content/uploads/2013/07/RealWageStudy-3.pdf>

<sup>603</sup> Clean Clothes Campaign. *False Promises: Migrant Workers in the Global Garment Industry-Discussion Paper*. 2009. <http://www.cleanclothes.org/resources/publications/migrant-workers-internal.pdf>

<sup>604</sup> US Department of State. *Trafficking in Persons Report*. 2014

[http://www.state.gov/j/tip/rls/tiprpt/2014/?utm\\_source=NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014&utm\\_campaign=2014.07.16+NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014+&utm\\_medium=email](http://www.state.gov/j/tip/rls/tiprpt/2014/?utm_source=NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014&utm_campaign=2014.07.16+NEW+RESOURCE%3A+Trafficking+in+Persons+Report+2014+&utm_medium=email)

<sup>605</sup> Herbert, Robin; Plattus, Becky. *Health Effects and Environmental Issues*. International Labour Organization. 2011. <http://www.ilo.org/oshenc/part-xiv/clothing-and-finished-textile-products/item/870-health-effects-and-environmental-issues>

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# Transportation and Warehousing

This sector report includes transport service workers, transport equipment manufacturing, as well as warehousing services. This report does not address the labor involved in producing the components of transport equipment. For information on the human trafficking risks associated with producing these components, see the forthcoming sector reports: [Extractives/Mining and Basic Metal Production](#) and [Electronics and Electrical Products Manufacturing](#).

## This sector has the following risk factors:

- ☒ Hazardous/undesirable work
- ☒ Vulnerable, easily replaced, and/or low-skilled workforce
- ☒ Migrant workforce
- ☒ Presence of labor contractors, recruiters, agents or other middlemen in labor supply chain
- ☒ Long, complex, and/or non-transparent supply chains

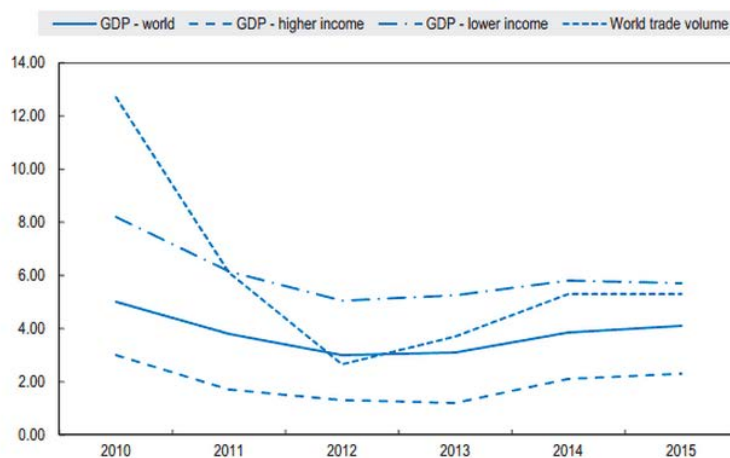
## Overview of the Transportation and Warehousing Sector:

The transportation and warehousing sector includes land, air, and sea passenger and freight cargo services, warehousing of goods, as well as auto vehicle, train, ship, and aircraft manufacturing. The transportation industry also encompasses personnel employed in train and bus stations, ports, and airports.

### Economy:

According to Plunkett Research, in 2013 “core transportation” revenues in the United States totaled \$950.6 billion, about six percent of economic activity. Worldwide revenues were estimated at \$4.5 trillion in 2013.<sup>672</sup>

Figure 1.1. GDP and trade growth, annual % change  
2010–2012: observed, 2013–2015: expected



Source: OECD Economic Outlook 93, May 2013, Table 1.1; IMF World Economic Outlook, Update July 2013, Table 1; World Bank Global Economic Prospects, June 2013, Table 1.

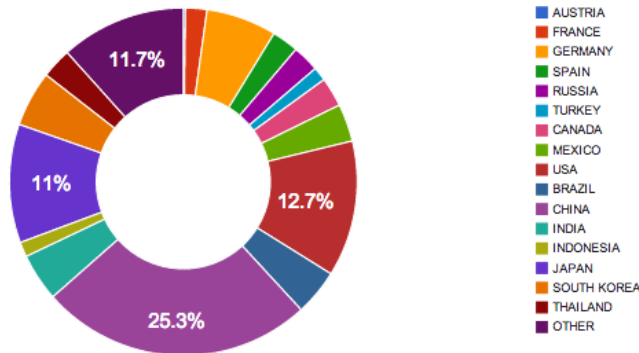
Transport sector growth depends heavily on national economic activity, including national GDP growth and global trade volumes. In the recovery from the 2008 global economic crisis, maritime freight output increased by four percent to 42.8 billion tons per mile after 2009, surpassing pre-recession volumes by 19 percent. Airfreight, while recovering in 2010, experienced 1.5 percent negative growth between 2012 and 2013 to about 180 billion tons per kilometer, mirroring weak growth in developed economies. Rail and

road freight both declined significantly after 2009 and have yet to fully recover: between 2010 and 2011, rail freight increased by three percent and road freight increased by one percent, with neither industry yet reaching pre-recession levels.<sup>673</sup>

Trends in auto vehicle use have altered in the past decade in both developed and emerging markets. Car use in developed markets such as France and Germany had slowed, while in the United States, United Kingdom, and Japan, growth is actually currently negative. This pattern may be explained by a combination of demographic factors such as population decline, increased urbanization, and tendencies to begin families later in life, economic factors such as higher inequality, high gasoline and other associated costs, or difficult conditions for younger generations, and policy- and technology-related factors such as competitive public transit options, decreased demand due to internet and telecommunications access.<sup>674</sup> By contrast, in emerging markets such as Brazil, India, and China, auto vehicle use has generally grown in line with national GDP, expanding dramatically in the last decade. In 2007, emerging markets accounted for only 30 percent of global profit in the automotive industry, while in 2012 they accounted for almost 60 percent. China alone accounted for half of emerging market profits.<sup>675</sup>

Internationally, auto production is relatively diffuse over a large number of countries. China accounts for the largest portion, producing slightly over a quarter of global output; additional output from Japan, the United States, and Germany accounts for slightly more than half of total global output.<sup>676</sup> In the United States, auto manufacturing is concentrated primarily in the mid-western and southern states of Michigan, Indiana, Ohio, Kentucky, and Alabama.<sup>677</sup>

#### Global Auto Manufacturing



Source: Organisation Internationale des Constructeurs d'Automobiles (OICA). "2013 Production Statistics: World Motor Vehicles Production by Country." 2013. <http://www.oica.net/category/production-statistics/>; <http://www.oica.net/wp-content/uploads/total-2013-2.pdf>

Unlike auto manufacturing, the ship and aircraft manufacturing industries are relatively concentrated geographically. The United States itself is a major exporter of aerospace aircraft and equipment, which represents an industry worth \$184.29 billion, employing about 493,600 people in early 2013.<sup>678</sup> The United States sources the bulk of its aerospace imports from France, Canada, Japan, the United Kingdom, and Germany.<sup>679</sup> In shipbuilding, manufacturing is dominated by China, Korea, and Japan, with China achieving top market share in the past ten years.<sup>680</sup>

Ships, automotive vehicles, and aircraft are generally composed of similar materials. Modern cars and trucks are primarily composed of low-carbon steel, high-medium strength steel, polymer and composite materials, aluminum, and other materials including magnesium and other metals.<sup>681</sup> Ships and aircraft also contain steel, aluminum, magnesium, and alloys made from these metals, as well as titanium and copper

alloys, transparent and reinforced plastic, and composite and carbon fiber materials.<sup>682</sup> In addition to carbon, steel alloys used in manufacturing may contain small percentages of nickel, chromium, vanadium, and molybdenum.<sup>683</sup> Please see the [Extractives/Mining and Basic Metal Processing](#) sector report and individual metal commodity reports for more information on the risks associated with these metals.

Shipbreaking, often a forgotten industry in the transportation sector, is a vital part of the life cycle of the largest pieces of transportation equipment. Shipbreaking occurs mainly in India, Bangladesh, Pakistan and China. Environmental and occupational safety regulations are less strict in South Asia, which is why European ship owners tend to dispose of their ships there.<sup>684</sup> In 2012, there were a record one thousand ships scrapped worldwide. Of these, India's shipbreaking industry scrapped 527. The shipbreaking companies pay around \$400 per ton for ships that are made of high-quality steel. Nine percent of India's demand for steel is met by recycled steel from ships.<sup>685</sup>

#### *Workforce:*

Occupations within the transportation sector encompass both manufacturing and transport service personnel.

Occupations within transportation equipment manufacturing encompass aircraft and aerospace, ship, railroad, and auto manufacturing production workers. In December 2014, there were 1,573,400 employees in transportation equipment manufacturing in the United States.<sup>13</sup> By occupation, in 2013 there were 30,490 aerospace engineers, 48,730 machinists, 33,260 mechanical engineers, 248,980 team assemblers, and 49,510 welders, cutters, solderers, and brazers.<sup>686</sup> Unionization in these industries is not uncommon, although at lower levels than for transport service providers: in 2013, an estimated 10.1 percent of United States manufacturing employees belonged to a union.<sup>687</sup>

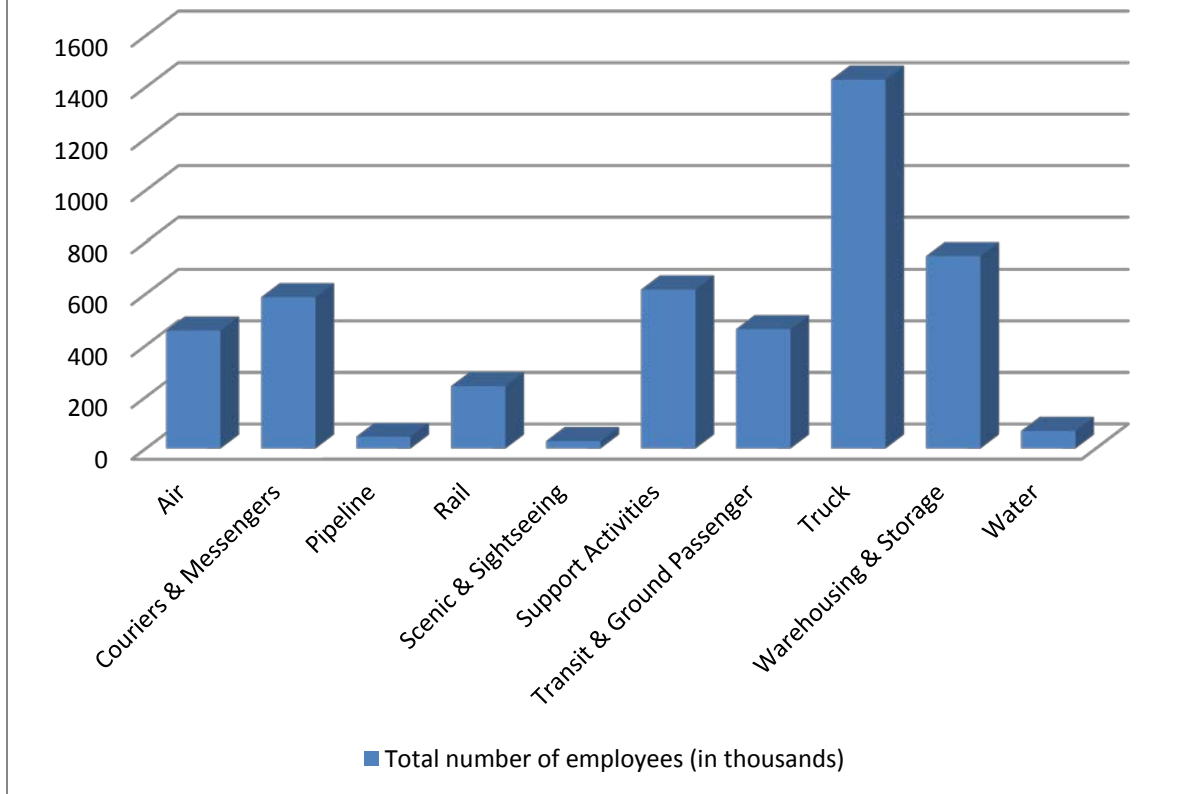
Due to its highly technical nature, the manufacture of transportation equipment is a relatively skilled, highly-paid activity, with workers generally hired directly by employers. United States transportation manufacturing workers had average wages of over \$29/hour as of December 2014, which was significantly higher than service workers in the transportation and warehousing sector, who made an average of over \$22/hour during the same period.<sup>688</sup> Because of the high level of wages and skilled nature of the workforce, transportation equipment manufacturers are not generally at risk for TIP, and are not a focus of this report.

Transport service workers may include bus or private drivers, train or metro conductors, aircraft or ferry pilots, freight cargo movers, station attendants, dockworkers, and supporting personnel. Generally, these occupations are generally low-skilled and do not require an advanced degree, although some workers may possess important technical training. Transportation workers have a relatively high degree of union representation by contemporary US standards: in 2013, an estimated 19.6 percent of transportation and material-moving employees were unionized in the US, higher than the 6.7 percent private sector national average.<sup>689</sup>

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<sup>13</sup> The United States Bureau of Labor Statistics classifies the transportation equipment manufacturing under the manufacturing sector, not under transportation.

## Number of Employees in the Transportation Sector in the United States, December 2014



Source: Verite, using data from the US Bureau of Labor Statistics <http://www.bls.gov/iag/tgs/iag48-49.htm>

The above graph shows the breakdown of transportation employees in the United States in December 2014. By far the most transportation employees work in truck transportation (1.4 million), which includes the following occupations: bus and truck mechanics and diesel engine specialists; first-line supervisors/managers of transportation and material-moving machine and vehicle operators; laborers and freight, stock, and material movers; heavy and tractor-trailer truck drivers; and light truck drivers or delivery services.<sup>690</sup>

As of December 2014 there were 746,600 workers employed in the warehousing and storage industry in the US. Specific warehousing jobs include industrial truck and tractor operators; laborers and freight, stock and material movers; shipping, receiving, and traffic clerks; stock clerks and order fillers; and transportation, storage, and distribution managers.<sup>691</sup>

Other subsets of the transportation and warehousing sector include support activities for transportation, such as aircraft mechanics and service technicians; cargo and freight agents; dispatchers; and freight, stock, and material movers; employment within the industry was 617,000 in December 2014.<sup>692</sup> The couriers and messengers subsector employs an additional 587,300 workers in the United States,<sup>693</sup> while employment within the United States air transportation subsector, including pilots, flight attendants, and ticket agents, was 457,800.<sup>694</sup> Employment in the transit and ground passenger transportation subsector was 463,300 workers in the United States.<sup>695</sup> The majority of these jobs are nonsupervisory positions.<sup>696</sup>

### **Risks to Human Trafficking in this Sector:**

The United States Department of State 2014 Trafficking in Persons Report noted clear evidence of human trafficking in the transportation sector in the following countries: Cameroon, Finland, and Qatar.<sup>697</sup> This is almost certainly an incomplete list.

#### *Hazardous/Undesirable Work:*

Drivers and other operators of transportation equipment experience long hours and are often required to work overnight. These workers are also at risk of being in transportation accidents. Operators and warehouse employees often have to lift and carry heavy objects and are therefore at risk of injury. According to the United States Department of Labor's Bureau of Labor Statistics, hand laborers and freight, stock, and material movers are among the occupations with the highest rates of injury and illness. Twelve percent of all workplace deaths in the US involve truckers.<sup>698</sup> Mechanics, and in some instances operators, are might be exposed to harmful chemicals and dangerous machinery.<sup>699</sup>

According to OSHA, the fatal injury rate for workers in warehouses is higher than the national average for workers in all industries. Potential hazards include injuries from forklifts and other heavy machinery, being crushed by falling materials, falling off docks, injury from conveyor belts, repetitive lifting of heavy loads, chemical exposure, and fires and explosions.<sup>700</sup> Warehouses can be extremely hot and employers often pressure workers to perform at high speeds. Investigations into working conditions of outsourced warehouse workers have found that workers in warehouses often face underpayment of wages and lack of pay for overtime.<sup>701</sup>

Seafaring transport workers face particular vulnerabilities. Workers are often at sea for long periods of time, with no opportunity to leave. On vessels, workers face conditions similar to those facing fishing workers: poor weather conditions, a constantly moving work environment, and distance from medical care. Workers can be crushed by heavy cargo or machinery, or caught or entangled in mooring lines. While on vessels, transport workers are exposed to sun and salt water without protective clothing, slippery/moving work surfaces, hazardous chemicals, strong vibrations from the ship's engines, large waves, inadequate sleeping quarters, inadequate sanitation, and a lack of fresh food and water. In the event that someone becomes ill while on board a vessel, it can be difficult to seek medical care in a timely manner. Navigation failures leading to collisions or shipwrecks are also a risk.<sup>702</sup> Many vessels are old and in poor repair.<sup>703</sup>

The ship breaking industry in India, Bangladesh, and Pakistan has raised particular concern surrounding environmental hazards and worker safety since the 1990s. In 2004, the ILO issued a report on ship breaking, hoping to formalize this predominantly informal industry. It voiced many causes for concern: 20-30 year-old ships containing heavy metals, asbestos, PCBs, and other toxic chemicals; workers unprotected by labor law; "casual, contract, or migrant" laborers; lack of access to proper waste disposal; and the alarming frequency of worker injuries and fatalities, among others.<sup>704</sup> In 2010, a World Bank report concluded that there existed "widespread varying contamination" in ship breaking yards in Chittagong, Bangladesh, and "less contamination" in Gadani, Pakistan, both of which violated the 2009 Hong Kong Convention on ship recycling.<sup>705</sup> Workers wear no protective equipment and often no shoes, leaving them vulnerable to toxic waste in oil, paint, and cargo material. Local Bangladeshi nonprofits claim that in Chittagong, on average, a worker is injured daily and one worker dies per week.<sup>706</sup> In the year 2011 alone, at least 20 shipyard workers died and 150 were injured in Pakistan.<sup>707</sup>

Although there are no other indicators of human trafficking among airline pilots and staff, the International Transport Workers Federation reports extremely high levels of overtime, leading to safety concerns.<sup>708</sup>

*Vulnerable, Easily Replaced, and/or Low-Skilled Workforce:*

Because of the commonsensical association of transportation work with movement of goods and people, it may seem that transportation workers enjoy an inherent measure of control over their own freedom of movement, and hence are not as vulnerable to trafficking as workers in some other sectors. This may be true for some drivers, although, as noted above, the sector encompasses many other kinds of labor other than driving. Even for drivers, however, the economic conditions in which they labor may exacerbate their vulnerability to exploitation and abuse by employers, including trafficking.

Transportation and goods-delivery is characterized by part-time, low paid work. The transport sector in the United States was deregulated in the 1980s; since then, real wages for truckers have fallen 30 percent.<sup>709</sup> The pressure that large retailers exert on their suppliers to provide goods at extremely low price points creates downward pressure on transport workers across all levels of the industry.

Transport workers such as truck drivers are also often misclassified as independent contractors. Workers misclassified as independent contractors are vulnerable to forced overtime, they lack access to grievance mechanisms, have few legal protections, and are therefore more vulnerable to exploitation. This classification exempts them from protections including the Fair Labor Standards Act and allows their employers – generally third party logistics suppliers (see below) – to make improper wage deductions. In southern California, hundreds of truck drivers recently filed legal cases alleging that because they were misclassified as independent contractors rather than employees, they did not receive overtime wages and other protections guaranteed to employees.<sup>710</sup> Truck drivers are often required to pay for costs of truck maintenance, gas and tires, as well as any collision costs, even when they do not own the trucks they drive. These deductions can cause truck drivers to earn well below the minimum wage.<sup>711</sup>

Reflecting low levels of regulation in many countries, children are often exploited in more informal forms of transportation work. In Nepal, for example, approximately one percent of boy laborers are employed in the transportation sector, primarily in Kathmandu, where they work as touts on informal public transport vehicles, ferrying loads with rickshaws or bicycles, and other forms of labor.<sup>712</sup> In 2012, World Education surveyed child transport workers in Kathmandu to determine sources and potential solutions to this problem. It found that while in some cases child transport workers had taken work due to family indebtedness, food insecurity was much more common: nearly two-thirds of child transport workers reported that their households did not have enough food during the year. Poverty in Nepal has led to difficulties in tracking and eradicating child labor: nearly one third of child transport workers had never had their birth registered with the government, and over half of child transport workers reported having migrated from a different district. Child labor is more likely to be used on small vehicles going short distances, rather than on larger vehicles traveling longer distances, where law enforcement officials and employers have been more aware of the problem.<sup>713</sup> In Kenya, children are similarly engaged in informal transportation, where they carry heavy loads and are exposed to traffic accidents.<sup>714</sup> In Cameroon, children operate commercial motorcycles, often without licenses.<sup>715</sup>

The rights of seafaring transport workers can be particularly difficult to safeguard. Outside of a nation's "exclusive economic zone" (the 200 mile strip of ocean adjacent to the shoreline), vessels are generally governed by the laws of the country in which they are registered, or their "flag state." Under the practice known as "flags of convenience," shipping vessels may be registered in countries with no meaningful link to their operations, including in countries with severely limited interest or capacity to enforce labor-related laws on vessels flying their flag.<sup>716</sup> Under this practice, shipping transport workers are particularly vulnerable to abuse, abandonment, and trafficking. Workers on abandoned ships may be left without food, water, fuel or pay by boat owners. If an abandoned vessel tries to dock at a foreign port to seek assistance, the workers may be denied entry or be forcibly repatriated without access to redress to seek months or years of unpaid wages. Workers are also vulnerable to arrest and detention by foreign nations if vessels



are in maritime waters without proper legal authorization – a situation over which workers themselves typically have no control.<sup>717</sup>

Workers in the shipbreaking sector in Bangladesh are highly vulnerable. Most workers are young, and half are estimated to be illiterate. Child labor is rampant. The shipbreaking industry in Bangladesh is centered north of Chittagong, where families have very few other livelihood alternatives. Workers and their families do not receive compensation for injuries or death.<sup>718</sup> Shipbreaking work is unskilled and workers receive little training. For this reason, workers have little leverage against their employers, and are easily replaced.

#### *Migrant Workforce:*

In the US, Latino workers are overrepresented in temporary and contingent work forces employed by staffing agencies that supply outsourced workers in transportation and warehouse sectors.<sup>719</sup> Immigrant workers in the US enter the production, transportation, and material moving sectors in higher numbers than native-born workers (15.4 percent to 11.1 percent).<sup>720</sup> Immigrant workers are also more likely to be employed as hand packers and packagers than native-born workers: 17 percent of immigrants in the sector are in packaging compared to only five percent of native-born workers.<sup>721</sup> According to the Teamster Port Division, most of the immigrant drivers in Oakland, California are East Indian, drivers in Los Angeles are generally from Central America and Mexico, and the immigrant drivers in Miami are often Cuban.<sup>722</sup>

The transportation sector of the European Union also employs a large proportion of immigrant labor. The European Agency for Safety and Health at Work reported that immigrant transport labor is more likely to be employed in unsanitary, dangerous, and demanding work, characterized by uncertainty, poor working conditions, part time employment, and low wages. In the transport sector, immigrants may find employment performing long-distance trucking, baggage handling in airports, and low-skilled rail and ship service work.<sup>723</sup> In the United Kingdom, the proportion of immigrants entering precarious, low-wage positions has also increased, from 8.5 percent in 2002 to 25.3 percent in 2012.<sup>724</sup>

#### *Presence of Labor Contractors, Recruiters, Agents or Other Middlemen in Labor Supply Chain:*

Large corporations and retailers are increasingly outsourcing warehousing, transportation and delivery operations to logistics management companies, as these functions are not considered “core competencies.”<sup>725</sup> These third-party logistics firms work with shippers to manage the logistics of their operations, including warehousing and transportation management.<sup>726</sup> The logistics management companies generally further sub-contract labor supply to employment agencies or use independent contractors.<sup>727</sup> Although the retailer or company may set the terms of working conditions through managers on site, there is no direct relationship between the worker at the bottom of the chain and the company – creating vulnerability for exploitation. Transportation workers employed by outsourced logistics firms report higher rates of core labor violations than those employed by direct arrangements, with Latinos being disproportionately outsourced compared to workers of other ethnicities.<sup>728</sup>

The system of logistics outsourcing and subsequent labor sub-contracting has created a particular vulnerability for warehouse workers. Warehouse workers move goods from shipping containers into warehouses, and load trucks with goods for delivery to retail stores.<sup>729</sup> In the massive warehouse complexes surrounding the southern California Ports of Los Angeles and Long Beach, where many Chinese goods enter the United States market for distribution to retailers, most workers are employed by temporary employment agencies even if they have worked in a warehouse for years, and are therefore not eligible for benefits, making only minimum wage.<sup>730</sup> The National Employment Law Project has documented that sub-contracted workers such as these routinely face low wages, labor violations and fraudulent pay practices.<sup>731</sup> In some cases, warehouse workers in the US are hired through agents of intermediaries known as “raiteros,” who charge workers for transport from their housing to work, deducting fees from worker pay checks.<sup>732</sup> Although ostensibly only providing transportation for a

population of vulnerable, predominantly migrant workers, these raiteros also distribute pay checks and determine which workers have work on any given day.<sup>733</sup>

The majority of seafaring transport workers are also hired through labor brokers or employment agencies.<sup>734</sup> Jobs in this sector are often seen as desirable and a step into the formal economy for workers in developing countries. This encourages the practice of paying bribes or fees to secure jobs, leaving workers indebted to their recruiters. Workers may work without contracts, or even without pay, for up to several years for the employment agency itself, in an effort to secure a job. Salaries are often much lower than promised, and it is common for recruitment agencies to take deductions from wages. Because recruitment agencies dominate hiring in the sector, workers are often fearful of reporting grievances, for fear of being blacklisted.<sup>735</sup>

In the Gulf States, low- and semi-skilled workers are subjected to human trafficking in the transportation and dock-working industries among other sectors.<sup>736</sup> These workers, primarily migrants from the Philippines, Bangladesh, Sri Lanka and Nepal, are recruited via employment agencies and must pay fees to acquire their jobs, for which they take out burdensome loans. Upon arrival in the host country, they are paid less than promised, leaving them indebted.<sup>737</sup> Identity documents are commonly withheld, and workers are tied to their employers on the terms of their visa.

Migrant workers recruited by labor agents are used in docks in wealthy countries such as Singapore, which handles one-sixth of the world's cargo.<sup>738</sup> Workers from Thailand, Bangladesh, China, Malaysia, Indonesia, the Philippines and Burma load and unload cargo and repair ships and containers.<sup>739</sup> Singapore has no minimum wage for migrant workers, and many arrive indebted to labor recruiters.<sup>740</sup>

#### **Federal Procurement in the Transportation and Warehousing Sector:**<sup>14</sup>

Transportation of both passengers and things is procured by virtually all federal agencies, with agencies responsible for facilitating or carrying out complex logistical operations being the largest spenders. Unsurprisingly, spending is led by USTRANSCOM. Other significant procurers of transportation include the Departments of the Army, Navy, and Air Force, USAID, FAS, and the State Department. Transportation is often also bundled into large logistics management and support contracts, particularly overseas (see the [Federal Procurement of Large Logistics Management Contracts](#) pullout box for more information).

In FY2013, the US Government spent approximately \$4.73 billion on passenger travel (PSC V21% and V22%, excluding V227, V228), mostly in contracts greater than \$10 million for charter air service, but with many contracts for far smaller amounts and other modes of travel as well.

Positive direct federal expenditure on transportation of things in FY2013 amounted to \$5.30 billion (PSC V1%), not including the launching of guided missiles and space vehicles. Of this, \$3.42 billion was spent overseas, almost all of which (\$3.13 billion) was spent in contracts greater than or equal to \$500,000, requiring compliance scrutiny under the Executive Order.

The US spent \$203 million in direct expenditures on warehousing in FY2013.

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<sup>14</sup> All federal procurement data is drawn from the Federal Procurement Data System (<https://www.fpds.gov/>). Because there is no seamless interface between the economic sectors discussed in this report and the way the Federal Government tracks categories of contract spending, many numbers presented in this analysis are derived from composites. PSC codes and or NAICS numbers have been provided for relevant search categories.

## Procurement of Transportation Equipment:\*

Procurement of transportation equipment represents perhaps the single most significant component of the United States federal spend. As noted above, the skilled manufacturing workers who produce finished transportation equipment are not generally at risk for human trafficking, but the electronics (see the [Electronics and Electrical Products Manufacturing](#) sector report), metals (see the [Extractives/Mining and Basic Metal Production](#) sector report) and other raw materials inputs that go into the making of such products raise many trafficking concerns for United States supply chains.



In FY2013, the United States Government spent approximately \$78.14 billion on aircraft, space vehicles, ships, trains, trucks, cars, associated components, and launching/ground handling equipment. The largest purchases in this category were made by defense agencies like the Navy, Army, and Air Force, with a dozen contracts in excess of a billion dollars granted by these agencies in FY2013.

Contracts related to the purchase of aircraft and ships accounted for the bulk of new federal spending in this category (\$63.42 billion). Other significant transportation equipment purchases in FY2013 included space vehicles (\$2.97 billion), tanks (\$1.26 billion), and wheeled combat/assault/tactical vehicles (\$1.64 billion).

Light trucks and passenger cars are procured by a wide range of federal agencies, amounting to \$1.24 billion in FY2013. Most car purchases are made through the General Services Administration's Federal Acquisition Service, which sources cars from US-based commercial car dealerships. The FAS bought \$1.03 billion in passenger vehicles in FY2013.

Overseas procurement of transportation equipment was a relatively small component of total spending in this category, at \$1.44 billion (<2 percent of total spending on transportation equipment) in FY2013. \$1.25 billion of this overseas spending was on contracts greater than \$500,000, making them subject to compliance scrutiny under the EO. As with domestic spending in this sector, large overseas contracts were dominated by purchases of aircraft and other heavy military equipment. Many smaller overseas contracts were for passenger cars and engine parts.

\* Figures for procurement of transportation equipment were compiled using the following PSC codes: Aircraft, Space Vehicles, Ships, Trains, Motor Vehicles, Associated Components, and Launching/Ground Handling Equipment = composite of PSC codes 15%-20%, 22%, 23%, 25%, 26%, and 28% -31%); Space Vehicles = PSC 1810; Tanks = PSC 2350; Wheeled Combat/Assault/Tactical Vehicles = PSC 2355; Light trucks and passenger cars = PSC 2310.

<sup>672</sup> Plunkett Research. “Introduction to the Transportation, Supply Chain & Logistics Industry.”

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## Introduction

This report presents narratives on 43 of the world's most important primary commodities. To produce these reports for each primary commodity, a multitude of data was assembled on global production and trade patterns (principal countries of production and consumption, and export-import data for key producers, importers, and the United States), reports of forced labor and/or child labor<sup>dccxli</sup> associated with the commodity, and the names of any countries in which trafficking-related problems have been reported in association with the commodity. Using the general information assembled as a starting point, each key commodity was then researched in depth, with the findings compiled into comprehensive commodity analyses. Thus, each individual commodity report provides background on the production patterns and labor practices involved in the specific industry in question. Each report also describes the connection, if any, between the commodity and forced labor and/or child labor. When available, case studies are provided of documented instances of human trafficking in the industry. The following reports also describe the structure of the supply chain for each commodity and any links to other supply chains for which the commodity is a key input, and review any government or industry initiatives that exist to reduce human trafficking in conjunction with the commodity in question. In the case of some commodities, no cases of human trafficking have been documented. In these commodity reports, efforts were made only to describe supply chain dynamics and general labor practices, to the degree that information was available. Therefore, these reports do not constitute a definitive list of commodities tainted by human trafficking.

Given data limitations, it was necessary to examine other indicators, and one key indicator of risk that was used was the incidence of child labor. Child labor can vary considerably from sector to sector, country to country, and household to household, and it is not human trafficking *per se*. For these purposes, however, child labor may provide an indicator of risk for forced labor, given that the drivers for both may be similar, such as demand for cheap, exploitable, unskilled labor, poverty, unequal access to education, and exclusionary social attitudes based on caste, gender, immigration status, or ethnicity. That said, description of child labor risk in the commodity reports should not be used exclusively to evaluate the risk of trafficking in a supply chain, but should instead be understood as providing additional context.



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<sup>decxli</sup> For purposes of this document, “child labor” refers to youth under the age of 18 who are working in violation of international child labor standards, specifically, the International Labor Organization (ILO) Conventions No. 182 and 138. The term “child labor” in U.S. domestic law is distinct and mention below of “child labor” is not an indication of any violation of U.S. law.

## Bamboo



<b>Bamboo is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:</b>	<b>Top ten countries that export bamboo worldwide (UN Comtrade 2012):</b>	<b>Top ten countries from which the US imports bamboo (UN Comtrade 2012):</b>
Burma (FL, CL)	1. Netherlands	1. China
<i>Bamboo Goods:</i>	2. China	2. Argentina
Vietnam (FL)	3. Pakistan	3. France
	4. Ethiopia	4. Hong Kong
	5. Thailand	5. Netherlands
	6. Indonesia	6. Vietnam
	7. Other Asia (not elsewhere specified)	7. Colombia
	8. Hong Kong	8. Japan
	9. Italy	9. Thailand
	10. Germany	10. Brunei Darussalam

### Where is bamboo reportedly produced with trafficking and/or child labor?

According to the U.S. Department of Labor's 2014 *List of Goods produced by Child Labor or Forced Labor*, bamboo is produced with forced and child labor in Burma.<sup>15</sup> Other sources report that bamboo goods are made with forced labor in Vietnam.<sup>16</sup> Burma is listed as Tier 2 Watch List country in the 2015 U.S. Department of State *Trafficking in Persons Report*, while Vietnam is listed as Tier 2.<sup>17</sup>

### What does trafficking and/or child labor in bamboo production look like?

<sup>15</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPR_Report2014.pdf)

<sup>16</sup> International Labor Rights Forum (ILRF). "End Forced Labor in Vietnam." June 18, 2013. <http://www.laborrights.org/creating-a-sweatfree-world/changing-global-trade-rules/state-sponsored-forced-labor-in-vietnam-drug->

<sup>17</sup> U.S. Department of State. *Trafficking in Persons Report: Burma*. 2015. <http://www.state.gov/documents/organization/243558.pdf>

U.S. Department of State. *Trafficking in Persons Report: Vietnam*. 2015. <http://www.state.gov/documents/organization/243562.pdf>

In April 2012, the Burmese army demanded that residents of four villages in Burma produce 5,000 bamboo poles and more than 20,000 thatch shingles. When the villagers deliberately provided less than what was ordered they were confronted by armed soldiers. The villagers requested payment and were denied.<sup>18</sup>

In Vietnam, detainees are reportedly forced to work under harsh conditions for little or no pay to produce goods and manufacture products made from wood, bamboo, and rattan. These detainees consist of men, women, and children who are being held without a trial for suspicion of illegal drug use.<sup>19</sup>

### **Case Study:**

#### *Labor trafficking in Rural Villages in Burma*

A 40 year-old male labor worker in the Buthidaung Township, when interviewed by researchers from The Arakan Project, reported:

*“For the last couple of years the Pirkhali Army camp has ordered villages in our area to supply them with 300,000 bamboo poles each. Last year, the Army paid 5,000 Kyat for 100 pieces, when the market price was between 18,000 and 25,000 Kyat depending on size and quality. My family had to supply 600 poles. Finding bamboo in the hills was not easy because few were left after the flowering and rat infestation. During the dry season there was no water in the stream so I had to carry them on my shoulders. It took 14 days to collect 600 bamboo poles, cut them and carry them and I finally received 30,000 Kyat [about \$40]. The Army claims that they need logs and bamboo poles for their own use but they use only a few and sell huge quantities to traders. This is one of their businesses. This year they again ordered another 300,000 bamboo poles. We do not know where we will find them as not many are left in the hills.”<sup>20</sup>*

### **Bamboo Production and Supply Chain:**

After cutting down the trees for harvest, the branches are removed and culms are cut to desired lengths. Starch and gummy substances can be removed at this initial stage. Then, depending on the end-product, a primary processing step like splitting or bending the culms is done. For certain products, the bamboo parts are subjected to a secondary process of bleaching or dyeing. The products are finished in a variety of ways, including lacquering, smoking, and sanding.<sup>21</sup> As it renews itself in much less time than a traditional hardwood forest, bamboo can provide a sustainable option to combat increasing energy demands, deforestation and water scarcity.<sup>22</sup>

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<sup>18</sup> Karen Human Rights Group (KHRG). *Forced Labour in Bilin Township*. May 31, 2012.

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<sup>19</sup> International Labor Rights Forum (ILRF). “End Forced Labor in Vietnam.” June 18, 2013.

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<sup>20</sup> The Arakan Project. *Forced Labour After the Elections: An Overview of Forced Labour Practices in North Arakan, Burma*. July 2011. [http://www.burmalibrary.org/docs12/AP-Forced\\_labour\\_after\\_the\\_elections-2011-08-22.pdf](http://www.burmalibrary.org/docs12/AP-Forced_labour_after_the_elections-2011-08-22.pdf)

<sup>21</sup> Food and Agriculture Organization of the UN (FAO). *Local Tools and Equipment Technologies for Processing Bamboo and Rattan, Asia*. June 18, 2013. <http://teca.fao.org/read/3877>

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## How do trafficking and/or child labor in bamboo production affect me?



Bamboo is used in clothing, bedding, food, and building materials.<sup>23</sup> The United States and Europe are the biggest importers of bamboo. Much of the bamboo trade is done in an informal setting, making it difficult to get accurate trade data, but it is projected that the U.S. and Europe import nearly 80 percent of the world market.<sup>24</sup>

### Examples of what governments, corporations, and others are doing:

The ILO reported in 1998 that the use of forced labor in Burma was widespread. The ILO temporarily reduced Burma's membership capabilities after the country did not implement the ILO's recommendations for improving legislation and practice. In June 2012, the ILO Conference publicized that both Burma and the ILO jointly decided upon a strategy to combat forced labor.<sup>25</sup>

### Where can I learn more?

[Read](#) more about reported forced labor in Vietnamese detention centers.

## Bananas

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<sup>23</sup> Bamboo Grove. "General Uses For Bamboo." June 18, 2013. <http://www.bamboogrove.com/general-uses-for-bamboo.html>

<sup>24</sup> Muller, Inga and Camille Rebelo. *Bamboo Worldwide: The Current Market & Future Potential*. 2010. [http://www.ecoplanetbamboo.net/files/bamboo\\_worldwide.pdf](http://www.ecoplanetbamboo.net/files/bamboo_worldwide.pdf)

<sup>25</sup> International Labor Organization (ILO). "ILO Lifts Restrictions on Myanmar." June 13, 2012. [http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_183287/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_183287/lang--en/index.htm)



<b>Bananas are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:</b>	<b>Top ten countries that produce bananas worldwide (FAOSTAT 2012):</b>	<b>Top ten countries that export bananas worldwide (UN Comtrade 2012):</b>	<b>Top ten countries from which the US imports bananas (UN Comtrade 2012):</b>
Belize (CL)	1. India	1. Ecuador	1. Guatemala
Ecuador (CL)	2. China	2. The Philippines	2. Ecuador
Nicaragua (CL)	3. The Philippines	3. Guatemala	3. Costa Rica
The Philippines (CL)	4. Ecuador	4. Costa Rica	4. Honduras
	5. Brazil	5. Colombia	5. Colombia
	6. Indonesia	6. Belgium	6. Mexico
	7. Angola	7. United States	7. Panama
	8. Guatemala	8. Côte d'Ivoire	8. Nicaragua
	9. Tanzania	9. Germany	9. Peru
	10. Mexico	10. France	10. Dominican Republic

**Where are bananas reportedly produced with trafficking and/or child labor?<sup>26</sup>**

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*,<sup>27</sup> bananas are reportedly produced with child labor in Belize, Ecuador, Nicaragua, and the Philippines. According to the 2015 *Trafficking in Persons Report*, Belize is a Tier 3 country, and Ecuador, Nicaragua and the Philippines are Tier 2 countries.<sup>28</sup>

**What does trafficking and/or child labor in banana production look like?**

On banana plantations, child labor often occurs when children accompany their parents to the plantations to assist their parents or to supplement family income. This is especially common in areas where prices

<sup>26</sup> For purposes of these commodity reports, evidence of child labor serves as an indicator of risk for forced labor.

<sup>27</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>28</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

for bananas are extremely low.<sup>29</sup> Children of poor, indigenous, or otherwise vulnerable or marginalized families may be at heightened risk.

Banana production is pesticide intensive because of the mono-culture nature of production.<sup>30</sup> One such pesticide that is used in banana production is chlorpyrifos. The use of this pesticide poses a risk to children as it is a neurotoxin.<sup>31</sup> Chlorpyrifos can cause nausea, lung congestion, chest pain, dizziness, respiratory paralysis and death.<sup>32</sup> Children are especially sensitive to chlorpyrifos toxicity.

### **Case Study:**

#### *Child Labor on Ecuadorian Banana Plantations*

In 2002, Human Rights Watch (HRW) released the *Tainted Harvest* report that exposed child labor on Ecuadorian banana plantations. Of the forty-five children they interviewed, forty-one of them started working on banana plantations between the ages of eight and 13. They were forced to work in hazardous conditions for 12 hour workdays and they only earned wages roughly equal to USD 3.50, only 60 percent of the minimum wage. These children were exposed to pesticides without protective equipment, causing them to suffer headaches, fevers, dizziness, nausea, vomiting, trembling, itching, fatigue, aching bones, and burning nostrils. Tasks included carrying heavy loads and working with dangerous tools. They lacked access to potable water or restroom facilities, and sexual harassment was common. Less than 40 percent of the children interviewed were still in school.<sup>33</sup> Many families in Ecuador make less than USD 1 a day and need their children to work in order to help purchase food and clothing. Education becomes secondary for child laborers.<sup>34</sup>

### **Banana Production and Supply Chain:**

Bananas are grown from a bulb or rhizome. Over the course of nine to 12 months the plant develops into a tall herb. Bananas can typically only be harvested in equatorial regions. Once grown, banana bunches are very heavy and require more than one person to cut them down and carry them. A large number of manual laborers are required for harvesting.<sup>35</sup>

The majority of expenses in banana production go to packaging, fertilization, and pesticides for the product itself (Fairtrade International).

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<sup>29</sup> Forero, Juan. "In Ecuador's Banana Fields, Child Labor Is Key to Profits." *New York Times*. July 13, 2002.

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<sup>30</sup> Lunder, Sonya. *Banana Cultivation is Pesticide Intensive*. Environmental Working Group. April 28, 2014.

<http://www.ewg.org/enviroblog/2014/04/bananas>

<sup>31</sup> Lunder, Sonya. *Banana Cultivation is Pesticide Intensive*. Environmental Working Group. April 28, 2014.

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<sup>32</sup> Wilson, John S; Otsuki, Tsunehiro. *To Spray or Not to Spray: Pesticides, Banana Exports, and Food Safety*. World Bank. March 2002. <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-2805>

<sup>33</sup> Human Rights Watch (HRW). *Tainted Harvest: Child Labor and Obstacles to Organizing on Ecuador's Banana Plantations*. April 2002. <http://www.hrw.org/reports/2002/ecuador/2002ecuador.pdf>

<sup>34</sup> Kelly, Annie. "Education Policy Needs to Fill the Gap in Ecuador's Child Labor Laws." *The Guardian*. May 26, 2011.

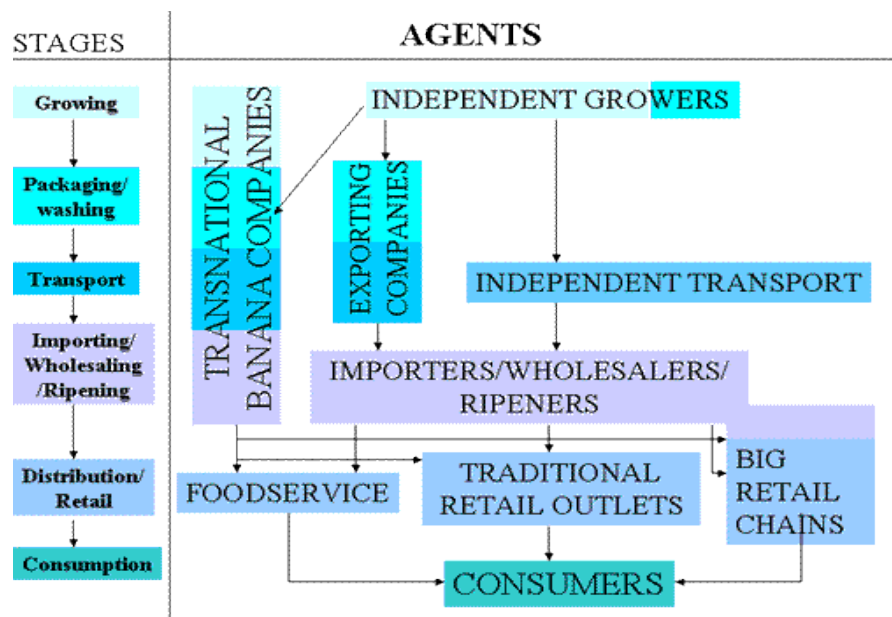
<http://www.guardian.co.uk/global-development/poverty-matters/2011/may/26/education-policy-ecuador-child-labour-laws>

<sup>35</sup> UN Conference on Trade and Development. *Commodity Profile: Banana Uses*. 2012.

<http://www.unctad.info/en/Infocomm/AACP-Products/COMMODITY-PROFILE---Banana>

UN Conference on Trade and Development. *Agricultural Products: Banana Market*. 2011.

[http://www.unctad.info/en/Infocomm/Agricultural\\_Products/Banana/Market/](http://www.unctad.info/en/Infocomm/Agricultural_Products/Banana/Market/)



Source: United Nations Conference on Trade and Development.  
 “Commodity Profile: Banana Uses.”  
<http://www.unctad.info/en/Infocomm/AACP-Products/COMMODITY-PROFILE---Banana/>

### How do trafficking and/or child labor in banana production affect me?



Bananas are one of the top five fruits consumed worldwide. Bananas are used in baby food and as flavoring in food products, such as yogurt; they are consumed as banana flour and powder, banana juice, and banana alcohol.<sup>36</sup>

According to the U.S. Department of Agriculture (USDA), each American eats an average of over 10 pounds of bananas each year.<sup>37</sup> Over 95 percent of the 9,589 million pounds of bananas that the U.S.

<sup>36</sup> UN Conference on Trade and Development. *Commodity Profile: Banana Uses*. 2012.  
<http://www.unctad.info/en/Infocomm/AACP-Products/COMMODITY-PROFILE---Banana>  
 UN Conference on Trade and Development. *Agricultural Products: Banana Market*. 2011.  
[http://www.unctad.info/en/Infocomm/Agricultural\\_Products/Banana/Market/](http://www.unctad.info/en/Infocomm/Agricultural_Products/Banana/Market/)

<sup>37</sup> U.S. Department of Agriculture. *Bananas and Apples Remain America’s Favorite Fresh Fruits*. 2012.  
[http://www.ers.usda.gov/data-products/chart-gallery/detail.aspx?chartId=30486#.U9pDb\\_k8B8E](http://www.ers.usda.gov/data-products/chart-gallery/detail.aspx?chartId=30486#.U9pDb_k8B8E)



imports were grown in Latin American nations.<sup>38</sup> In 2012, the top five countries exporting bananas to the United States were Guatemala, Ecuador, Costa Rica, Honduras, and Colombia.<sup>39</sup>

**Examples of what governments, corporations, and others are doing:**

In Belize, public education that is free and mandatory has been implemented in conjunction with a cash transfer program to encourage children to attend school.<sup>40</sup>

**Where can I learn more?**

[Read](#) HRW's report on child labor in Ecuador.

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<sup>38</sup> Lunder, Sonya. *Banana Cultivation is Pesticide Intensive*. Environmental Working Group. April 28, 2014. <http://www.ewg.org/enviroblog/2014/04/bananas>

<sup>39</sup> UN Department of Economic and Social Affairs. *UN Comtrade Database*. 2012. <http://comtrade.un.org/data/>

<sup>40</sup> U.S. Department of Labor, Bureau of International Labor Affairs. *2011 Findings on the Worst Forms of Child Labor*. September 2012. <http://www.dol.gov/ilab/programs/ocft/2011TDA.pdf>

## Beans (green, soy, yellow) and Pulses (legumes)



<b>Beans and pulses are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:</b>	<b>Top ten countries that produce beans and pulses worldwide (FAOSTAT 2012):</b>	<b>Top ten countries that export beans and pulses worldwide (UN Comtrade 2012):</b>	<b>Top ten countries from which the US imports beans and pulses (UN Comtrade 2012):</b>
<i>Green Beans:</i> Burma (FL, CL) Mexico (CL)	<i>Green Beans:</i> 1. China 2. Indonesia 3. India 4. Turkey 5. Thailand 6. Egypt 7. Spain 8. Italy 9. Morocco 10. Bangladesh	<i>Beans (including green):</i> 1. China 2. Australia 3. Thailand 4. Indonesia 5. Uganda 6. United States 7. Argentina 8. Dominican Republic 9. Egypt 10. Poland	<i>Beans (including green):</i> 1. China 2. Thailand 3. Australia 4. India 5. United Arab Emirates 6. Singapore 7. Malaysia 8. Peru 9. Argentina 10. Tanzania
<i>Soy Beans:</i> Burma (FL)	<i>Soy Beans:</i> 1. United States 2. Brazil 3. Argentina 4. India 5. China 6. Canada 7. Paraguay 8. Uruguay 9. Ukraine 10. Bolivia	<i>Soy Beans:</i> 1. United States 2. Brazil 3. Argentina 4. Canada 5. Paraguay 6. Uruguay 7. Netherlands 8. Ukraine 9. China 10. Bolivia	<i>Soy Beans:</i> 1. Canada 2. China 3. India 4. Argentina 5. Chile 6. Uruguay 7. Netherlands 8. Kazakhstan 9. Turkey 10. Other Asia (not elsewhere specified)
<i>Yellow Beans:</i> Burma (FL)			
<i>Pulses (legumes):</i> Turkey (CL)			
<i>Beans:</i> Afghanistan (CL)			

*Dried Beans:*

1. Burma
2. India
3. Brazil
4. China
5. United States
6. Tanzania
7. Mexico
8. Kenya
9. Ethiopia
10. Rwanda

*Dried Beans (shelled):*

1. United States
2. Canada
3. Ghana
4. Madagascar
5. Tanzania
6. United Kingdom
7. Brazil
8. Thailand
9. Peru
10. Cameroon

*Dried Beans (shelled):*

1. Canada
2. China
3. Mexico
4. Peru
5. Ethiopia
6. Argentina
7. Thailand
8. Ecuador
9. Nicaragua
10. India

*Pulses (legumes):*

1. India
2. Australia
3. United Kingdom
4. Poland
5. Russia
6. Mozambique
7. Bangladesh
8. Pakistan
9. Vietnam
10. Thailand

*Leguminous*

*Vegetables:*

1. France
2. Morocco
3. Netherlands
4. Mexico
5. Saudi Arabia
6. Guatemala
7. United States
8. Egypt
9. Germany
10. China

*Leguminous Vegetables:*

1. Mexico
2. Guatemala
3. Peru
4. Canada
5. Nicaragua
6. Costa Rica
7. Dominican Republic
8. Honduras
9. China
10. Ecuador

**Where are beans reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of Labor's 2014 *List of Goods Produced by Child Labor or Forced Labor*, green beans are produced with child labor in Burma and Mexico, while forced labor is involved in the production of green, soy and yellow bean production in Burma. Pulses (legumes) have been found to have been produced with child labor in Turkey.<sup>41</sup> The U.S. Department of State 2015 *Trafficking in Persons Report* lists Burma as a Tier 2 Watch List country and Turkey and Mexico as Tier 2 countries.<sup>42</sup>

According to limited reports, beans are also produced by young school children in the Sheikh Ali district of the Parwan province of Afghanistan.<sup>43</sup> The 2015 U.S. Department of State *Trafficking in Persons Report* lists Afghanistan as a Tier 2 country.<sup>44</sup>

<sup>41</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014.

[http://www.dol.gov/ilab/reports/pdf/TVPR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPR_Report2014.pdf)

<sup>42</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>43</sup> Khaleqi, Muhammad Hassan. "Instead of Education, Students of Sheikh Ali are Forced to Harvest Beans and Potatoes!" *RAWA News*. The Revolutionary Association of the Women of Afghanistan (RAWA). July 31, 2008.

<http://www.rawa.org/temp/runews/2008/07/31/instead-of-education-students-of-sheikh-ali-are-forced-to-harvest-beans-and-potatoes.html>

<sup>44</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

### **What does trafficking and/or child labor in bean production look like?**

In Burma, up to ten million citizens, roughly one sixth of the population, are bean farmers,<sup>45</sup> and children may work on their parents' farms. A report from 2002 suggests that prisoners in Burma were forced to perform agricultural and domestic labor, including in bean productions.<sup>46</sup>

In Mexico, indigenous migrants harvest green beans and other agricultural crops. Children may work alongside their parents, particularly when no schooling opportunities are available.<sup>47</sup>

Child workers in bean production are exposed to harsh weather conditions, long work days, and dangerous chemicals. Children are also at risk for injury: documented incidents include a child crushed by a tractor and a child losing an arm while cleaning green beans.<sup>48</sup>

In the Parwan province of Afghanistan, an estimated 4,000 students are forced by their teachers and heads of school to labor in fields during school hours. Students of all ages, including those younger than ten years old, are required to spend school time working on farms owned by teachers or administrators. Among the tasks assigned to these forced child laborers is digging irrigation trenches for beans for fear of punishment and parents pulling their children out of public schools. Afghan teachers insist that working in the fields benefits the students because, without help, the teachers would be forced to stay home to work in their fields instead of going to work at the schools.<sup>49</sup>

### **Bean Production and Supply Chain:**

Green beans require hot, short growing seasons and a lot of water. Fertilizers and pesticides are frequently used to increase yields and improve overall quality of the beans. Irrigation is often necessary as well. The growing of beans requires good time keeping and organization. In order to produce high yields and make a profit while growing green beans, a farmer must strategically plant throughout the growing season to ensure a continual harvest, and the harvesting must be conducted at the exact right time to maintain the highest possible quality of processed bean. After harvesting, green beans must be rinsed and stored at above 40°F and below 50°F. Beans are often sent away from the farm for processing: cutting, freezing, or

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<sup>45</sup> Song, Sophie. "Myanmar's Bean Industry Playing Catch-Up as Country's Economy Regains Momentum." *International Business Times*. August 30, 2013. <http://www.ibtimes.com/myanmars-bean-industry-playing-catch-countrys-economy-regains-momentum-1401747>

<sup>46</sup> Assistance Association for Political Prisoners (Burma) (AAPP). "About AAPP." <http://aappb.org/about-aapp/>  
Assistance Association for Political Prisoners (Burma) (AAPP). *Forced Labor of Prisoners in Burma*. May 2002. [http://www.aappb.org/report8\\_forced\\_labor.pdf](http://www.aappb.org/report8_forced_labor.pdf)

<sup>47</sup> New Mexico State University. "Green Beans, Child Labor and NAFTA." February 11, 2009. <http://fnsnews.nmsu.edu/green-beans-child-labor-and-nafta/>

<sup>48</sup> New Mexico State University. "Green Beans, Child Labor and NAFTA." February 11, 2009. <http://fnsnews.nmsu.edu/green-beans-child-labor-and-nafta/>

<sup>49</sup> Khaleqi, Muhammad Hassan. "Instead of Education, Students of Sheikh Ali are Forced to Harvest Beans and Potatoes!" *RAWA News*. The Revolutionary Association of the Women of Afghanistan (RAWA). July 31, 2008. <http://www.rawa.org/temp/runews/2008/07/31/instead-of-education-students-of-sheikh-ali-are-forced-to-harvest-beans-and-potatoes.html>

canning.<sup>50</sup> Green beans can be grown as bush beans or pole beans, while yellow or wax beans are often grown exclusively as pole beans.<sup>51</sup>

Soy beans have many varieties and uses. The U.S. Department of Agriculture keeps a collection of over ten thousand types, including red, green, black, brown, speckled, streaked, large, and small. Soy beans have a variety of uses from the direct eating of the green bean, to the pressing of the mature bean for oil, or the processing of the bean for tofu or milk. Soy plants are often planted in May and require soil temperatures of 55 to 60°F in order to germinate. Genetic modification and the application of fertilizers and pesticides is often part of soy production.<sup>52</sup>

### How do trafficking and/or child labor in bean production affect me?



Every year, Americans consume about 7.5 pounds of beans per capita.<sup>53</sup> Most imported beans in the U.S. come from Mexico, Canada, and China.<sup>54</sup> Burma, known to produce beans using both forced labor and child labor, is the world's largest exporter of dried beans.<sup>55</sup>

### Examples of what governments, corporations, and others are doing:

The Assistance Association for Political Prisoners (Burma) (AAPPB) seeks to raise awareness, enforce labor laws, and reduce the prevalence of labor trafficking in Burmese prisons.<sup>56</sup> The Child Labor Coalition has also focused on Burma to raise global awareness and eliminate the use of child labor in all industries.<sup>57</sup>

The Initiative to Promote Fundamental Labor Rights and Practices in Myanmar (the Initiative) was launched in 2014 and is designed to promote multi-stakeholder relations through a consultative mechanism. The initiative held a multi-stakeholder forum in Yangon in spring of 2015 to discuss a wide variety of labor issues, including child labor.<sup>58</sup>

<sup>50</sup> Iowa State University Department of Horticulture. "Green Bean Production." *Commercial Vegetables Horticulture*. March 2009. <http://www.public.iastate.edu/~taber/Extension/Green%20Beans.pdf>

<sup>51</sup> Cornell University. "Pole Beans, Green Beans (Pole), Wax Beans (Pole)." *Growing Guide*. <http://www.gardening.cornell.edu/homegardening/scene8f63.html>

<sup>52</sup> National Soybean Research Laboratory (NSRL). *Soybean Production Basics*. <http://www.nsrll.illinois.edu/general/soyprod.html>

<sup>53</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *FAOSTAT Database: Food and Agricultural Commodities Production /Countries by Commodity*. 2012. [http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries\\_by\\_commodity/E](http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries_by_commodity/E)

<sup>54</sup> U.S. Department of Agriculture, Economic Research Service (ERS). "Dry Beans." 2012. <http://www.ers.usda.gov/topics/crops/vegetables-pulses/dry-beans.aspx#imports>

<sup>55</sup> UN Department of Economic and Social Affairs. *UN Comtrade Database*. 2012. <http://comtrade.un.org/data/>

<sup>56</sup> Assistance Association for Political Prisoners (Burma) (AAPP). "About AAPP." <http://aappb.org/about-aapp/> Assistance Association for Political Prisoners (Burma) (AAPP). *Forced Labor of Prisoners in Burma*. May 2002. [http://www.aappb.org/report8\\_forced\\_labor.pdf](http://www.aappb.org/report8_forced_labor.pdf)

<sup>57</sup> Child Labor Coalition. *Burma/Myanmar*. <http://stopchildlabor.org/?cat=578>

<sup>58</sup> Embassy of the United States Rangoon Burma. *Myanmar Labor Initiative Holds First Stakeholder Forum in Yangon*. May 15, 2015. <http://photos.state.gov/libraries/burma/895/pdf/150519MyanmarLaborInitiativeHoldsFirstStakeholderForumInYangon.pdf>

## Brass



**Brass is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export brass worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports brass (UN Comtrade 2012):**

India (CL)

*Not Available*

*Not Available*

### **Where is brass reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of Labor's 2014 *List of Goods Produced by Forced or Child Labor*, brassware is produced using child labor in India.<sup>59</sup> The 2015 U.S. Department of State *Trafficking in Persons Report* lists India as a Tier 2 Country.<sup>60</sup>

Labor abuses have also been found in the composite minerals of brass: copper and zinc. See the [Copper](#) and [Zinc](#) commodity reports for more detail.

### **What does trafficking and/or child labor in brass production look like?**

The majority of brass production in India takes place in the city of Moradabad. The city has a long history of brass production, and there are many families dependent on brass production for livelihood. There are an estimated 25,000 small or household workshops, adding to the unseen nature of an industry that conceals child labor. Due to the high volume of production, many subcontractors and small production workshops employ child labor. Such shops hire children, paid or unpaid, on a day-to-day basis as helpers.<sup>61</sup> Children are primarily uneducated at the time of recruitment and remain without access to education throughout their employment in the factory.<sup>62</sup> Children assist in all steps of the production

<sup>59</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child or Forced Labor*. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>60</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>61</sup> Sekar, H. R. *Impact of Technological Change on the Demand for Child Labor in Brassware Industry of Moradabad*. 2007. V.V. Giri National Labor Institute. NLI Research Studies Series, NO: 074. [http://www.vvgnli.org/sites/default/files/publication\\_files/Brassware%20Industry%20of%20Moradabad.pdf](http://www.vvgnli.org/sites/default/files/publication_files/Brassware%20Industry%20of%20Moradabad.pdf)

<sup>62</sup> Sekar, H. R. *Impact of Technological Change on the Demand for Child Labor in Brassware Industry of Moradabad*. 2007. V.V. Giri National Labor Institute. NLI Research Studies Series, NO: 074. [http://www.vvgnli.org/sites/default/files/publication\\_files/Brassware%20Industry%20of%20Moradabad.pdf](http://www.vvgnli.org/sites/default/files/publication_files/Brassware%20Industry%20of%20Moradabad.pdf)

process, including casting, grinding, and acid cleaning. This exposes children to dangerous conditions, and materials.<sup>63</sup> The scope of child labor in the Indian brassware sector is unknown, but 2007 estimates put the number of child brass workers in Moradabad at 2,000 to 10,000.<sup>64</sup>

### **Brass Production and Supply Chain:**

Brass is a composite mixture of the transition metals copper and zinc with trace amounts of lead or silicon for durability. The ratio of each metal can be varied, resulting in the assorted forms of brass commodities. Sheets of preproduction brass known as ingots are sold to molding factories for final product manufacturing. The process of manufacturing brass into an exportable commodity involves multiple steps, which include but are not limited to: molding, polishing, casting, welding, enameling, engraving, and electroplating.<sup>65</sup>

### **How do trafficking and/or child labor in brass production affect me?**



Typical items made of brass are jewelry, decorative pieces, cutlery, vases, dinnerware, fixtures, and other various household items.

### **Where can I learn more?**

[Read](#) an in-depth report on the brass industry in India.

[Read](#) about child labor in India.

[Watch](#) a video on UNICEF's work educated children in India.

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<sup>63</sup> Sekar, H. R. *Impact of Technological Change on the Demand for Child Labor in Brassware Industry of Moradabad*. 2007. V.V. Giri National Labor Institute. NLI Research Studies Series, NO: 074.

[http://www.vvgnli.org/sites/default/files/publication\\_files/Brassware%20Industry%20of%20Moradabad.pdf](http://www.vvgnli.org/sites/default/files/publication_files/Brassware%20Industry%20of%20Moradabad.pdf)

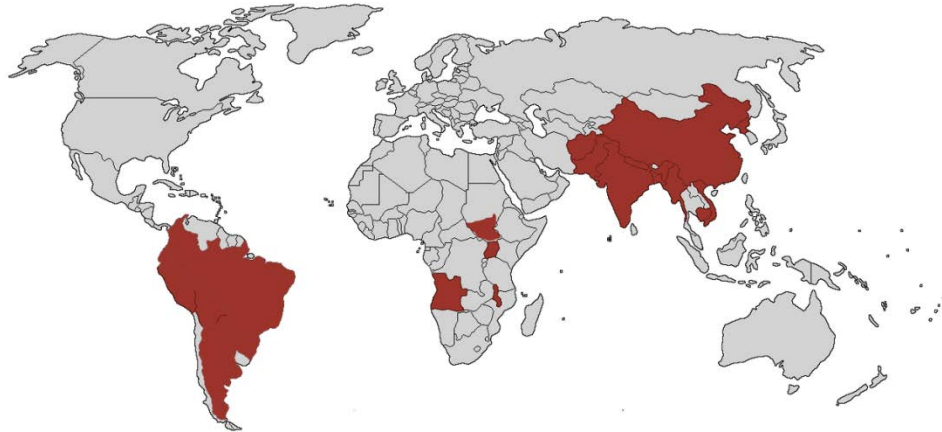
<sup>64</sup> Sekar, H. R. *Impact of Technological Change on the Demand for Child Labor in Brassware Industry of Moradabad*. 2007. V.V. Giri National Labor Institute. NLI Research Studies Series, NO: 074.

[http://www.vvgnli.org/sites/default/files/publication\\_files/Brassware%20Industry%20of%20Moradabad.pdf](http://www.vvgnli.org/sites/default/files/publication_files/Brassware%20Industry%20of%20Moradabad.pdf)

<sup>65</sup> Sekar, H. R. *Impact of Technological Change on the Demand for Child Labor in Brassware Industry of Moradabad*. 2007. V.V. Giri National Labor Institute. NLI Research Studies Series, NO: 074.

[http://www.vvgnli.org/sites/default/files/publication\\_files/Brassware%20Industry%20of%20Moradabad.pdf](http://www.vvgnli.org/sites/default/files/publication_files/Brassware%20Industry%20of%20Moradabad.pdf)

## Bricks



**Bricks are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export bricks worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports bricks (UN Comtrade 2012):**

Afghanistan (FL, CL)  
 Angola (FL, CL)  
 Argentina (FL, CL)  
 Bangladesh (FL, CL)  
 Bolivia (CL)  
 Brazil (CL)  
 Burma (FL, CL)  
 Cambodia (CL)  
 China (FL, CL)  
 Colombia – clay (CL)  
 Ecuador (CL)  
 India (FL, CL)  
 Malawi (FL, CL)  
 Nepal (FL, CL)  
 North Korea (FL, CL)  
 Pakistan (FL, CL)  
 Paraguay (FL, CL)  
 Peru (CL)  
 South Sudan (FL, CL)  
 Uganda (FL, CL)  
 Vietnam (FL, CL)

1. China  
 2. Germany  
 3. India  
 4. France  
 5. Austria  
 6. United States  
 7. Russia  
 8. Italy  
 9. Spain  
 10. Poland

1. China  
 2. Germany  
 3. Canada  
 4. Austria  
 5. Slovakia  
 6. Poland  
 7. Mexico  
 8. Brazil  
 9. France  
 10. United Kingdom



### **Where are bricks reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of State *Trafficking in Persons Report*, bricks are made with forced labor or forced child labor in Afghanistan, Angola, Argentina, Bangladesh, China, India, Malawi, Nepal, Pakistan, Paraguay, Peru, South Sudan, Uganda, and Vietnam.<sup>66</sup>

The U.S. Department of Labor *2014 List of Goods Produced by Child or Forced Labor* reports that bricks are produced with forced labor in Afghanistan, Burma, China, India, Nepal, North Korea, and Pakistan; and child labor in Afghanistan, Argentina, Bangladesh, Bolivia, Brazil, Burma, Cambodia, China, Colombia (clay), Ecuador, India, Nepal, Pakistan, Paraguay, Peru, Uganda and Vietnam.<sup>67</sup>

According to the 2015 U.S. Department of State *Trafficking in Persons Report*, Angola, Turkey, Malawi, Mexico, Afghanistan, Nepal, Colombia, Ecuador, Argentina, Brazil, India, Paraguay, Peru, Uganda and Vietnam are Tier 2 countries. Burma, China, Cambodia and Pakistan are Tier 2 Watch List countries. North Korea and South Sudan are listed as Tier 3 countries.<sup>68</sup>

### **What does trafficking and/or child labor in brick production look like?**

The nature of labor trafficking in brick production varies widely by region. It has been studied extensively in India and Pakistan, where labor trafficking is likely to result from a combination of caste relationships and debt bondage.<sup>69</sup> Children involved in the production of bricks are exposed to large amounts of dust.<sup>70</sup>

In India, workers are recruited by labor brokers who pay them a small advance, thus creating a cycle of debt.<sup>71</sup> One study on the sector found that workers' debt ranged from 1,000 to more than INR 12,000, with some 40 percent having debt of INR 8,000 to 12,000 and almost 40 percent holding debt of over INR 12,000.<sup>72</sup> Entire families can be drawn into the sector in an attempt to meet high quotas. Workers often travel long distances from their home villages, and are geographically and socially isolated. The BBC reports instances of violence when workers try to leave their jobs before their employment period (generally 6-8 months) is up.<sup>73</sup> In some cases, workers may have inherited debt from their parents, illustrating multi-generational debt bondage.<sup>74</sup> The brick kilns are usually heavily guarded.<sup>75</sup>

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<sup>66</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>67</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child or Forced Labor*. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>68</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>69</sup> International Labor Organization (ILO). *Buried in Bricks: A Rapid Assessment of Bonded Labor in Brick Kilns in Afghanistan*. 2011. [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_172671.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_172671.pdf)

<sup>70</sup> U.S. Department of Labor. *Worst Forms of Child Labor Report*. 2012. Nepal. <http://www.dol.gov/ilab/reports/child-labor/findings/2012TDA/nepal.pdf>

<sup>71</sup> The Economist. "Toil and Trouble: Where Slavery Persists in All but Name." November 3, 2012. <http://www.economist.com/news/asia/21565685-where-slavery-persists-all-name-toil-and-trouble>

<sup>72</sup> Prakash, Aseem. "How (Un)free are the Workers in the Labor Market? A Case Study of Brick Kilns." *India's Unfree Workforce: Of Bondage Old and New*. Eds. Breman, Jan, Isabelle Guerin, and Aseem Prakash. New Delhi: Oxford University Press. 2009.

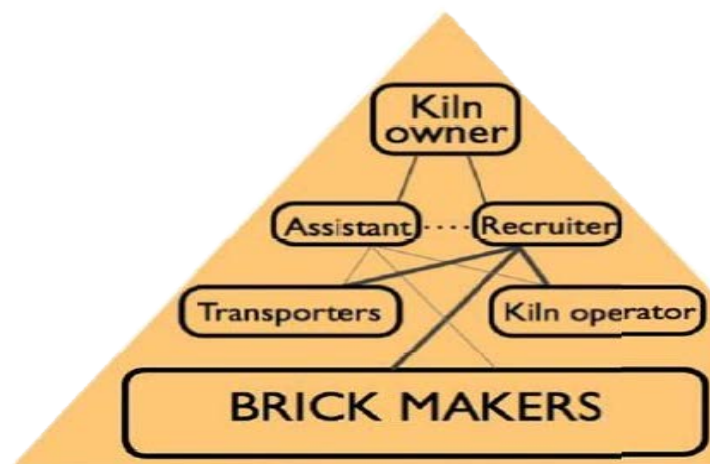
<sup>73</sup> Hawksley, Humphrey. "Why India's Brick Kiln Workers 'Live Like Slaves.'" *BBC News*. January 1, 2014. <http://www.bbc.com/news/world-asia-india-2556965>

<sup>74</sup> The Economist. "Toil and Trouble: Where Slavery Persists in All but Name." November 3, 2012. <http://www.economist.com/news/asia/21565685-where-slavery-persists-all-name-toil-and-trouble>

<sup>75</sup> Franciscans International. *Modern Slavery in India: Cases of Bonded Labor*. September, 2012. [http://franciscansinternational.org/fileadmin/docs/Contemporary\\_Forms\\_of\\_Slavery/Modern\\_Slavery\\_in\\_India\\_\\_\\_Bonded\\_Labor\\_Cases\\_FINAL\\_17\\_Sept\\_2012.pdf](http://franciscansinternational.org/fileadmin/docs/Contemporary_Forms_of_Slavery/Modern_Slavery_in_India___Bonded_Labor_Cases_FINAL_17_Sept_2012.pdf)

Debt bondage in the Pakistani brick sector is well-established. Families, including women and children, take advances or loans from subcontractors which they may not be able to repay. If the family transfers kilns, the loan follows them, and “debts are generally not forgiven upon incapacitation or death,” meaning workers may labor under several generations of debt.<sup>76</sup> The U.S. Department of State reports that feudal landlords and kiln owners may leverage their political connections to protect their use of forced labor.<sup>77</sup>

Studies conducted in Afghanistan by the International Labor Organization (ILO) revealed cycles of debt, vulnerability, dependence, and poverty that led to situations of bondage and servitude in Afghan brick kilns. The 2011 report on bonded labor in brick kilns in Afghanistan stated that fifty-six percent of brick makers are children, the majority of whom are under fourteen years old. Starting as young as five, children begin to help their family members in the kiln. At eight, many children work “nearly twice as many hours as the legal adult limit in many European countries.”<sup>78</sup>



Source: International Labor Organization. *Buried in Bricks: A Rapid Assessment of Bonded Labor in Brick Kilns in Afghanistan*. 2011. [http://www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/documents/publication/wcms\\_172671.pdf](http://www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/documents/publication/wcms_172671.pdf)

The U.S. Department of State reports that Angolan children may be exploited in brick kilns owned by Chinese nationals in Angola.<sup>79</sup>

### Case Studies:

<sup>76</sup> Pakistan Institution of Labor Education and Research. *Unfree Labor in Pakistan: Work, Debt and Bondage in Brick Kilns*. Working Paper No. 24. Geneva: International Labor Office. 2004.

[http://www.ilo.org/sapfl/Informationresources/ILOPublications/lang--en/docName--WCMS\\_082028/index.htm](http://www.ilo.org/sapfl/Informationresources/ILOPublications/lang--en/docName--WCMS_082028/index.htm)

<sup>77</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>78</sup> International Labor Organization (ILO). *Buried in Bricks: A Rapid Assessment of Bonded Labor in Brick Kilns in Afghanistan*. 2011. [http://www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/documents/publication/wcms\\_172671.pdf](http://www.ilo.org/wcmsp5/groups/public/--asia/--ro-bangkok/documents/publication/wcms_172671.pdf)

<sup>79</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

### *Intervention in Hyderabad, India*

In 2013, 149 people, including 34 children, some as young as three, were rescued from a brick kiln outside Hyderabad, India. The workers were required to work for up to 22 hours a day and were physically assaulted when they requested rest. One of the rescued workers described how he was recruited from his home village with the equivalent of a USD 400 advance. He began work to repay the debt, but was not given any timeline for how long repayment would take.<sup>80</sup>

### *State-sponsored Forced Labor in China*

According to the U.S. Department of State, in China, detained individuals in hundreds of facilities were forced to undertake activities including brick making. Although the PRC'S National People's Congress ratified a decision to abolish these facilities in 2012, some remained open as converted drug detention of "custody and education centers" where forced labor is ongoing.<sup>81</sup>

### **Brick Production and Supply Chain:**

The international supply chain for bricks remains opaque. It is likely that the majority of bricks produced as a result of human trafficking are used for domestic production needs.

Brick kilns are operated not by owners but by contractors who manage labor and output. Mud bricks are formed and sun-dried before being transported to the kiln and baked. Customers may purchase the bricks directly from the kiln site. The original formation of bricks is done by a mix of men and women, adults and children, migrants and locals, whereas the subsequent processes are carried out by adult and juvenile males. Kilns can produce 400,000 to 600,000 bricks per month.<sup>82</sup>

In Afghanistan, kiln owners delegate all management of workers to recruiters. An assistant tracks the output of workers against their quotas. Transporters and kiln operators are less dependent on the kiln owner because they have more skills, access to capital and higher status. The brick makers prepare the clay and mold the bricks.<sup>83</sup>

## **How do trafficking and/or child labor in brick production affect me?**

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<sup>80</sup> Coorlim, Leif, Mallika Kapur and Sara Sidner. "Toddlers Freed from Brick Kiln Bondage." *The CNN Freedom Project*. March 20, 2013. <http://thecnnfreedomproject.blogs.cnn.com/2013/03/20/toddlers-freed-from-brick-kiln-bondage/>

<sup>81</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>82</sup> Pakistan Institution of Labor Education and Research. *Unfree Labor in Pakistan: Work, Debt and Bondage in Brick Kilns*. Working Paper No. 24. Geneva: International Labor Office. 2004.

[http://www.ilo.org/sapfl/Informationresources/ILOPublications/lang--en/docName--WCMS\\_082028/index.htm](http://www.ilo.org/sapfl/Informationresources/ILOPublications/lang--en/docName--WCMS_082028/index.htm)

<sup>83</sup> International Labor Organization (ILO). *Buried in Bricks: A Rapid Assessment of Bonded Labor in Brick Kilns in Afghanistan*. 2011. [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_172671.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_172671.pdf)



Labor trafficking in bricks is most likely to be in domestic construction. In India, booming urban construction of offices, factories, and call centers used by multinational corporations is fueled by labor in the country’s brick sector. Recent reports show bricks purchased by foreign military operations, such as the North Atlantic Trade Organization’s (NATO) purchase of bricks for its reconstruction projects in Afghanistan.<sup>84</sup> The ILO writes that child labor is so prevalent in South Asia that any bricks used in projects in Afghanistan are “de facto coming from kilns that utilize child bonded labor.”<sup>85</sup>

### **Examples of what governments, corporations, and others are doing:**

The Employer’s Association of Industrial Ceramics in Tobatí, Paraguay (*Asociacion de Empleadores de Ceramistas Industriales de Tobatí*) signed an agreement that they will not use child labor in brick production. The government of Paraguay is engaged in a project, funded by the U.S. Department of Labor’s Office of Child Labor, Forced Labor, and Human Trafficking (OCFT), that provides educational opportunities to children working in brick factories. The Ministry of Labor and Justice is also conducting inspections of facilities involved in brick production.<sup>86</sup>

### **Where can I learn more?**

[Read](#) an in-depth report on labor conditions in Pakistani brick production and the domestic supply chain.

[Read](#) an in-depth report on labor conditions in Afghan brick production.

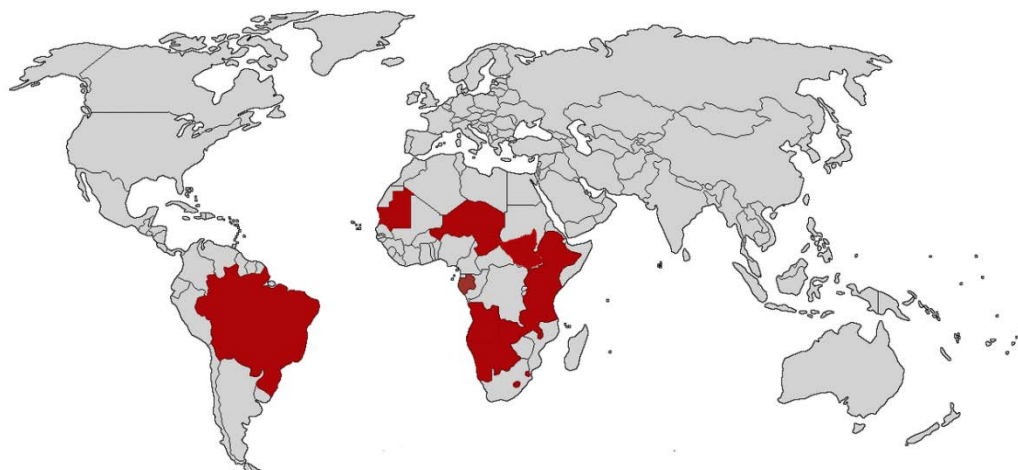
[Watch](#) a video on labor trafficking in Afghanistan.

<sup>84</sup> Kamber, Micheal. “In Afghan Kilns, a Cycle of Debts and Servitude.” *New York Times*. March 15, 2011. <http://www.nytimes.com/2011/03/16/world/asia/16kiln.html>

<sup>85</sup> International Labor Organization (ILO). *Buried in Bricks: A Rapid Assessment of Bonded Labor in Brick Kilns in Afghanistan*. 2011. [http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_172671.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_172671.pdf)

<sup>86</sup> U.S. Department of Labor. *2011 List of Goods Produced by Child Labor or Forced Labor*. December 2010. <http://www.dol.gov/ilab/programs/ocft/pdf/2011TVPRA.pdf>

## Cattle



**Cattle and beef are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export beef worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports beef (UN Comtrade 2012):**

*Cattle:*

Angola (FL)  
 Bolivia (FL)  
 Brazil (FL, CL)  
 Botswana (FL)  
 Chad (FL, CL)  
 Ethiopia (CL)  
 Gabon (FL)  
 Kenya (FL)  
 Lesotho (CL)  
 Malawi (FL)  
 Mauritania (FL, CL)  
 Namibia (FL, CL)  
 Niger (FL)  
 Paraguay (FL)  
 South Sudan (FL, CL)  
 Swaziland (FL, CL)  
 Tanzania (FL, CL)  
 Uganda (FL, CL)  
 Zambia (CL)

*Beef:*

Brazil (CL)

*Beef (frozen):*

1. India
2. Brazil
3. Australia
4. United States
5. New Zealand
6. Uruguay
7. Paraguay
8. Nicaragua
9. Mexico
10. Canada

*Beef (chilled):*

1. Netherlands
2. United States
3. Germany
4. Australia
5. Ireland
6. France
7. Poland
8. Canada
9. Brazil
10. Belgium

*Beef (frozen):*

1. Australia
2. New Zealand
3. Nicaragua
4. Canada
5. Uruguay
6. Costa Rica
7. Honduras
8. Mexico
9. Chile
10. China

*Beef (chilled):*

1. Canada
2. Mexico
3. Australia
4. Nicaragua
5. New Zealand
6. Honduras
7. Uruguay
8. Costa Rica
9. Japan
10. Chile

### **Where are cattle and beef products reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, forced labor or forced child labor is involved in cattle production in Angola, Botswana, Chad, Gabon, Kenya, Malawi, Mauritania, Namibia, Paraguay, Swaziland, Tanzania and Uganda.<sup>87</sup>

The 2014 U.S. Department of Labor *List of Goods Produced by Child Labor or Forced Labor*, notes forced labor in cattle ranching and herding in Bolivia, Brazil, Niger, Paraguay, and South Sudan as well as child labor in Brazil, Chad, Ethiopia, Lesotho, Mauritania, Namibia, South Sudan, Uganda, and Zambia.<sup>88</sup> Beef has also been found to have been produced with child labor in Brazil.<sup>89</sup>

Angola, Chad, Ethiopia, Kenya, Malawi, Swaziland and Uganda are listed as Tier 2 countries by the U.S. Department of State 2015 *Trafficking in Persons Report*. Botswana, Gabon, Lesotho Tanzania and Namibia are Tier 2 Watch List countries. Mauritania and South Sudan are Tier 3 countries.<sup>90</sup>

### **What does trafficking and/or child labor in cattle ranching look like?**

Labor trafficking in cattle ranching varies from country to country. In Bolivia, the International Labor Organization (ILO), Verité, and the Inter-American Commission on Human Rights have documented the existence of debt peonage on cattle ranches in the Bolivian Chaco.<sup>91</sup> Indigenous Guarani are the main victims of human trafficking in Bolivia, as they work on the plantations or ranches of large landowners, with family labor arrangements often going back generations. Low rates of payment often result in debt bondage or peonage. However, because the beef and agricultural goods produced in this system are destined for the domestic rather than the international market, this matter has received little attention globally. In 2010 and 2011, Verité conducted research on indicators of forced labor in cattle production in the Chaco region of Bolivia. Researchers found the presence of indicators including the threat of physical violence, sexual violence, and loss of social status, as well as excessive working hours, lack of days off, subminimum wages, hazards to worker health, and child labor. In the Chaco region of Bolivia, the indigenous Guarani who work on *haciendas* or as self-employed cattle ranchers on communal lands are particularly vulnerable. Researchers found that many wage workers are indebted to their employers, causing confinement to the worksite and withholding of wages. Workers are also paid well below the minimum wage and are susceptible to injuries from slash and burn agricultural techniques. Indicators of forced labor are also present for self-employed workers who work on communal lands. For these workers, excessive hours are compulsory especially in the area of animal husbandry which requires daily work

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<sup>87</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>88</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>89</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>90</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>91</sup> Garcia, Eduardo. "Bolivian Guarani Resist Forced Labor on Ranches." *Reuters*. June 19, 2008. <http://www.reuters.com/article/idUSN18254614>.

International Labor Organization (ILO). *A Global Alliance against Forced Labour: Global Report under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work*.

2005. <http://www.ilo.org/public/english/standards/relm/ilc/ilc93/pdf/rep-i-b.pdf>

Verité. *Research on Indicators of Forced Labor in the Supply Chains of Brazil-Nuts, Cattle, Corn, and Peanuts in Bolivia*.

[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%20Cattle%20Corn%20and%20Peanut%20Sectors\\_\\_9.19.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%20Cattle%20Corn%20and%20Peanut%20Sectors__9.19.pdf)

without rest. Those who do not work are subject to removal from the community which would include loss of social status, land, job or even their home. Because work is done as a family unit on these communal lands, child labor is an extremely common practice.<sup>92</sup>

In Brazil, cattle ranching accounts for over 60 percent of the companies on the “dirty list” of groups using forced labor.<sup>93</sup> As in other goods produced in Brazil, labor trafficking results from young men being brought by brokers to rural plantations where they then enter into debt bondage. Cattle ranching may encompass a variety of activities, from clearing land for pasture to monitoring livestock to handling the production of goods. “Weak land regulation, the appropriation of public land through forged land titles and the permanent deforestation of new areas in the forest are commonplace,” making the identification and elimination of forced labor challenging.<sup>94</sup> Such is the correlation between labor trafficking and cattle ranching that in 2009 Wal-Mart made a commitment to stop purchasing beef products from farms linked with deforestation or labor trafficking.<sup>95</sup>

In Gabon, the U.S. Department of State reports that adult men were victims of forced labor on cattle farms.<sup>96</sup>

In some countries, such as Chad, children are involved in herding family cattle and the U.S. Department of State reports that some of these children may be victims of forced labor as some children may be sold in markets.<sup>97</sup> In some cases, children may be sold by their parents into cattle herding as a means of earning small amounts of money. Boys from Angola are reportedly trafficked within the Namibian cattle herding sector.<sup>98</sup> In Botswana, some children from poor families in isolated rural communities may migrate to live with wealthier extended family members and some of their work may include cattle herding. These children may be treated worse than other children living in the household, and may be excluded from educational opportunities, physically confined, or otherwise abused.<sup>99</sup> In Mauritania, inherited slavery may force individuals to work as unpaid cattle herders.<sup>100</sup>

Children are often engaged in herding, which involves keeping groups of animals together, and is common in pastoral agricultural and nomadic societies. Livestock tasks tend to be distributed along gender lines: cattle herding is generally a task for men and boys, and herding activities can begin as young as five years of age. Culturally, herding can be seen as an opportunity to contribute to family income and to earn income. While light work accompanying family members may be appropriate, working with cattle can carry a variety of health and safety risks. These include animal-related disease,

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<sup>92</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chains of Brazil-Nuts, Cattle, Corn, and Peanuts in Bolivia*. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors\\_\\_9.19.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors__9.19.pdf)

<sup>93</sup> Costa, Patrícia Trindade Maranhão. *Fighting Forced Labor: The Example of Brazil*. Geneva: International Labor Office. 2009. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_111297.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_111297.pdf)

<sup>94</sup> Costa, Patrícia Trindade Maranhão. *Fighting Forced Labor: The Example of Brazil*. Geneva: International Labor Office. 2009. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_111297.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_111297.pdf)

<sup>95</sup> Winston, Andrew. “Wal-Mart Asks, Where’s the Beef (From)?” *Harvard Business Review*. July 13, 2009. <http://blogs.hbr.org/winston/2009/07/walmart-asks-wheres-the-beef-f.html>

<sup>96</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>97</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

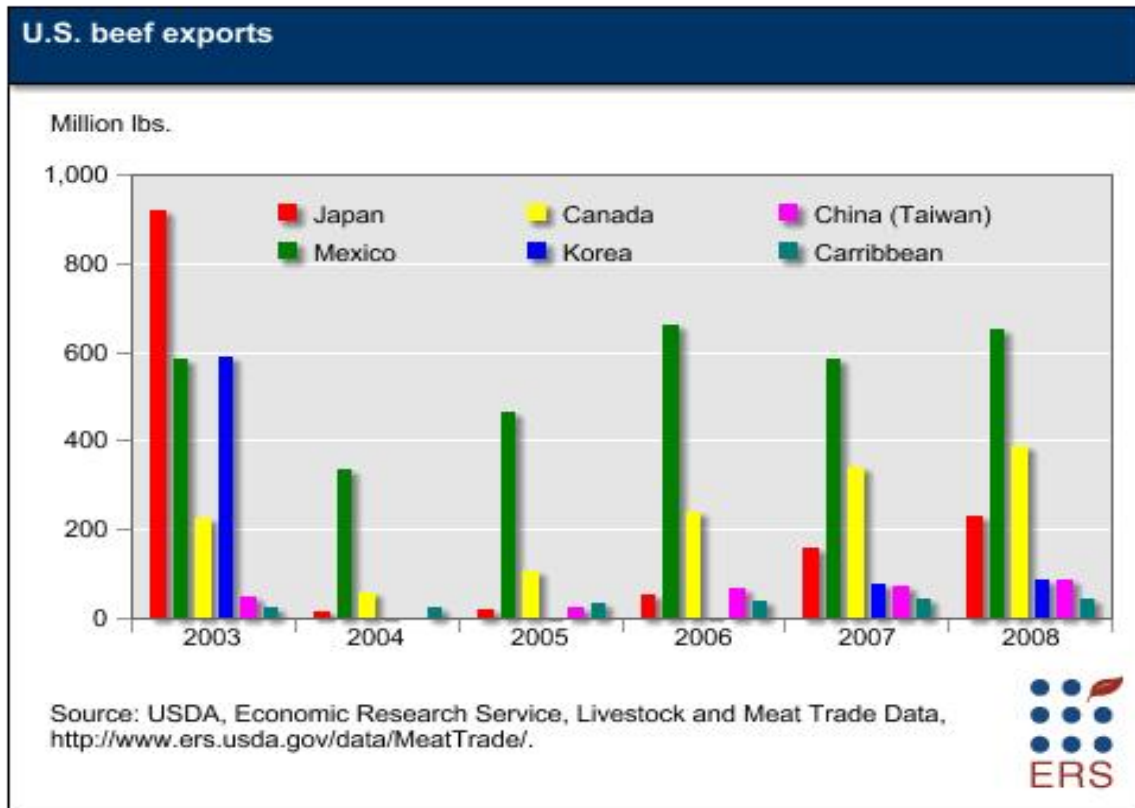
<sup>98</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>99</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>100</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

long hours in extreme weather conditions, dust inhalation, confrontation with cattle raiders, injuries from handling livestock and tools, and musculoskeletal disorders.<sup>101</sup>

### Cattle Production and Supply Chain:



Source: US Department of Agriculture. *Cattle & Beef*. May 26, 2012. <http://www.ers.usda.gov/topics/animal-products/cattle-beef.aspx>

The United States is the “largest fed-cattle industry in the world,” and although the United States is one of the largest producers of beef, it is a net beef importer. Most beef produced and exported from the United States is grain-fed, high quality cuts. Most beef that the United States imports is lower value, grass-fed beef used mainly for processing, primarily as ground beef.<sup>102</sup> The only country that is both a major exporter of beef to the United States and for which there is documented evidence of forced or child labor is Brazil. However, the United States is a comparatively minor trade partner for this product, as the most common destinations for Brazilian beef are Saudi Arabia, Russia, and Angola.<sup>103</sup> According to 2013 numbers from the U.S. Department of Agriculture, the United States imports beef and veal mostly from

<sup>101</sup> Food and Agriculture Organization of the UN (FAO). *Children’s Work in the Livestock Sector: Herding and Beyond*. 2012. <http://www.fao.org/docrep/017/i3098e/i3098e.pdf>

<sup>102</sup> U.S. Department of Agriculture. *Cattle & Beef*. May 26, 2012. <http://www.ers.usda.gov/topics/animal-products/cattle-beef.aspx>

<sup>103</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *FAOSTAT Database: Food and Agricultural Commodities Production /Countries by Commodity*. 2012. [http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries\\_by\\_commodity/E](http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries_by_commodity/E)



New Zealand, Australia, Canada, and Mexico. The United States exports beef and veal to Japan, Canada, Mexico, and South Korea.<sup>104</sup>

### How do trafficking and/or child labor in cattle ranching affect me?



Products from cattle ranching include beef and leather. Leather is used in a variety of consumer goods from shoes to couches.

### Examples of what governments, corporations, and others are doing:

Brazil has often been cited as an example of effective government action against forced labor. The ILO has praised Brazil's measures to combat forced labor. In March 2003, Brazil's President launched a National Plan for the Elimination of Slave Labor, and the government has cooperated since 2002 with an ILO program on forced labor. There is also a special commission within the Council for the Defense of Human Rights in the Ministry of Justice that specifically addresses the problem of slave labor.<sup>105</sup> In 2013, 16 anti-trafficking offices were in operation and media campaigns were used to educate the public about trafficking warning signs. A national anti-trafficking plan was launched in 2013 and USD 2.9 million was dedicated to the implementation of the plan by 2014.<sup>106</sup>

In 2011, the state of Sao Paulo created a Commission for the Eradication of Forced Labor. The group, also known as Coetrae, is tasked with evaluating and tracking cases of forced labor, monitoring compliance with forced labor laws, conducting research, and coordinating with the Secretariat of Justice and NGOs on combatting forced labor.<sup>107</sup> In addition, the government has created a National Pact for the Elimination of Slavery, which brings the government, the ILO, NGOs, and companies together to combat forced labor. Over 130 companies have signed on, including large companies such as Wal-Mart Brazil, thereby committing not to buy products derived from forced labor.<sup>108</sup>

In November 2003, the Minister of National Integration signed a decree containing a list of 52 individuals and entities that use or have used slave labor. The individuals and entities on the biannually updated

<sup>104</sup> U.S. Department of Agriculture. *Beef and Veal: Annual and Cumulative Year-to-Date US Trade*. July 3, 2013. [http://www.ers.usda.gov/datafiles/Livestock\\_\\_Meat\\_International\\_Trade\\_Data/Annual\\_and\\_Cumulative\\_Year to Date\\_US\\_Livestock\\_and\\_Meat\\_Trade\\_by\\_Country/BeefVeal\\_Yearly.pdf](http://www.ers.usda.gov/datafiles/Livestock__Meat_International_Trade_Data/Annual_and_Cumulative_Year_to_Date_US_Livestock_and_Meat_Trade_by_Country/BeefVeal_Yearly.pdf)

<sup>105</sup> Reporter Brasil. *Signatários do Pacto Nacional pela Erradicação do Trabalho Escravo*. <http://www.reporterbrasil.org.br/pacto/signatarios>

UN Department of Economic and Social Affairs. *UN Comtrade Database*. 2012. <http://comtrade.un.org/data/>

<sup>106</sup> U.S. Department of State. *Trafficking in Persons Report*. 2014. <http://www.state.gov/j/tip/rls/tiprpt/2014/226649.htm>

<sup>107</sup> U.S. Department of State. Bureau of Democracy, Human Rights, and Labor. *2011 Country Reports on Human Rights Practices - Brazil*. <http://www.state.gov/g/drl/rls/hrrpt/2010/wha/154496.htm>

U.S. Department of State. Bureau of Democracy, Human Rights, and Labor. *2009 Country Reports on Human Rights Practices*. <http://www.state.gov/g/drl/rls/hrrpt/>

U.S. Department of State. Bureau of Democracy, Human Rights and Labor. *Country Reports on Human Rights Practices 2014*. <http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper>

<sup>108</sup> Reporter Brasil. *Signatários do Pacto Nacional pela Erradicação do Trabalho Escravo*. <http://www.reporterbrasil.org.br/pacto/signatarios>

“dirty” list are barred from receiving national subsidies or tax exemptions and from engaging in financial arrangements with a number of public financial institutions. The Bank of Brazil denies financing to landowners who employ slave labor and the Ministry of National Integration recommended that private sector lenders deny them financing as well.<sup>109</sup> By the end of 2013, there were 380 companies on the list.<sup>110</sup> Large-scale national and international companies have been blacklisted, including a major apparel brand that was ordered to pay court fees and indemnities and whose appeal to be removed from the list was denied after one of its supplier factories subjected workers to forced labor.<sup>111</sup> However, some companies on the government’s list avoided sanctions by creating new companies, according to the U.S. Department of State.<sup>112</sup>

### **Where can I learn more?**

**[Watch](#)** a video from Al Jazeera on the environmental effects of Brazilian cattle ranching.

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<sup>109</sup> U.S. Department of State. Bureau of Democracy, Human Rights, and Labor. *2011 Country Reports on Human Rights Practices - Brazil*. <http://www.state.gov/g/drl/rls/hrrpt/2010/wha/154496.htm>.  
U.S. Department of State. Bureau of Democracy, Human Rights, and Labor. *2009 Country Reports on Human Rights Practices*. <http://www.state.gov/g/drl/rls/hrrpt/>.

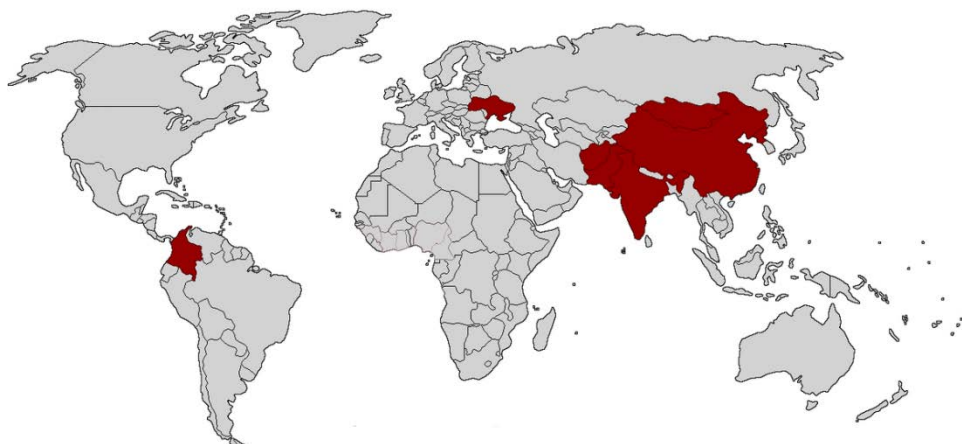
U.S. Department of State. Bureau of Democracy, Human Rights and Labor. *Country Reports on Human Rights Practices 2014*. <http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper>

<sup>110</sup> Bertrand, Natasha. Business Insider. “How Brazil Shames Companies that Enslave People.” November 26, 2014. <http://www.businessinsider.com/how-brazil-shames-companies-that-enslave-people-2014-11>

<sup>111</sup> Cruza, Elaine Patricia. Agencia Brazil. “Court rejects Zara's appeal over slavery notification.” April 16, 2014. <http://agenciabrasil.ebc.com.br/en/geral/noticia/2014-04/court-rejects-zaras-appeal-over-slavery-notification>

<sup>112</sup> U.S. Department of State. Bureau of Democracy, Human Rights and Labor. *Country Reports on Human Rights Practices 2014*. <http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm#wrapper>

## Charcoal



**Charcoal is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

Argentina (FL)  
Brazil (FL, CL)  
Uganda (CL)

**Top ten countries that export charcoal worldwide (UN Comtrade 2012):**

1. South Africa
2. Indonesia
3. Paraguay
4. Poland
5. Argentina
6. Namibia
7. Ukraine
8. Mexico
9. Nigeria
10. Philippines

**Top ten countries from which the US imports charcoal (UN Comtrade 2012):**

1. Mexico
2. Argentina
3. Dominican Republic
4. Paraguay
5. China
6. Colombia
7. Indonesia
8. El Salvador
9. Netherlands
10. Brazil

### **Where is charcoal reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of State 2015 *Trafficking in Persons* report, charcoal is produced with forced labor or forced child labor in Argentina and Brazil.<sup>113</sup>

The U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor* reports that charcoal is produced with forced labor in Brazil and with child labor in Brazil and Uganda.<sup>114</sup>

Argentina, Brazil, and Uganda are listed as Tier 2 countries by the 2015 U.S. Department of State *Trafficking in Persons* Report.<sup>115</sup>

<sup>113</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>114</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRR_Report2014.pdf)

<sup>115</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

### **What does trafficking and/or child labor in charcoal production look like?**

Labor trafficking in charcoal follows a similar pattern to many agricultural goods in Brazil. Entire families are recruited by brokers to work in the charcoal industry. The sites are usually geographically isolated and are sometimes guarded. Families are far from schools, hospitals, and food and supply stores so they buy everything from the company stores where the inflated prices encourage further debt. Workers are often severely underpaid. The workers are thus prevented from ever raising enough money to return home.<sup>116</sup>

### **Charcoal Production and Supply Chain:**

Typically, eucalyptus or other wood is grown on plantations and the timber is then brought to subcontractors, who burn the wood to make charcoal. Harvesting timber from protected areas, which contributes to the deforestation of the Amazon and Africa, is often illegal. In the North Kivu Province in the Republic of Congo, armed rebel groups control charcoal production.

Brazil produces the most charcoal in the world. Forty-seven percent of the charcoal produced in Latin America and the Caribbean in 2009 was produced in Brazil. Two million tons of wood charcoal exports, or 4 percent of global production, came out of Brazil in 2009.<sup>117</sup> According to the ILO, the majority of Brazilian pig iron derived from charcoal is exported to the United States. Charcoal used for fuel rarely enters the international supply chain.<sup>118</sup>

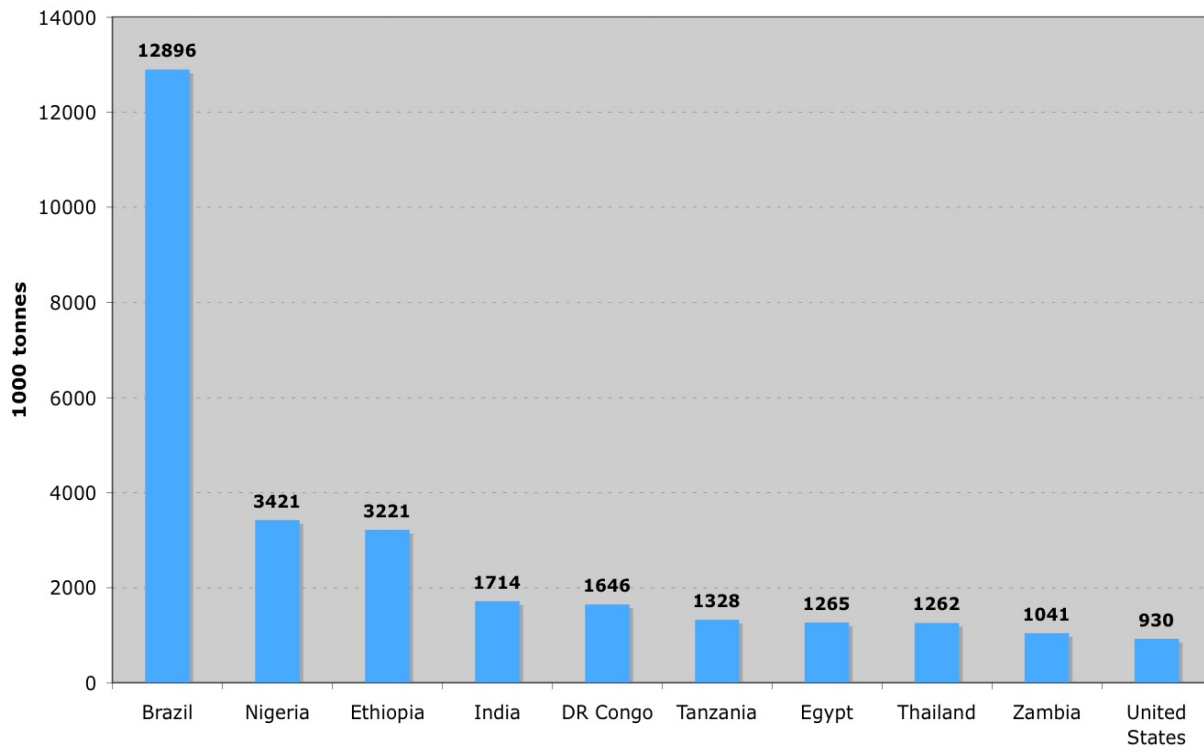
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<sup>116</sup> Smith, Michael; Voreacos, David. Bloomberg News. "Slaves in Amazon Forced to Make Material Used in Cars." <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a4j1VKZq34TM>

<sup>117</sup> Steierer, Florian. *Highlights on Wood Charcoal: 2004-2009*. Food and Agriculture Organization of the United Nations (FAO), Forestry Department. January 12, 2011. [http://faostat.fao.org/Portals/\\_Faostat/documents/pdf/Wood%20charcoal.pdf](http://faostat.fao.org/Portals/_Faostat/documents/pdf/Wood%20charcoal.pdf)

<sup>118</sup> International Labor Organization (ILO). *Combating Forced Labor: A Handbook for Employers and Business: Good Practice Case Studies*. 2008. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/instructionalmaterial/wcms\\_099629.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/instructionalmaterial/wcms_099629.pdf)

**Top Ten Countries by Wood Charcoal Production, 2004**  
 ©2009 "Ranking America" (<http://rankingamerica.wordpress.com>)



Data from FAOStat  
<http://faostat.fao.org/site/339/default.aspx>

**How do trafficking and/or child labor in charcoal production affect me?**



Charcoal can either be used domestically as a fuel or as a crucial ingredient in pig iron, itself an ingredient in steel used primarily in auto manufacturing.

**Examples of what governments, corporations, and others are doing:**

Charcoal production accounts for some 12 percent of the companies on Brazil’s “dirty list,” a list of companies found to be using forced labor published annually by the government.<sup>119</sup> According to the U.S.

<sup>119</sup> Costa, Patrícia Trindade Maranhão. *Fighting Forced Labor: The Example of Brazil*. International Labor Organization. 2009. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_111297.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_111297.pdf)

Department of Labor's report, *2012 List of Goods Produced by Child Labor or Forced Labor*, the Government of Brazil has "taken an exemplary approach to the elimination of child and forced labor, including forced child labor, through both broad policy measures and targeted actions in specific industries, including charcoal production."

Because charcoal has been linked to the production of pig iron, which is used in automobile supply chains, industry groups have acted against labor trafficking in charcoal. In Brazil, the Citizen's Charcoal Initiative (ICC) established a membership process that requires participants to follow a code of conduct, to participate in audits, and to refrain from doing business with any company whose membership was revoked.<sup>120</sup>

In the United States, the auto industry, which is a large buyer of Brazilian pig iron, formed the Automotive Industry Action Group (AIAG) and conducted a supplier training. Since the issue initially came to global attention, a number of companies have dropped suppliers known to have sourced charcoal made with forced labor. For example, Ford and Kohler stopped purchasing from National Mineral Trading, and, beginning in 2010, Nucor steel company requires its suppliers to join the ICC.<sup>121</sup>

#### **How can I learn more?**

[Visit](#) the website of the NGO Repórter Brasil (Portuguese).

[Read](#) an ILO case study on addressing labor trafficking in the charcoal sector.

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<sup>120</sup> International Labor Organization (ILO). *Combating Forced Labor: A Handbook for Employers and Business: Good Practice Case Studies*. 2008. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/instructionalmaterial/wcms\\_099629.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/instructionalmaterial/wcms_099629.pdf)

<sup>121</sup> Murningham Post. "Pig Iron and Modern Slavery." August 12, 2010. <http://murninghampost.com/2010/08/12/pig-iron-and-modern-slavery/>

Smith, Michael and David Voreacos. "Brazil: Enslaved Workers Make Charcoal Used to Make Basic Steel Ingredient." *Seattle Times*. January 21, 2007. <http://www.corpwatch.org/article.php?id=14328>

## Citrus



**Citrus fruits are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export citrus fruits worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports citrus fruits (UN Comtrade 2012):**

Belize (CL)  
 Turkey (CL)  
 United States (FL, CL)<sup>122</sup>

1. Spain
2. South Africa
3. Turkey
4. China
5. United States
6. Mexico
7. Egypt
8. Netherlands
9. Morocco
10. Argentina

1. Mexico
2. Chile
3. Spain
4. South Africa
5. Peru
6. Morocco
7. Australia
8. Guatemala
9. Dominican Republic
10. Israel

### **Where are citrus fruits reportedly produced with trafficking and/or child labor?**

According to the 2014 U.S. Department of Labor *List of Goods Produced by Child Labor or Forced Labor report*, child labor is found in the production of citrus fruits in Belize and Turkey. Belize is cited as a Tier 3 Watch List country by the U.S. Department of State *Trafficking in Persons Report*, while Turkey is listed as a Tier 2 country.<sup>123</sup> Cases of forced labor have been identified in the U.S., tied to predatory third-party labor providers.<sup>124</sup> Children working in citrus in the U.S. have also been identified,

<sup>122</sup> Evidence of children working in the U.S. citrus sector is anecdotal, and the scope is unknown. Human Rights Watch. *Fields of Peril*. May 2010. <https://www.hrw.org/report/2010/05/05/fields-peril/child-labor-us-agriculture>  
 Coalition of Immokolee Workers. *Florida Slavery: Yesterday and Today*. <http://www.ciw-online.org/images/slavery%20brief%20final%20photos.pdf>

<sup>123</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>124</sup> Coalition of Immokolee Workers. *Florida Slavery: Yesterday and Today*. <http://www.ciw-online.org/images/slavery%20brief%20final%20photos.pdf>

as children work in a variety of U.S. crops, although the scope and scale of the children working in citrus specifically has not been identified.<sup>125</sup>

### **What does trafficking and/or child labor in citrus fruit production look like?**

In Belize, children in rural areas work in citrus production either after school or during their time off from school.<sup>126</sup> Children work during harvest seasons to supplement family income. Boys generally work in the fields, and girls take care of younger siblings or they cook.<sup>127</sup> During harvest season, many farmers contract out work, and hired workers may be accompanied by their children.<sup>128</sup>

Work in citrus production has some specific hazards: work is often conducted at high heights on top of ladders; workers may also carry heavy bags and are at risk for musculoskeletal disorders.<sup>129</sup>

### **Citrus Production and Supply Chain:**

Citrus production involves four steps: selecting a favorable rootstock to plant citrus trees, planting the tree on suitable soil, watering and fertilizing the trees, and protecting the trees from disease and weather. Sometimes companies will contract out the harvesting of the fruits to individuals. These individuals may then sub-contract out harvesting work, leaving the company with little visibility into the harvesting process.<sup>130</sup>

Within the fresh fruit market, exported fruits usually pass through the packing house for washing, sorting, grading, and packing. The fruits are then sent off to the wholesale market where they are sold to consumers.<sup>131</sup>

### **How do trafficking and/or child labor in citrus fruit production affect me?**



The United States is one of the largest consumers of citrus fruits, oranges in particular.<sup>132</sup>

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<sup>125</sup> Human Rights Watch. *Fields of Peril*. May 2010. <https://www.hrw.org/report/2010/05/05/fields-peril/child-labor-us-agriculture>

<sup>126</sup> International Trade Union Confederation (ITUC). *Internationally Recognized Core Labor Standards in Belize*. Report for the WTO General Council Review of the Trade Policies of Belize. Geneva. November 5, 2010. [http://www.ituc-csi.org/IMG/pdf/Belize\\_final.pdf](http://www.ituc-csi.org/IMG/pdf/Belize_final.pdf)

<sup>127</sup> International Labor Organization (ILO). *Child Labor in Belize: A Qualitative Study*. 2003. [http://www.ilo.org/ipec/Informationresources/WCMS\\_IPEC\\_PUB\\_296/lang--en/index.htm](http://www.ilo.org/ipec/Informationresources/WCMS_IPEC_PUB_296/lang--en/index.htm)

<sup>128</sup> International Labor Organization (ILO). *Child Labor in Belize: A Qualitative Study*. 2003. [http://www.ilo.org/ipec/Informationresources/WCMS\\_IPEC\\_PUB\\_296/lang--en/index.htm](http://www.ilo.org/ipec/Informationresources/WCMS_IPEC_PUB_296/lang--en/index.htm)

<sup>129</sup> Western Farms Press. "Safety Tips for a Good Citrus Harvest." 2003. <http://westernfarmpress.com/safety-tips-given-good-citrus-harvest>

<sup>130</sup> United Nations Conference on Trade and Development (UNCTAD). *Citrus Fruit*. 2009. UNCTAD.org

<sup>131</sup> United Nations Conference on Trade and Development (UNCTAD). *Citrus Fruit*. 2009. UNCTAD.org

<sup>132</sup> Boriss, Haley. *Citrus*. Agricultural Resources Marketing Center. [http://www.agmrc.org/commodities\\_\\_products/fruits/citrus/citrus-profile/](http://www.agmrc.org/commodities__products/fruits/citrus/citrus-profile/)



The United States is the top importer of citrus products from Belize. In the 2007/2008 season alone, the United States bought USD 24 million worth of citrus from Belize. Other popular purchasers include Japan and the EU.<sup>133</sup>

**Examples of what are governments, corporations, and others doing:**

In an effort to prevent children from missing school in order to engage in agricultural work, the Turkish government raised the age of compulsory education to 17 in 2012. The government increased the number of labor inspectors in the country by 141 and also launched new programs to address the issue of child labor.<sup>134</sup> In Belize, there was an awareness raising campaign conducted by the Ministry of Labor and the Department of Human Services in 2011 in order to deter child labor in citrus production. The Belize government also created a 10 year National Plan of Action for Children and Adolescents starting in 2010.<sup>135</sup>

**Where can I learn more?**

**Read** an in-depth qualitative study on child labor in Belize.

**Watch** a video child labor in agriculture in Brazil.

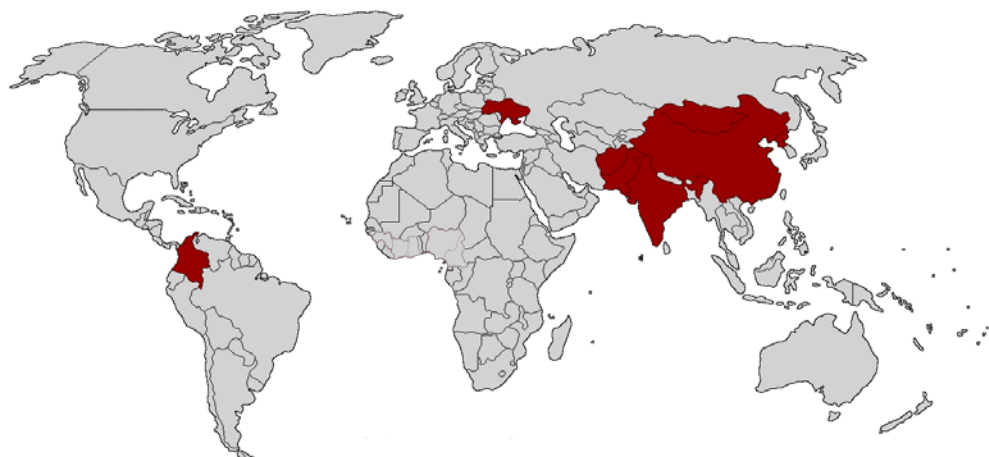
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<sup>133</sup> United Nations Conference on Trade and Development (UNCTAD). *Citrus Fruit*. 2009. UNCTAD.org

<sup>134</sup> U.S. Department of Labor. *Turkey*. 2012  
<http://www.dol.gov/ilab/programs/ocft/2012TDA/turkey.pdf>

<sup>135</sup> International Trade Union Confederation (ITUC). *Internationally Recognized Core Labor Standards in Belize*. Report for the WTO General Council Review of the Trade Policies of Belize. Geneva. November 5, 2010. [http://www.ituc-csi.org/IMG/pdf/Belize\\_final.pdf](http://www.ituc-csi.org/IMG/pdf/Belize_final.pdf)

## Coal



**Coal is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export coal worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports coal (UN Comtrade 2012):**

Afghanistan (CL)  
 China (FL)  
 Colombia (CL)  
 India (FL)  
 Mongolia (CL)  
 North Korea (FL)  
 Pakistan (FL, CL)  
 Ukraine (CL)

1. Indonesia  
 2. Australia  
 3. Russia  
 4. United States  
 5. South Africa  
 6. Colombia  
 7. Kazakhstan  
 8. Vietnam  
 9. Netherlands  
 10. China

1. Colombia  
 2. Canada  
 3. Indonesia  
 4. Venezuela  
 5. Ukraine  
 6. China  
 7. Russia  
 8. New Zealand  
 9. Mexico  
 10. Japan

### **Where is coal reportedly produced with trafficking and/or child labor?**

According to the 2015 U.S. Department of State *Trafficking in Persons Report*, coal is produced with forced labor or forced child labor in China and India.<sup>136</sup>

The 2014 U.S. Department of Labor *List of Goods Produced by Child Labor or Forced Labor*, reports that coal is produced with forced labor in China, North Korea, and Pakistan, and with child labor in Afghanistan, Colombia, Mongolia, Pakistan, and Ukraine.<sup>137</sup>

<sup>136</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.  
<http://www.state.gov/j/tip/rls/tiprpt/2015/index.htm>

<sup>137</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014  
[http://www.dol.gov/ilab/reports/pdf/TVPRR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRR_Report2014.pdf)

Afghanistan, Colombia, India and Mongolia are listed by the U.S. Department of State as Tier 2 countries in the 2015 *Trafficking in Persons Report*. Pakistan, Ukraine and China are listed as Tier 2 Watch List countries. North Korea is listed as a Tier 3 country.<sup>138</sup>

### **What does trafficking and/or child labor in coal look like?**

In China, prisoners are forced to work in coal mines for “re-education.” Prisoners working in the coal mines have reported that their earnings are confiscated, they work over 12 hours per day, and they face extreme occupational hazards.<sup>139</sup> In 2006, coal mining accidents claimed the lives of 4,746 mine workers, an average of roughly 13 workers per day. Furthermore, 45 percent of industrial accidents in China occur in the coal mining industry, though it makes up only 4 percent of the Chinese work force.<sup>140</sup>

Debt bondage is reportedly found in coal mining in Pakistan. Many coal miners in Pakistan are poor migrants who are recruited via labor brokers. The labor brokers are engaged by mine owners and pay workers in advance, thus indebting them. Workers are required to pay back their advance via deductions and cannot leave until the advance is paid off. Indebtedness may be passed down to a worker’s children.<sup>141</sup>

Children engaged in coal mining in Colombia are reportedly exposed to toxic gases, explosives and dangerous chemicals, and they work long hours. They work breaking rocks, digging with picks or their bare hands, removing water from mines, and lifting heavy loads.<sup>142</sup>

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<sup>138</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.

<http://www.state.gov/j/tip/rls/tiprpt/2015/index.htm>

<sup>139</sup> Radio Free Asia. “Former Prisoners Describe Forced Labor in Chinas Coal Mines.” July 10, 2004.

[http://www.rfa.org/english/news/social/china\\_inmates-20041007.html](http://www.rfa.org/english/news/social/china_inmates-20041007.html)

<sup>140</sup> Mehmood, Amber. *Chinese coal mines—the industrial death trap*. The Aga Khan University. September 2009.

[http://ecommons.aku.edu/cgi/viewcontent.cgi?article=1006&context=pakistan\\_fhs\\_mc\\_emerg\\_med](http://ecommons.aku.edu/cgi/viewcontent.cgi?article=1006&context=pakistan_fhs_mc_emerg_med).

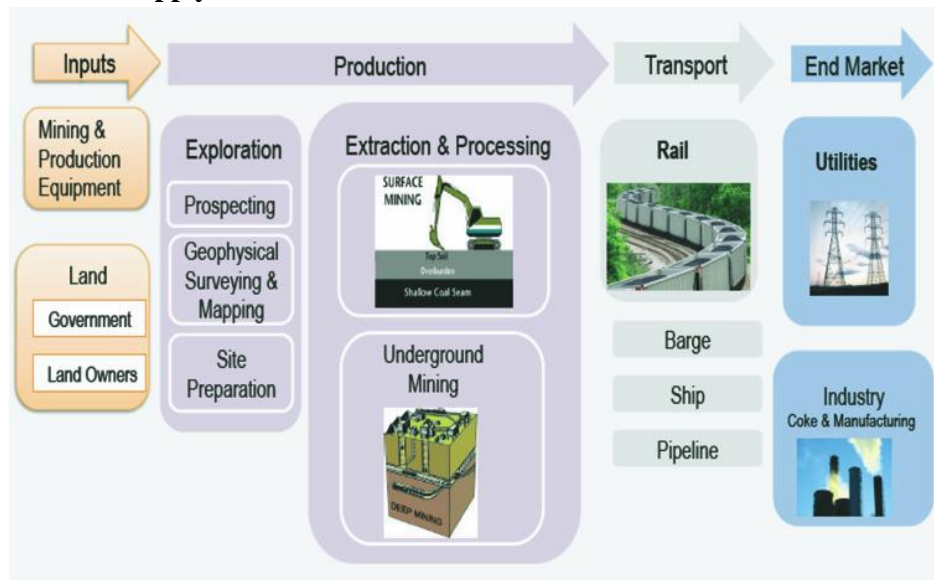
<sup>141</sup> International Labor Organization. *A Rapid Assessment of Bonded Labor in Pakistan’s Mining Sector*. 2004.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_082032.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_082032.pdf)

<sup>142</sup> U.S. Department of Labor. *Technical Cooperation Project Summary*.

[http://www.dol.gov/ilab/projects/summaries/Colombia\\_CL.pdf](http://www.dol.gov/ilab/projects/summaries/Colombia_CL.pdf)

## Coal Production and Supply Chain:



Source: Coal News. *The Future of Coal: A View from Washington to the Fall Meeting of the West Virginia Coal Mining Institute.*

<http://www.coalnews.net/papers/February2013/HTML/index.html#/10/zoomed>

Coal can be mined through two processes: surface mining and underground mining. Surface mining is used when coal is near the surface. Underground mining is generally more common than surface mining, and it is more hazardous because workers are required to work underground.<sup>143</sup>

Approximately 85 percent of global coal is used in the country where deposits are mined.<sup>144</sup> However, coal from mines with low production costs and favorable locations near to sea ports can be delivered competitively to overseas consumers with low natural energy resources.

### How do trafficking and/or child labor in coal production affect me?



Coal is primarily used as a fuel source and for electricity generation. It is also used in steel production and cement manufacturing. Global coal consumption has increased rapidly over the past 15 years, and China, the United States, India, Russia, and Japan collectively use over 75 percent of the world's coal.<sup>145</sup>

<sup>143</sup> World Coal. *Coal Mining*. <http://www.worldcoal.org/coal/coal-mining/>.

<sup>144</sup> Better Coal. *Terms of Reference for Developing a Code for Responsible Coal Mining*. <http://bettercoal.org/docs/terms-of-reference.pdf>

<sup>145</sup> World Coal Association. *Uses of Coal*. <http://www.worldcoal.org/coal/uses-of-coal/>

Of the top ten coal exporting countries to the United States, three (Columbia, Ukraine, and China) produce coal with forced or child labor.<sup>146</sup>

**Examples of what governments, corporations, and others are doing:**

Bettercoal, a multi-company initiative, has developed the Bettercoal Code, which establishes voluntary standards for social and environmental responsibility in coal mining. The standards can be used as the basis for self-assessments and third-party verification.<sup>147</sup>

**Where can I learn more?**

[Read](#) this account of a coal mine collapse in Afghanistan.

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<sup>146</sup> Wodopia, F. J. *Global Energy and Policy Coal*. UNCTAD. March 2013.

[http://unctad.org/meetings/en/Presentation/SUC\\_MYEM2013\\_20032013\\_F%20J%20%20WOPODIA.pdf](http://unctad.org/meetings/en/Presentation/SUC_MYEM2013_20032013_F%20J%20%20WOPODIA.pdf).

<sup>147</sup> Better Coal. *Terms of Reference for Developing a Code for Responsible Coal Mining*. <http://bettercoal.org/docs/terms-of-reference.pdf>

## Cocoa



Cocoa is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce cocoa worldwide (FAOSTAT 2012):	Top ten countries that export cocoa worldwide (UN Comtrade 2012):	Top ten countries from which the US imports cocoa (UN Comtrade 2012):
Cameroon (FL, CL)	1. Côte d'Ivoire	1. Germany	1. Canada
Côte d'Ivoire (FL, CL)	2. Indonesia	2. Netherlands	2. Côte d'Ivoire
Ghana (CL)	3. Ghana	3. Nigeria	3. Mexico
Guinea (CL)	4. Nigeria	4. Côte d'Ivoire	4. Netherlands
Nigeria (FL, CL)	5. Cameroon	5. Belgium	5. Germany
Congo, Republic of the (FL, CL)	6. Brazil	6. France	6. Ghana
Sierra Leone (CL)	7. Ecuador	7. Ghana	7. Indonesia
Togo (CL)	8. Mexico	8. United States	8. Malaysia
	9. Dominican Republic	9. Italy	9. Ecuador
	10. Peru	10. Malaysia	10. Belgium

### Where is cocoa reportedly produced with trafficking and/or child labor?

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, cocoa is listed as being produced with forced labor or forced child labor in Cameroon, Republic of the Congo, Côte d'Ivoire (CDI), Ghana, and Togo.<sup>134</sup>

According to the U.S. Department of Labor *List of Goods Produced by Child Labor or Forced Labor*, cocoa is produced with forced labor in CDI, Nigeria, and Togo, and with child labor in Cameroon, CDI, Ghana, Guinea, Nigeria, and Sierra Leone.<sup>135</sup>

<sup>134</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>135</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. . [http://www.dol.gov/ilab/reports/pdf/TVPRR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRR_Report2014.pdf)

Côte d'Ivoire, Cameroon, Nigeria, Sierra Leone, and Togo are listed as Tier 2 countries by the U.S. Department of State 2015 *Trafficking in Persons Report*. Guinea, Ghana and Republic of the Congo, are listed as Tier 2 Watch List countries.<sup>150</sup>

### **What does trafficking and/or child labor in cocoa production look like?**

In CDI, victims of trafficking, most commonly boys and young teenagers, are from the neighboring countries of Burkina Faso and Mali. In a study of formerly trafficked cocoa workers, Tulane University found that these boys had been promised work by recruiters, but upon their arrival at the cocoa farms, were subjected to unsafe work, possibly abused, and not paid. Other juveniles migrate voluntarily to seek livelihood opportunities or to assist extended family members.<sup>151</sup>

The same conditions are reportedly present, though to a lesser extent, in Nigeria. However, because Nigeria is not as large a producer of cocoa as CDI, labor conditions have not been studied to the same extent.

Child labor occurs in cocoa production as well. Children often work alongside their relatives on small family farms and many are employed outside of their immediate family. Some of this labor is “kinship” or foster labor, that is, children living and working with extended family members within well-established kinship networks.<sup>152</sup> Some of this work may involve migration, but this phenomenon is generally distinct from human trafficking. According to a recent report commissioned by the U.S. government, 1.8 million children in West Africa are involved in growing cocoa, 800,000 of which are estimated to be in CDI. Children in these situations are exposed to pesticides and are often injured by machetes used in harvesting.<sup>153</sup> They are also vulnerable to musculoskeletal disorders, eye injuries, skin rashes, and coughing. They often lack access to protective equipment.<sup>154</sup>

A 2015 report published by Tulane University compared the 2008 – 2009 cocoa harvest cycle to the 2013 – 2014 harvest cycle in terms of active child labor in both CDI and Ghana. The report found that child labor in Ghana decreased by 6 percent between the two harvest cycles, lowering from 0.93 million children in 2008/29 to 0.88 million children in 2013 - 2014.<sup>155</sup> The report found that in CDI, child labor increased by 46 percent between the two harvest cycles, rising from 0.79 million children in 2008 - 2009 to 1.15 million children in 2013 - 2014. Positively, the report noted that the percentage children working in cocoa plantations attending school increased from 91 percent in 2008- 2009 to 96 percent in 2013 - 2014. There was a decrease in some forms of hazardous activity across both Côte d'Ivoire and Ghana, land clearing decreased by 29 percent across both countries. However, there were more instances of

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<sup>150</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>151</sup> Tulane University Payson Center for International Development and Technology Transfer. *Forth Annual Report: Oversight of Public and Private Initiatives to Eliminate the Worst Forms of Child Labor in the Cocoa Sector in Côte D'Ivoire and Ghana*. September 30, 2010. <http://www.childlabor-payson.org/Final%20Fourth%20Annual%20Report.pdf>

<sup>152</sup> Boas, Morten and Anne Huser. *Child Labor and Cocoa Production in West Africa*. Fafo. 2006. <http://www.faf.no/pub/rapp/522/522.pdf>

<sup>153</sup> Hawksley, Humphrey. “Ivory Coast Cocoa Farms Child Labor: Little Change.” *BBC News*. November 10, 2011. <http://www.bbc.co.uk/news/world-africa-15681986>

<sup>154</sup> Mull, Diane L and Steven R Kirkhorn. *Child Labor in Ghana Cocoa Production: Focus upon Agricultural Tasks, Ergonomic Exposures, and Associated Injuries and Illnesses*. Public Health Reports. December 2005.

<sup>155</sup> Tulane University. *2013/14 Survey Research on Child Labor in West African Cocoa Growing Areas*. July 15, 2015. [http://www.childlaborcocoa.org/images/Payson\\_Reports/Tulane%20University%20-%20Survey%20Research%20on%20Child%20Labor%20in%20the%20Cocoa%20Sector%20-%2030%20July%202015.pdf](http://www.childlaborcocoa.org/images/Payson_Reports/Tulane%20University%20-%20Survey%20Research%20on%20Child%20Labor%20in%20the%20Cocoa%20Sector%20-%2030%20July%202015.pdf)

exposure to pesticides and other chemicals, which increased by 44 percent over the two reporting periods, although it is important to note that more children were likely participating in cocoa in part because cocoa production overall increased significantly.<sup>156</sup>

Boas and Huser note several reasons why cocoa production and school attendance in Ghana appear more compatible than in CDI. One reason is that in Ghana, farms tend to be so small that the labor for most of the crop cycle can be handled by the farmer himself, with children only assisting outside of school hours. Children are most likely to assist full-time during the peak production season, which is not lengthy enough to significantly interfere with schooling.<sup>157</sup>

### **Case Study:**

#### *Cocoa and Conflict in CDI*

In CDI, the cocoa trade helped fund both sides of the civil conflict between 2002 and 2007. In 2010, Human Rights Watch (HRW) published a report which verified the continued use of cocoa to fund rebel movements. HRW found that despite the official cessation of the civil war, cocoa and timber trade in Western CDI was being used to finance the Forces Nouvelles (an armed political coalition), primarily through transport “fees.”<sup>158</sup>

### **Cocoa Production and Supply Chain:**

According to the World Cocoa Foundation, between five and six million cocoa farmers exist worldwide and between 40 and 50 million people depend on cocoa for their livelihood.<sup>159</sup>

Over 70 percent of cocoa is grown in the West African countries of CDI, Ghana, Nigeria, and Cameroon.<sup>160</sup> CDI alone represents 40 percent of global cocoa production. The majority of West African cocoa comes from small family farms under five acres in size. Cocoa farming families and communities face an increasing number of livelihood challenges including low yields, pests, and lack of access to farming inputs and credit. Like other communities in rural sub-Saharan Africa, cocoa farming communities often lack access to health care and educational opportunities (World Cocoa Foundation). Lack of educational resources can drive children into work in the cocoa sector.

Other major producers of cocoa are Indonesia, Brazil, Ecuador, Mexico, Dominican Republic, and Peru. Like in West Africa, the majority of these cocoa farms are small.

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<sup>156</sup> Tulane University. *2013/14 Survey Research on Child Labor in West African Cocoa Growing Areas*. July 15, 2015.

[http://www.childlaborcocoa.org/images/Payson\\_Reports/Tulane%20University%20-%20Survey%20Research%20on%20Child%20Labor%20in%20the%20Cocoa%20Sector%20-%2030%20July%202015.pdf](http://www.childlaborcocoa.org/images/Payson_Reports/Tulane%20University%20-%20Survey%20Research%20on%20Child%20Labor%20in%20the%20Cocoa%20Sector%20-%2030%20July%202015.pdf)  
World Cocoa Foundation. *Reducing Child Labor is a Shared Responsibility*. July 30, 2015. <http://worldcocoafoundation.org/wp-content/uploads/FINAL-WCF-Press-Release-Response-2015-Tulane-Report-July-30.pdf>

<sup>157</sup> Boas, Morten and Anne Huser. *Child Labor and Cocoa Production in West Africa*. Fafo. 2006.  
<http://www.faf.no/pub/rapp/522/522.pdf>

<sup>158</sup> Human Rights Watch (HRW). *Lawlessness, Rape and Impunity in Western Côte D'Ivoire*. October 15, 2010.  
<http://www.hrw.org/en/by-issue/publications/95> [Accessed October 29, 2010].

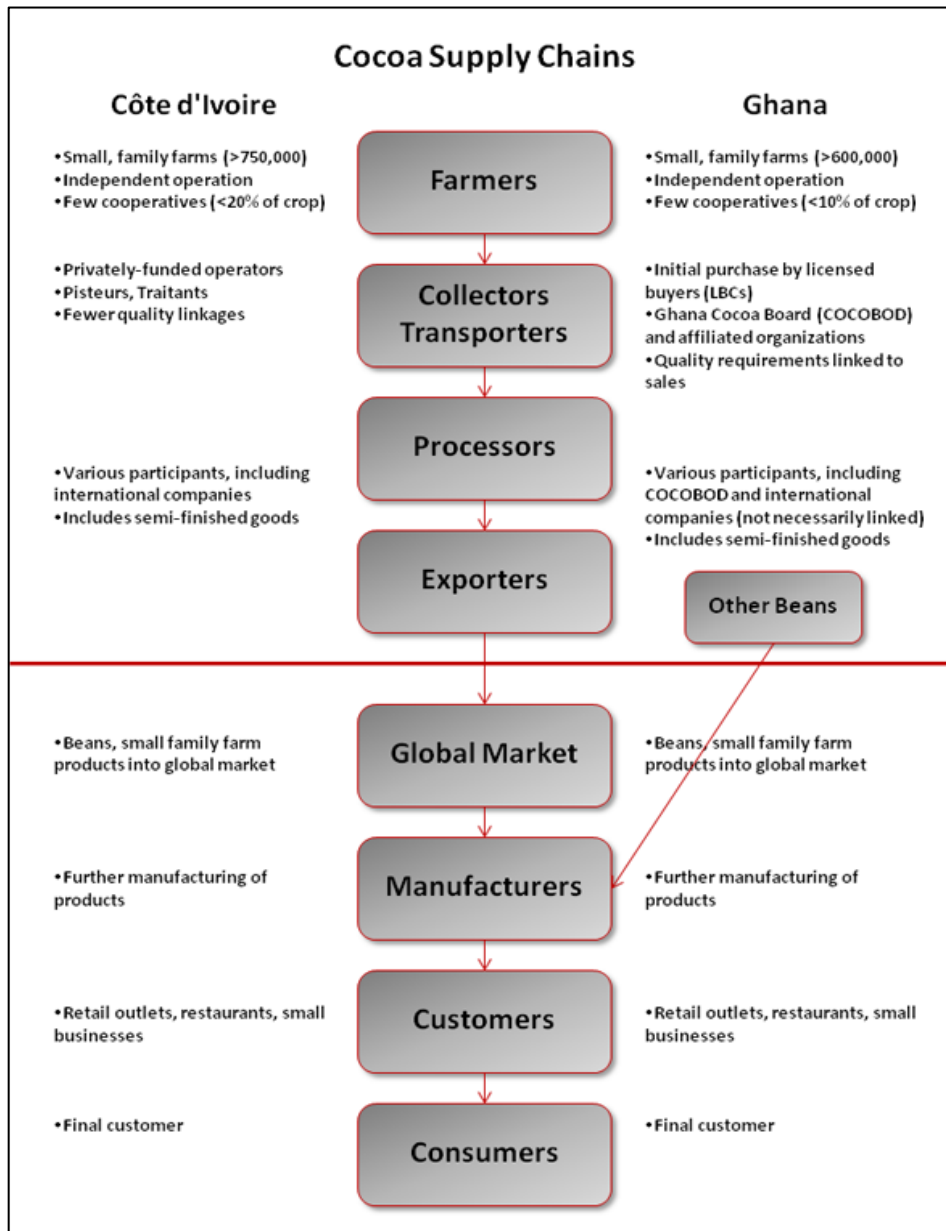
<sup>159</sup> World Cocoa Federation. *Cocoa Market Update*. March 2012. <http://worldcocoafoundation.org/wp-content/uploads/Cocoa-Market-Update-as-of-3.20.2012.pdf>

<sup>160</sup> World Cocoa Federation. *About Cocoa*. <http://www.worldcocoafoundation.org/learn-about-cocoa/tree-to-table/how-chocolate-is-made.asp>

World Cocoa Foundation. *Our Approach*. <http://worldcocoafoundation.org/our-work/our-approach/>



Farmers harvest cocoa pods, often using machetes. The pods are opened and the beans are removed. After the beans ferment for several days, and the pulp melts away, the beans are spread out to dry in the sun. After the beans are dried, they're stored in sacks before being picked up by collectors or transporters. In CDI, the beans are collected by independent middlemen known as "pisteurs" or "traitants." In Ghana, the beans are purchased by the Ghana Cocoa Board (a government controlled institution that sets the price of beans). After processing, the beans are exported to the global market, where they are purchased by manufacturers.



Source: US Department of Labor. Bureau of International Labor Affairs. Reducing Child Labor and Forced Labor. Cocoa Supply Chains (Côte d'Ivoire and Ghana)

Most of the processing takes place in the United States or Europe, notably Germany, Switzerland, the Netherlands, Belgium and the United Kingdom. Though cocoa processing and trade is centralized,

industry groups argue that tracing cocoa usage to the actual farms where cocoa is grown is not currently possible in many cases due to the high number of middlemen, which prevents industry groups from directly monitoring their suppliers.<sup>161</sup>

### **How do trafficking and/or child labor in cocoa production affect me?**



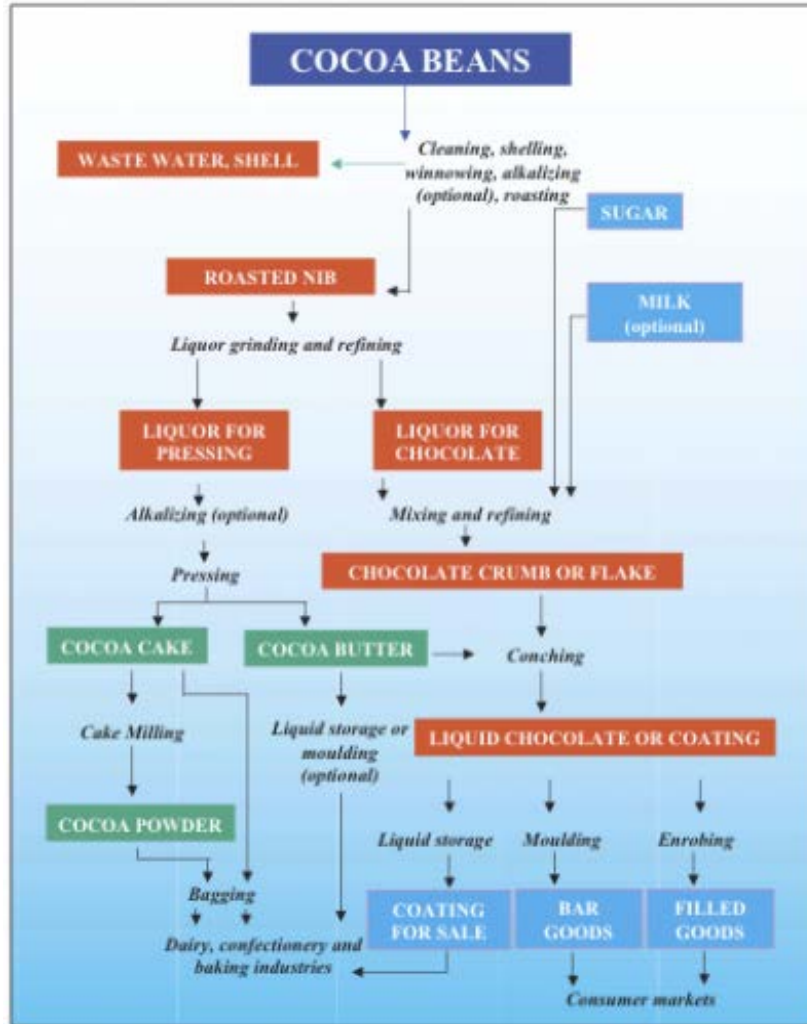
Cocoa is the key ingredient of chocolate but also an important element of many cosmetics and soaps, pharmaceutical products, and baked goods which feature cocoa butter.

Europe consumes nearly 50 percent of the world's chocolate, and the United States consumes approximately 25 percent.<sup>162</sup>

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<sup>161</sup> Hawksley, Humphrey. "Ivory Coast Cocoa Farms Child Labor: Little Change." *BBC News*. November 10, 2011. <http://www.bbc.co.uk/news/world-africa-15681986>

<sup>162</sup> CNN Freedom Project. "Who Consumes the Most Chocolate?" January 7, 2012. <http://thecnnfreedomproject.blogs.cnn.com/2012/01/17/who-consumes-the-most-chocolate/>



Source: United Nations Conference on Trade and Development. 2004 Commodity Atlas: Cocoa

**Examples of what governments, corporations, and others are doing:**

Due to high-profile advocacy from a number of organizations alleging the use of forced child labor in cocoa production, the confectionary industry and the Governments of Ghana, CDI, and the United States signed the Harkin-Engle Protocol committed to addressing child and forced labor in Ghana and CDI.<sup>163</sup> As part of this effort, the governments of Ghana and CDI successfully completed household surveys of child labor in the cocoa sector, the results of which were independently verified by third parties. Civil society, business, and government representatives oversaw this process through a multi-stakeholder body known as the International Cocoa Verification Board. An extension, known as the Joint Action Plan, was launched on September 13, 2010. The Action Plan commits a combined USD 17 million over ten years to

<sup>163</sup> U.S. Department of Labor. *A Story of Chocolate and Child Labor*. <https://blog.dol.gov/2015/07/30/a-story-of-chocolate-and-child-labor/>

build capacity in cocoa growing communities and to increase efforts to reduce the worst forms of child labor in cocoa production in Ghana and CDI by 70 percent by 2020.<sup>164</sup>

The International Cocoa Initiative (ICI), established as part of efforts under the Harkin-Engle Protocol, organizes work on environmental and labor standards in the West African cocoa sector, including working with cocoa growing villages to design Community Action Plans for child labor prevention.<sup>165</sup>

Some companies are undertaking their own initiatives. Nestle, working with the ICI has implemented a child labor prevention project that empowers village elders and other leaders to identify and report potential child labor via mobile technology.<sup>166</sup>

The World Cocoa Foundation, funded by cocoa industry members, seeks to improve livelihoods in cocoa farming communities and families worldwide.<sup>167</sup> In May 2014, the WCF and cocoa companies established CocoaAction which works in consultation with the governments of Ghana and CDI to advance sustainability and improve livelihoods in a planned 1,200 cocoa growing communities.<sup>168</sup>

Other cocoa related initiatives include a major investment by the Bill and Melinda Gates Foundation to build cocoa productivity and a new development by Helvetica which for the first time will seek to track cocoa beans from the rural farms where they are grown to the warehouses where processors make purchases.<sup>169</sup>

In 2015, the U.S. Department of Labor committed USD 12 million in funding to combat child labor in cocoa growing regions in west Africa.<sup>170</sup>

#### *Cocoa and Fair Trade:*

Cocoa is one of the principle products of the Fair Trade movement. A number of cooperatives, for example Kuapa Kokoo of Ghana, allow farmers to receive a premium for their cocoa, monitors the conditions under which cocoa is grown, and works to improve productivity.<sup>171</sup> Fair Trade cocoa has even begun to be included in confections by major companies, such as the Fair Trade Kit Kat by Nestlé. Despite gains, however, Fair Trade cocoa represents less than one percent of all cocoa sales.<sup>172</sup>

#### **Where can I learn more?**

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<sup>164</sup> U.S. Department of Labor. *A Story of Chocolate and Child Labor*. <https://blog.dol.gov/2015/07/30/a-story-of-chocolate-and-child-labor/>

<sup>165</sup> International Cocoa Initiative. *About Us*. <http://www.cocoainitiative.org/en/about-us/about-us>

<sup>166</sup> Nieburg, Oliver. "Ending unlawful child labor in cocoa: Nestlé approach can be the model, says ICI." April 2, 2015. <http://www.confectionerynews.com/Commodities/Nestle-cocoa-child-labor-prevention-system-review>

<sup>167</sup> World Cocoa Foundation. *Our Approach*. <http://worldcocoafoundation.org/our-work/our-approach/>

<sup>168</sup> World Cocoa Foundation. *Reducing Child Labor is a Shared Responsibility*. July 30, 2015.

<http://worldcocoafoundation.org/wp-content/uploads/FINAL-WCF-Press-Release-Response-2015-Tulane-Report-July-30.pdf>

<sup>169</sup> German Society for Technical Cooperation (GTZ). "Bill & Melinda Gates Foundation, Partners Pledge \$90 Million to Boost Incomes of Small Farmers in Africa." 2009. <http://www.gtz.de/en/presse/25913.htm>

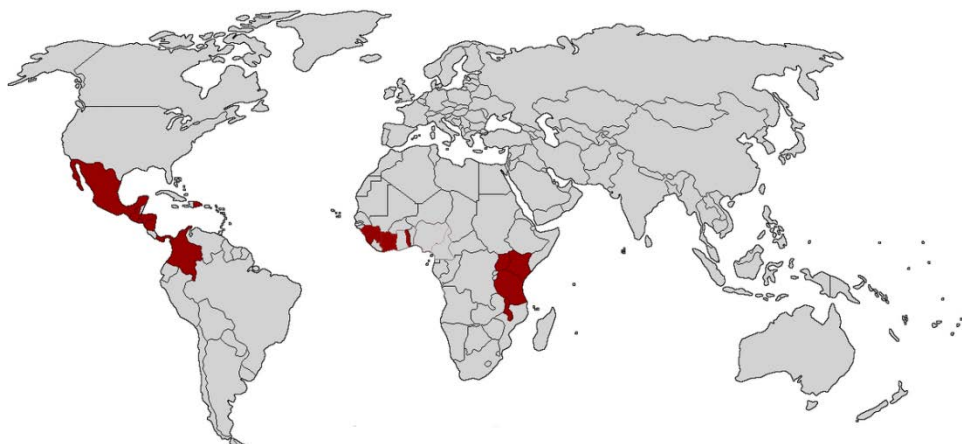
<sup>170</sup> U.S. Department of Labor. *A Story of Chocolate and Child Labor*. <https://blog.dol.gov/2015/07/30/a-story-of-chocolate-and-child-labor/>

<sup>171</sup> Fairtrade International. *Cocoa*. <http://www.fairtrade.net/cocoa.html>

<sup>172</sup> International Cocoa Organization. *The Cocoa Sector*. <http://www.icco.org/about-cocoa/chocolate-industry.html>

[Watch](#) a short video by the International Labor Organization (ILO) on child labor in Cameroon.  
[Read](#) a manual by the ILO on best practices for reducing child labor in cocoa farms.

## Coffee



Coffee is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce coffee worldwide (FAOSTAT 2012):	Top ten countries that export coffee worldwide (UN Comtrade 2012):	Top ten countries from which the US imports coffee (UN Comtrade 2012):
Côte d'Ivoire (CDI) (FL, CL)	1. Brazil	1. Vietnam	1. Brazil
Colombia (CL)	2. Vietnam	2. Brazil	2. Vietnam
Dominican Republic (CL)	3. Indonesia	3. Germany	3. Colombia
Guatemala (CL)	4. Colombia	4. Indonesia	4. Guatemala
Guinea (CL)	5. India	5. Colombia	5. Mexico
Honduras (CL)	6. Peru	6. Honduras	6. Indonesia
El Salvador (CL)	7. Honduras	7. Peru	7. Honduras
Kenya (CL)	8. Ethiopia	8. Belgium	8. Peru
Malawi (FL, CL)	9. Guatemala	9. Guatemala	9. Costa Rica
Mexico (CL)	10. Mexico	10. India	10. Nicaragua
Nicaragua (CL)			
Panama (CL)			
Sierra Leone (CL)			
Tanzania (CL)			
Togo (FL)			
Uganda (CL)			

### Where is coffee reportedly produced with trafficking and/or child labor?

According to the 2015 U.S. Department of State *Trafficking in Persons Report*, coffee is produced with forced labor or forced child labor in Côte d'Ivoire, Malawi and Togo.<sup>173</sup>

The U.S. Department of Labor *2014 List of Goods Made with Forced Labor and Child Labor*, reports that coffee is produced with forced labor in Côte D'Ivoire (CDI) and with child labor in Colombia, CDI,

<sup>173</sup> U.S. Department of State. *Trafficking in Persons Report*.2015. <http://www.state.gov/documents/organization/245365.pdf>

the Dominican Republic, Guatemala, Guinea, Honduras, El Salvador, Kenya, Mexico, Nicaragua, Panama, Sierra Leone, Tanzania, and Uganda.<sup>174</sup>

Verité research has identified indicators of forced labor in the Guatemalan coffee sector.<sup>175</sup>

CDI, Colombia, the Dominican Republic, Honduras, El Salvador, Mexico, Panama, Nicaragua, Guatemala, Sierra Leone, Kenya, Malawi, Togo and Uganda are listed by the U.S. Department of State 2015 *Trafficking in Persons Report* as Tier 2 countries. Tanzania and Guinea are Tier 2 Watch List Countries.<sup>176</sup>

### **What does trafficking and/or child labor in coffee production look like?**

Few large-scale studies have been carried out on human trafficking in the coffee sector; however, anecdotal reports confirm its existence. Some larger plantations, such as in Guatemala, may recruit workers via labor brokers, leaving workers vulnerable to debt and other indicators of forced labor.<sup>177</sup> Smallholder coffee farms rely heavily on family labor and children are likely to work on family farms. On larger plantations, children may work alongside their parents either to supplement the family income, or to help parents meet their production quotas.<sup>178</sup> Children involved in coffee production take on a variety of tasks including picking and sorting berries, pruning trees, weeding, fertilizing, and transporting beans and other supplies. Work in coffee production leaves children vulnerable to: injuries from tools and equipment, hearing loss due to machinery, musculoskeletal injuries, respiratory illness, pesticide exposure, sun and heat exposure, snake and insect bites, long working hours, and withdrawal from school.<sup>179</sup>

### **Case Study:**

#### *Research on Indicators of Forced Labor in the Supply Chain of Coffee in Guatemala*

Verité conducted research in the coffee industry in Guatemala and found indicators of forced labor in coffee *fincas* among migrant workers, workers who live near the *fincas*, and workers who live on the *fincas* year-round. Researchers found that many workers are subject to physical confinement and abuse at the workplace. Although the workers are free to enter and leave the *fincas*, there are some restrictions on movement during working hours, and guards are present. Workers are subject to threats and verbal abuse, and many are fearful of their employers. Researchers also found indicators of induced indebtedness including the use of labor brokers, the confiscation of identification documents, and the absence of written contracts. According to the Guatemalan Labor Code, manual workers must be paid every fifteen days. However, in the Guatemalan coffee sector, workers are usually paid every month or at the end of the harvest, which encourages the workers to stay on the *fincas* until the harvest season is over. Some

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<sup>174</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPR_Report2014.pdf)

<sup>175</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Coffee in Guatemala*. 2012. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Guatemala%20Coffee%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Guatemala%20Coffee%20Sector__9.16.pdf)

<sup>176</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>177</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Coffee in Guatemala*. 2012. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Guatemala%20Coffee%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Guatemala%20Coffee%20Sector__9.16.pdf)

<sup>178</sup> Global Exchange. *Coffee FAQ*. <http://www.globalexchange.org/fairtrade/coffee/faq#1>

<sup>179</sup> International Labor Organization (ILO). *Safety and Health Fact Sheet: Hazardous Child Labour in Agriculture: Coffee*. 2004.

workers are threatened with a loss of employment, food, or future employment if they try to leave the *fincas* before the end of the harvest season or if they fail to harvest enough coffee. Workers are subject to hazardous working conditions, including the use of pesticides, without consistent medical care. Almost all of the *fincas* researched by Verité employed child laborers, some as young as five years-old. Children working in the coffee industry are forced to interrupt their education and are subject to dangerous working conditions.<sup>180</sup>

### **Coffee Production and Supply Chain:**

The majority of coffee is grown by smallholder farms. Coffee production provides a livelihood for over 25 million people worldwide.<sup>181</sup>

Coffee plants bear fruit approximately three to four years after planting, and the fruit turns red when it is ready to be harvested. Harvesting the coffee bean is labor intensive. Beans are either “strip picked” or “selectively picked.” If beans are strip picked all beans are harvested at one time. When beans are selectively picked, only the ripe berries are picked. Picking selectively is more labor intensive, and often reserved for higher quality beans. There are one to two major harvests a year and pickers average approximately 100-200 pounds of coffee beans a day. Workers are normally paid by the weight of beans picked.<sup>182</sup>

After coffee is harvested, the seeds are dried either by the sun or, on more mechanized plantations, by machine. Beans are then hulled, sorted, and graded for quality before being roasted. Labor trafficking may occur at all stages but it is most likely to occur in harvesting.

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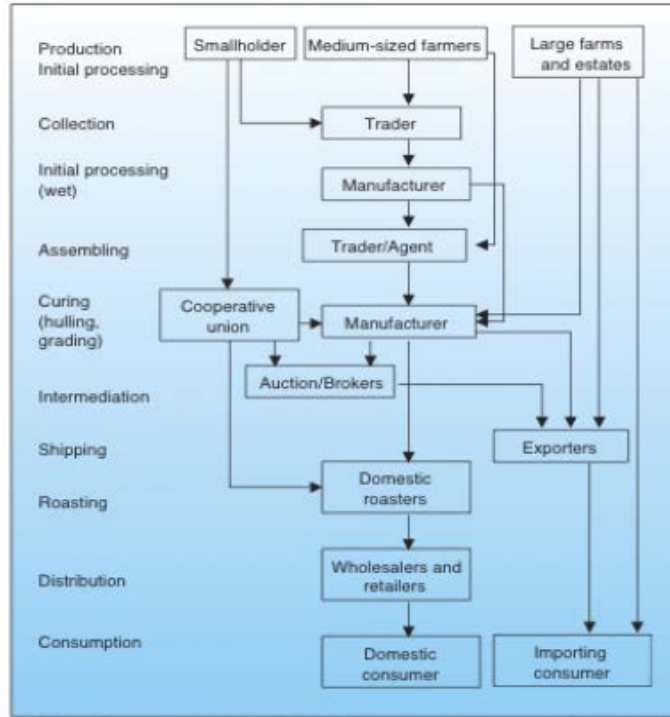
<sup>180</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Coffee in Guatemala*. 2012. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Guatemala%20Coffee%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Guatemala%20Coffee%20Sector__9.16.pdf)

<sup>181</sup> Global Exchange. *Coffee FAQ*. <http://www.globalexchange.org/fairtrade/coffee/faq#1>

<sup>182</sup> National Coffee Association. *10 Steps to Coffee from Seed to Cup*. <http://www.ncausa.org/i4a/pages/index.cfm?pageid=69>

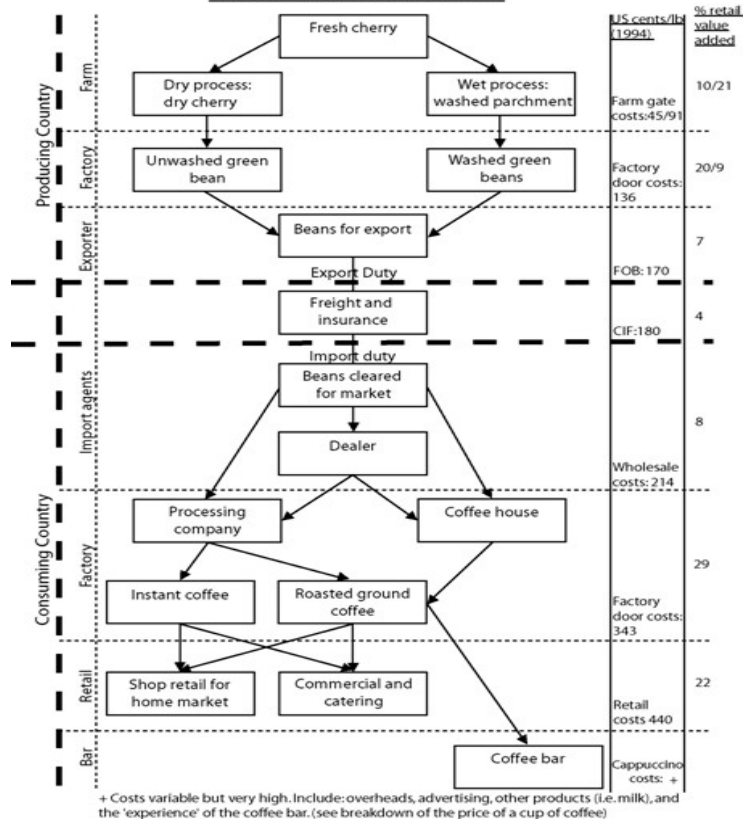


### Coffee marketing chain



Source: De Graaff (1996); *The Economics of Coffee*.

### The Coffee Value Chain



Coffee prices are set by the New York “C” contract market. Trading and speculation can lead to fluctuating prices. Changes in global supply also affect prices. Droughts or other supply chain disruptions – particularly in Brazil, the world’s largest producer – increase the price. Specialty coffee may be imported at a higher negotiated price, but according to Global Exchange, farmers often do not benefit from this premium, which provides a disincentive for increased quality in production.<sup>183</sup> Because coffee is a commodity, market volatility can put strong downward pressure on coffee farmers and plantations to decrease all input costs, including labor. When prices are particularly low, farmers sell their beans for less than the cost of production, leaving many coffee producing families far below the poverty line.<sup>184</sup>

The largest coffee producing countries, in descending order, are Brazil, Vietnam, Indonesia, Colombia, India, Peru, Honduras, Ethiopia, Guatemala, and Mexico.<sup>185</sup>

### How do trafficking and/or child labor in coffee production affect me?



Coffee is one of the most commonly consumed beverages in the world. According to the United Nations Conference on Trade and Development (UNCTAD), coffee is the second most traded commodity worldwide after oil.<sup>186</sup> The United States imports the most coffee from Brazil, Vietnam, Colombia, Guatemala, and Mexico.<sup>187</sup>

### Examples of what governments, corporations, and others are doing:

Fair Trade coffee has risen in popularity as a means of combating the wide variety of exploitative labor conditions in coffee harvesting. In 2000, the United States imported around 4.3 million pounds of Fair Trade Certified coffee. Ten years later, the amount increased to almost 109 million pounds. One of the root causes of forced and child labor in coffee is the low prices and lack of price stability for farmers. Farmers who participate in the Fair Trade program received, as of 2012, a USD 0.20 per pound premium on Fair Trade Coffee.<sup>188</sup> In return for this premium price, Fair Trade cooperatives agree to adhere to a number of labor standards, including the prohibition of forced and child labor. However, Verité has detected indicators of forced labor among temporary contract workers hired by Fair Trade cooperatives during the labor intensive harvest season, so it is imperative that compliance be monitored.

<sup>183</sup> Global Exchange. *Coffee FAQ*. <http://www.globalexchange.org/fairtrade/coffee/faq#1>

<sup>184</sup> International Labor Organization (ILO). *Safety and Health Fact Sheet: Hazardous Child Labour in Agriculture: Coffee*. 2004.

<sup>185</sup> UN Department of Economic and Social Affairs. *UN Comtrade Database*. 2012. <http://comtrade.un.org/data/>

<sup>186</sup> UN Conference on Trade and Development. *Commodities Atlas: Coffee*. 2004.

[http://www.unctad.org/en/docs/ditccom20041ch4\\_en.pdf](http://www.unctad.org/en/docs/ditccom20041ch4_en.pdf)

<sup>187</sup> UN Department of Economic and Social Affairs. *UN Comtrade Database*. 2012. <http://comtrade.un.org/data/>

<sup>188</sup> Fair Trade USA. *Coffee*. <http://www.transfairusa.org/products-partners/coffee>

**Where can I learn more?**

[Read](#) a summary of the global coffee trade.

[Read](#) Verité's full report on force labor indicators in Guatemala's Coffee industry.

## Coltan, Tungsten & Tin



**Coltan, tungsten and tin are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export coltan, tungsten and tin worldwide (FAOSTAT 2012):**

**Top ten countries from which the US imports coltan, tungsten and tin (FAOSTAT 2012):**

*Coltan:*

Democratic Republic of the Congo (DRC) (FL, CL)

*Tungsten:*

Democratic Republic of the Congo (DRC) (FL, CL)

*Tin:*

Democratic Republic of the Congo (DRC) (FL, CL)

Bolivia (CL)

*Coltan: Not in database*

*Tungsten:*

1. Russia
2. Canada
3. Bolivia
4. Rwanda
5. Portugal
6. Spain
7. Oman
8. South Korea
9. Belgium
10. Germany

*Tin:*

1. Australia
2. Bolivia
3. Rwanda
4. Brazil
5. United States
6. Singapore
7. Zimbabwe
8. Guyana
9. Nigeria
10. Other Asia (not elsewhere specified)

*Coltan: Not in database*

*Tungsten:*

1. Bolivia
2. Spain
3. Portugal
4. Canada
5. Peru
6. Brazil
7. Colombia
8. Thailand
9. Mongolia
10. United Kingdom

*Tin: Not in database*

### **Where are coltan, tungsten and tin reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, coltan, tungsten and tin, three widely-used minerals, are all produced with forced labor and child labor in the Democratic Republic of the Congo (DRC).<sup>189</sup>

The 2014 U.S. Department of Labor *List of Goods Produced by Child Labor or Forced Labor* also reports child labor and forced labor in coltan, tungsten and tin in the DRC, as well as child labor in tin mining in Bolivia.<sup>190</sup> The U.S. Department of State 2015 *Trafficking in Persons Report* lists the DRC and Bolivia as Tier 2 Watch List countries.<sup>191</sup>

### **What does trafficking and/or child labor in coltan, tungsten and tin production look like?**

In the DRC, armed groups control many of the mines. In some cases, the forces that control mining sites, often representatives of the armed forces or rebel groups, make local miners work at gunpoint without pay at their mining site for short periods of time – a process known as "solango."<sup>192</sup> The groups controlling the mines are often the only source of credit in these impoverished regions, and they give loans to miners for money, food, and tools. Miners are then required to pay back these loans at hugely inflated rates, which can force them into a cycle of debt bondage. In addition, false or exaggerated criminal charges may be used to compel miners into service. Child soldiers are also conscripted into work at the mines.<sup>193</sup>

Tin is also mined with child labor in Bolivia. Children generally mine tin in Bolivia in artisanal mines or mines abandoned by commercial mining companies. Children, known as 'jucus,' are engaged in pushing carts, drilling, and extracting and cleaning ore. Children and adults working in clandestine mines work without adequate safety equipment, ventilation or proper lighting. They are vulnerable to illness, lung damage from dust, repetitive motion stress injuries, injuries from falls, carrying heavy loads, and working long hours.<sup>194</sup> Many mining sites are hundreds of years old and poorly maintained, so workers are also at risk of death in collapsing mine shafts.<sup>195</sup> In 2008, at least 60 children died from mine collapse. An estimated 3,000 children, some as young as six, work in mining in Bolivia.<sup>196</sup>

### **Coltan, Tungsten and Tin Production and Supply Chain:**

According to the Electronics Industry Transparency Initiative, "10 million people, 16 percent of the Congolese population, are directly or indirectly dependent on small scale mining."<sup>197</sup> Currently, mining associated with human trafficking and other human rights abuses is largely found in the eastern provinces

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<sup>189</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>190</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014.

[http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>191</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>192</sup> Pöyhönen, Päivi, Kristina Areskog Bjurling and Jeroen Cuvelier. *Voices from the Inside: Local Views on Mining Reform in Eastern DR Congo*. FinnWatch and SwedWatch. October 2010. [http://somo.nl/publications-en/Publication\\_3586](http://somo.nl/publications-en/Publication_3586)

<sup>193</sup> Fitzpatrick, Terry. "Several Types of Slavery Linked to Congo's Mining Industry." *Huffington Post*. September 2, 2010. [http://www.huffingtonpost.com/free-the-slaves/several-types-of-slavery-\\_b\\_702827.html](http://www.huffingtonpost.com/free-the-slaves/several-types-of-slavery-_b_702827.html)

<sup>194</sup> World Vision. *[Bolivia] If You Fall, No One's Gonna Carry You Out: Children Who Work in Tin Mines*. 2007.

[http://www.worldvision.org/resources.nsf/main/work\\_bolivia\\_200706.pdf/\\$file/work\\_bolivia\\_200706.pdf](http://www.worldvision.org/resources.nsf/main/work_bolivia_200706.pdf/$file/work_bolivia_200706.pdf)

<sup>195</sup> Forrero, Juan. "As Bolivian Miners Die, Boys Are Left to Toil." *New York Times*. March 24, 2003.

<http://www.nytimes.com/2003/03/24/world/as-bolivian-miners-die-boys-are-left-to-toil.html>

<sup>196</sup> National Public Radio (NPR). "Thousands Of Children As Young As 6 Work In Bolivia's Mines." November 30, 2013

<http://www.npr.org/2013/11/30/247967228/thousands-of-children-as-young-as-6-work-in-bolivia-mines>

<sup>197</sup> World Bank. *Democratic Republic of Congo Growth with Governance In the Mining Sector*. May 2008.

<http://siteresources.worldbank.org/INTOGMC/Resources/336099-1156955107170/drcgrowthgovernanceenglish.pdf>

of North and South Kivu. After the minerals are mined, they are bought by individual traders known as “negociants” who maintain relationships with the parties controlling the mines. The negociants sell the minerals to trading houses, where they are sorted. The minerals then are purchased by exporters called “comptoirs.” Some comptoirs may also buy minerals directly from the mines. These comptoirs are licensed and registered with the Congolese government. European and Asian companies use the comptoir’s “legal” status as a justification to buy from the DRC. The comptoir is not required to provide any documentation, so information on the minerals’ origin can be easily obscured at this step. To be used or sold on the global market, the minerals must be refined. This is most commonly performed by companies in East Asia, who may combine Congolese minerals with minerals from other countries.<sup>198</sup>

As Global Witness notes, “when it comes to tracing supply chains back to their sources, refiners are the critical link. After the mineral ore is refined into metal, it becomes impossible to distinguish tin or tantalum that originated in Congo from other sources, and supplies from all over the globe are mixed together at this step in the chain.” The refiners then sell the minerals to manufacturing companies. Challenges in the supply chain include the dispersed and informal nature of mining and the illegal transfer of minerals from the DRC to Uganda, Rwanda, and other neighboring countries.<sup>199</sup>

Global Witness reports that the largest importers of coltan are Belgium, China, Thailand, and South Africa. The largest purchasing countries for tin are Belgium, Thailand, the UK, Malaysia, and Rwanda, and the largest purchasing countries of tungsten are Belgium, the UK, the Netherlands, China, and Austria. For electronics purchased in the United States, minerals are usually shipped and processed in Asia before being sold as finished products.<sup>200</sup>

### **How do trafficking and/or child labor in coltan, tungsten and tin production affect me?**



Coltan, tungsten and tin are commonly used in electronics such as cell phones and computers.

*Coltan:* The source of the minerals niobium and tantalum. In the context of the DRC, coltan generally refers to tantalum, which is used widely in the capacitors of common electronics like cell phones and laptops.

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<sup>198</sup> Global Witness. *Faced with a Gun, What Can You Do? War and the Militarization of Mining in Eastern Congo*. July 31, 2009. <http://www.globalwitness.org/library/faced-gun-what-can-you-do>

<sup>199</sup> Global Witness. *Faced with a Gun, What Can You Do? War and the Militarization of Mining in Eastern Congo*. July 31, 2009. <http://www.globalwitness.org/library/faced-gun-what-can-you-do>

<sup>200</sup> Global Witness. *Faced with a Gun, What Can You Do? War and the Militarization of Mining in Eastern Congo*. July 31, 2009. <http://www.globalwitness.org/library/faced-gun-what-can-you-do>

*Tungsten:* Derived from wolframite, tungsten is used in electronics due to its high conductivity. It is also used as an alloy to strengthen steel.

*Tin:* Often found alongside coltan, tin from cassiterite has a wide variety of uses from the production of tin cans to tin solder in electronics.

Together, these minerals are sometimes referred to as the “3 T’s”, an abbreviation of tantalum, tungsten and tin.

### **Examples of what governments, corporations and others are doing:**

The United Nations (UN) Security Council has issued a number of resolutions regarding the DRC with specific reference to conflict minerals. Additionally, the UN Office of the High Commissioner for Human Rights released a report that outlines human rights abuses from 1993 to 2003 and “sets out measures to hold perpetrators of the most serious crimes to account. Recommendations include setting up a special court or chamber in an existing Congolese court.”<sup>201</sup>

In July 2010, the U.S. Congress passed Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which “requires companies using cassiterite, coltan, wolframite, and gold to find out whether the metals originated in the DRC or neighboring countries.” If the metals do originate from this area, then the companies must thoroughly review their supply chain to see if the mining of the metals “benefited abusive armed groups in eastern DRC.”<sup>202</sup> Most recently, the U.S. Chamber of Commerce threatened to overturn important parts of the Dodd-Frank Act. Microsoft, General Electric, and Motorola Solutions announced, in response to The Chamber’s statements, that they did not support any stance against Section 1502. Rights groups are calling on other major electronic companies to speak out as well.<sup>203</sup> This provision in the Dodd-Frank act has been criticized for essentially causing a boycott on all minerals from the DRC because some companies claim it is difficult to verify the source due to the extremely weak and chaotic regulatory environment. A reduction in purchases of DRC minerals could have a negative effect on artisanal miners and the economy as a whole.<sup>204</sup> However, several companies, including Intel, Philips, and HP, have committed to sourcing ethical minerals from within the DRC by working with NGOs to create traceability and tracking systems. Intel announced in 2014 that they would source only conflict free minerals from the DRC.<sup>205</sup>

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<sup>201</sup> Global Witness. *Do No Harm: A Guide for Companies Sourcing from the DRC*. July 8, 2010.

<http://www.globalwitness.org/library/do-no-harm-guide-companies-sourcing-drc>

<sup>202</sup> Global Witness. “Electronics Companies Must Break from US Chamber on Conflict Minerals.” June 27, 2012.

<http://www.globalwitness.org/library/electronics-companies-must-break-us-chamber-conflict-minerals>

<sup>203</sup> Global Witness. “Electronics Companies Must Break from US Chamber on Conflict Minerals.” June 27, 2012.

<http://www.globalwitness.org/library/electronics-companies-must-break-us-chamber-conflict-minerals>

Global Witness. *Conflict Minerals: Legislation*. May 2012. <http://www.globalwitness.org/campaigns/conflict/conflict-minerals/legislation>

Global Witness. “Congo Government Enforces Law to Curb Conflict Mineral Trade.” May 21, 2012.

<http://www.globalwitness.org/library/congo-government-enforces-law-curb-conflict-mineral-trade>

<sup>204</sup> Seay, Laura. “Congo Conflict Minerals Mill Hurts the Miners it Hopes to Help.” *The Christian Science Monitor*. July 18, 2011. <http://www.csmonitor.com/World/Africa/Africa-Monitor/2011/0718/Congo-conflict-minerals-bill-hurts-the-miners-it-hopes-to-help>

<sup>205</sup> Gunther, Marc. “Intel Unveils Conflict-free Processors: Will the Industry Follow Suit?” *The Guardian*. January 13, 2014. <http://www.theguardian.com/sustainable-business/intel-conflict-minerals-ces-congo-electronics>

The DRC government is also getting involved in curtailing the sale of conflict minerals. As of February 2012, the government requires “all mining and mineral trading companies operating in the country [to carry] out supply chain due diligence, in line with international standards set by the Organization for Economic Cooperation and Development (OECD), to ensure their purchases are not supporting warring parties in eastern DRC.” The DRC enforced the law last May, suspending two mineral traders who violated the Congolese law.<sup>206</sup>

The United Nations has a significant presence in the DRC through its Stabilization Mission in the DRC (MONUSCO). As Enough! points out, “At [USD]1 billion a year, the UN peacekeeping mission is by far the biggest investment the international community—and the United States, which pays nearly 30 percent of the tab—is making in support of peace in the Congo.”<sup>207</sup>

A number of due diligence systems have emerged for mineral sourcing in the DRC. The OECD is developing a voluntary due diligence policy for coltan, tungsten, tin, and gold mining in conflict and high-risk scenarios. In October 2010 this OECD guidance system was endorsed by 11 African countries, including Zambia, Uganda, Rwanda, the DRC, Congo, Tanzania, Sudan, South Africa, Kenya, Central African Republic, and Burundi. The OECD guidance lays out key steps for companies with conflict minerals in their supply chain. These steps include improving visibility into chain of control, strengthening engagements with suppliers, conducting risk assessments, establishing a robust grievance mechanism, responding to identified risks, conducting third-party assessments and reporting on progress.<sup>208</sup>

The Electronics Industry Citizenship Coalition and the Global e-Sustainability Initiative introduced the Conflict Free Smelter Program, which requires third party auditing. As of 2014, approximately 200 companies reportedly participate in the initiative.<sup>209</sup>

A number of international organizations focus on labor abuses in the mineral sector of the DRC. In addition to Global Witness, these include Enough! and its RESOLVE campaign and MakeITFair.

## Where can I learn more?

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<sup>206</sup> Global Witness. “Electronics Companies Must Break from US Chamber on Conflict Minerals.” June 27, 2012.

<http://www.globalwitness.org/library/electronics-companies-must-break-us-chamber-conflict-minerals>

Global Witness. *Conflict Minerals: Legislation*. May 2012. <http://www.globalwitness.org/campaigns/conflict/conflict-minerals/legislation>

Global Witness. “Congo Government Enforces Law to Curb Conflict Mineral Trade.” May 21, 2012.

<http://www.globalwitness.org/library/congo-government-enforces-law-curb-conflict-mineral-trade>

<sup>207</sup> Enough Project. “Congo's Ban on Mining an Incomplete Solution to Conflict Minerals, Says Enough Project.” September 16, 2010. <http://www.enoughproject.org/news/congos-ban-mining-incomplete-solution-conflict-minerals-says-enough-project>

<sup>208</sup> Organization for Economic Cooperation and Development. “OECD Standards Taken up in Fight against Conflict Minerals.” October 4, 2010.

[http://www.oecd.org/document/1/0,3343,en\\_2649\\_34889\\_46130881\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/1/0,3343,en_2649_34889_46130881_1_1_1_1,00.html)

<sup>209</sup> Electronics Industry Citizenship Coalition. *About the Conflict Free Sourcing Initiative*.

<http://www.conflictreesourcing.org/about/>



[Watch](#) the “Story of Electronics” from MakeITFair.

[Read](#) an article from Free the Slaves about the different types of forced labor in mining in the DRC or [go in-depth](#) with reports by Global Witness.

[Read](#) about the need for a certification system in the DRC mineral sector.

## Copper



**Copper is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

Democratic Republic of Congo (DRC) (FL, CL)  
Zambia (FL)

**Top ten countries that export copper worldwide (UN Comtrade 2012):**

1. Chile
2. Germany
3. United States
4. Japan
5. China
6. Zambia
7. Russia
8. Belgium
9. South Korea
10. Poland

**Top ten countries from which the US imports copper (UN Comtrade 2012):**

1. Chile
2. Canada
3. Mexico
4. Germany
5. China
6. South Korea
7. Peru
8. Japan
9. Other Asia (not elsewhere specified)
10. Turkey

### **Where is copper reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, forced labor or forced child labor is involved in copper production in the Democratic Republic of Congo (DRC) and Zambia.<sup>210</sup>

The U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor* notes child labor in the production of copper in the Democratic Republic of Congo (DRC).<sup>211</sup> The U.S. Department of State lists Zambia as a Tier 2 country in the *Trafficking in Persons Report*. The DRC is listed as a Tier 2 Watch List country.

<sup>210</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>211</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

### **What does trafficking and/or child labor in copper production look like?**

Children involved in copper mining are most likely working in artisanal production schemes. Miners, including children, spend their days in hand-dug mine shafts, which are often unstable, collecting stones infused with copper. Children and adults working in mines are without safety equipment, ventilation, or proper lighting. They are vulnerable to illness, collapsing mine shafts, lung damage from dust, repetitive motion stress injuries, injuries from falls, carrying heavy loads, and working long hours. At some mining sites, children are involved in ancillary activities such as fetching water, transporting stone, and preparing and selling food. In some cases, women and girls may be sexually exploited in mining camps.

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, Chinese-state owned mines in Zambia recruit and exploit Chinese and Indian men, some of whom are trafficked.<sup>212</sup> Human Rights Watch (HRW) has also reported serious exploitation, including indicators of human trafficking, of adult Zambian workers in Chinese-state owned copper mines. Human Rights Watch documented that workers in Chinese-state owned copper mines face threats and retaliation for refusing dangerous work, lack of protective equipment, and exploitation of contract miners.<sup>213</sup> The U.S. Department of State also reports that children in Zambia may be forced by gangs to load copper onto trucks in the copper belt region.<sup>214</sup>

### **Case Study:**

#### *Child labor in copper mining in the DRC*

In 2012, a BBC documentary showed children and juveniles in the DRC working in copper mining operations owned by Swiss-based company, Glencore. Miners without safety equipment were filmed climbing down mineshafts in the Tilwezembe concession. Glencore executives claimed that although they maintained ownership of the concession, they had halted operations and the mines had been overtaken by artisanal mining operations. However, the BBC documented that trucks from the mine traveled to a processing plant owned by Glencore's partner in the Congo. According to the BBC, it also appears that copper from Tilwezembe was sent to a Glencore smelter in Zambia after leaving the processing plant.<sup>215</sup>

A Bloomberg News article described the life of Adon, a homeless, orphaned 13-year-old working in artisanal copper mining operations in the DRC. Adon found work in the mines after he was thrown out of his uncle's house for accused witchcraft. He was injured in a collapsing mine shaft accident caused by flooding that killed four of his friends. Adon was paid a flat rate of three dollars a day by a middle man, which he felt was reasonable because there were some middlemen who didn't pay at all.<sup>216</sup>

### **Copper Production and Supply Chain:**

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<sup>212</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>213</sup> Human Rights Watch (HRW). *You Will Be Fired If You Refuse: Labor Abuses in Zambia's Chinese State-owned Copper Mines*. November 4, 2011. <http://www.hrw.org/reports/2011/11/04/you-ll-be-fired-if-you-refuse>

<sup>214</sup> Human Rights Watch documented that workers in Chinese-state owned copper mines face threats and retaliation for refusing dangerous work, lack of protective equipment, and exploitation of contract miners (HRW 2011).

<sup>215</sup> Sweeney, John. "Panorama Questions Over Glencore Mines." *BBC*. April 16, 2012. <http://www.bbc.com/news/17702487>

<sup>216</sup> Clark, Simon, Michael Smith and Franz Wild. "China Lets Child Workers Die Digging in Congo Mines for Copper." *Bloomberg News*. July 22, 2008. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aW8xVLQ4Xhr8>

After ore is mined, it is sold to middle men who sell to regional smelters. The middlemen may also be direct agents of the smelters.<sup>217</sup> Smelters are often owned by international companies.<sup>218</sup> The smelted product, called a “blister” is used to create “semi-finished” products such as rods, tubes, and wires. These are used in consumer and industrial goods.<sup>219</sup> Once the ore gets to the smelter it can be difficult to keep track of what mines the ore is coming from since the ores are all refined together.

### How do trafficking and/or child labor in copper production affect me?



According to US Geological Survey, copper is most frequently used for “power transmission and generation, building wiring, telecommunication, and electrical and electronic products.” Copper wires and plumbing are used in construction, telecommunications, and vehicles.<sup>220</sup>

### Examples of what governments, corporations and others are doing:

After reports of extremely hazardous conditions in the Zambian copper sector, the Zambian government committed to improving conditions. In a 2013 follow-up, however, Human Rights Watch reported that progress was inconsistent. They noted that although a state-owned enterprise reduced working hours and allowed workers greater ability to associate freely, miners still faced poor health and safety conditions as well as retaliation for asserting grievances.<sup>221</sup>

China Non-Ferrous Metal Mining Corporation (CNMC), a state-owned enterprise under the authority of China’s highest executive body, the State Council. In follow-up research in October 2012, Human Rights Watch found that CNMC’s subsidiaries made some notable improvements on reducing work hours and respecting freedom of association, but that miners continued to face poor health and safety conditions and threats by managers if they tried to assert their rights. The Zambian government has not adequately intervened to address these problems, Human Rights Watch found.<sup>222</sup>

<sup>217</sup> Clark, Simon, Michael Smith and Franz Wild. “China Lets Child Workers Die Digging in Congo Mines for Copper.” *Bloomberg News*. July 22, 2008. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aW8xVLQ4Xhr8>

<sup>218</sup> Sweeney, John. “Panorama Questions Over Glencore Mines.” *BBC*. April 16, 2012. <http://www.bbc.com/news/17702487>

<sup>219</sup> International Copper Study Group (ICSG). “Copper Production.” *The World Copper Factbook 2013*. <http://www.icsg.org/index.php/component/jdownloads/finish/170/1188>

<sup>220</sup> U.S. Geological Survey (USGS). “Copper Statistics and Information.” <http://minerals.usgs.gov/minerals/pubs/commodity/copper/>

<sup>221</sup> Human Rights Watch (HRW). Zambia. *Safety Gaps Threaten Copper Mines*. February 2013. <https://www.hrw.org/news/2013/02/20/zambia-safety-gaps-threaten-copper-miners>

<sup>222</sup> Human Rights Watch (HRW). Zambia. *Safety Gaps Threaten Copper Mines*. February 2013. <https://www.hrw.org/news/2013/02/20/zambia-safety-gaps-threaten-copper-miners>

## Corn



Corn is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce corn worldwide (FAOSTAT 2012):	Top ten countries that export corn worldwide (UN Comtrade 2012):	Top ten countries from which the US imports corn (UN Comtrade 2012):
Bolivia (CL) Guatemala (CL) The Philippines (CL) United States (CL)	1. United States 2. China 3. Brazil 4. India 5. Mexico 6. Argentina 7. Ukraine 8. Indonesia 9. France 10. Canada	1. United States 2. Brazil 3. Argentina 4. Ukraine 5. France 6. Hungary 7. India 8. Paraguay 9. Romania 10. Russia	1. Brazil 2. Canada 3. Argentina 4. Chile 5. Mexico 6. Turkey 7. Paraguay 8. Romania 9. Peru 10. France

### Where is corn reportedly produced with trafficking and/or child labor?

According to the U.S. Department of Labor's 2014 *List of Goods Produced by Child Labor or Forced Labor*, corn is reportedly produced using child labor in Guatemala, Bolivia, and the Philippines. Guatemala and the Philippines are listed by the U.S. Department of State as Tier 2 countries in the 2015 *Trafficking in Persons Report*. Bolivia is listed as a Tier 2 Watch List country.<sup>223</sup>

In the U.S., children reportedly work detassling corn. This is not necessarily considered a hazardous task but in recent years, several hazardous incidents involving teens working to detassel corn have been documented. In 2010, two juveniles working in corn fields died of electrocution.<sup>224</sup>

<sup>223</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>  
<http://www.state.gov/j/tip/rls/tiprpt/2014/226649.htm>

<sup>224</sup> Hinkel, Dan; Black, Lisa. Chicago Tribune. "Detassling Corn a Summer Rite of Passage for Many Rural Teens." August 1, 2011. [http://articles.chicagotribune.com/2011-08-01/news/ct-met-cornfield-deaths-sidebar-20110801\\_1\\_detassling-rural-teens-child-labor](http://articles.chicagotribune.com/2011-08-01/news/ct-met-cornfield-deaths-sidebar-20110801_1_detassling-rural-teens-child-labor)

### **What do trafficking and/or child labor in corn production look like?**

While the growth, production, and harvesting stages of large-scale corn farming operations are frequently fully mechanized, many small farming operations in developing countries rely on manual labor. Forced and child labor may be used for the de-tasseling of corn, particularly corn grown for human consumption. Due to the seasonal nature of the corn harvest, local teenagers and migrant workers are sometimes employed during the harvest months to work in the fields and transport grain. Violations of labor laws in the corn industry include inadequate housing, low wages, forced indebtedness, and the inability to leave the farm premises. Trafficking victims in corn production may be required to work fourteen hour work days, six to seven days per week. In many cases laborers are only allowed to buy food at inflated prices from stores owned by their employers.<sup>225</sup>

### **Case Study:**

#### *Research on Indicators of Forced Labor in the Supply Chain of Corn in Bolivia*

A 2011 Verité report found indicators of forced labor, particularly induced indebtedness, among workers in the corn sector in the Chaco region of Bolivia. Salaried corn workers took out loans from their bosses, and in some cases, felt they would never earn enough to pay back those advances. Some employers paid wages only in food. In other cases, employers provided food but at highly inflated prices, adding to worker debt. Self-employed workers who lacked cash to purchase inputs such as seeds and fertilizers took in-kind loans from intermediaries. The producers were then required to pay back the loan with their harvest, which intermediaries value below market price. Workers had low literacy levels and often could not calculate their own levels of debt. As agriculture is performed by the family unit in the Chaco region, researchers found that child labor is endemic with children as young as five beginning to work.<sup>226</sup>

### **Corn Production and Supply Chain:**

There are many steps in the corn production process, and as demand grows and technology improves the necessity of human labor decreases. Intercropping systems tend to require more human labor while strip cropping, whether continuous corn systems or a corn-soybean rotation, are usually entirely mechanized in developed countries. In many developing countries corn production still requires more human labor. Corn farmers must take into consideration when and how to plant their seeds; the recommended seeding rate and planting date change every year. The chosen rate of seeding will determine whether humans can take part in the planting of corn, and the row spacing will determine the ease and comfort level with which people will be able to care for and harvest plants. As seedlings and young corn plants grow, pesticides and herbicides that are harmful to human health are often used. In organic farming, the weeding and natural pest management that must be conducted is very labor-intensive. Once the corn has been picked, either manually or mechanically, it is divided into corn for fodder, or animal feed, and for grain.<sup>227</sup>

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<sup>225</sup> U.S. Department of Labor. *2011 Findings on the Worst Forms of Child Labor*. 2011.  
<http://www.dol.gov/ilab/programs/ocft/2011TDA.pdf>

<sup>226</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chains of Brazil Nuts, Cattle, Corn, and Peanuts in Bolivia*. 2011.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors\\_\\_9.19.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors__9.19.pdf)

<sup>227</sup> National Corn Growers Association. *2013 World of Corn*. 2013.  
<http://www.ncga.com/upload/files/documents/pdf/WOC%202013.pdf>

## How do trafficking and/or child labor in corn production affect me?



Each American consumes the equivalent of 25 pounds of corn each year. Corn is a very versatile product with food, feed and industrial uses. In the United States, the majority of corn grown is used for animal feed. Corn is also used in food and industrial products including starch, sweeteners, corn oil, beverage and industrial alcohol, and fuel ethanol. Other products that use corn include paints, adhesives, candles, drywall, plastic, textiles, soaps, carpeting, rubber tires, drywall, and fiberglass.<sup>228</sup>

The United States is the world's largest producer and one of the largest exporters of corn, with nearly 20 percent of its annual crop exported. In addition, the United States imports a large portion of the corn it consumes annually.<sup>229</sup>

### Where can I learn more?

[Read](#) this report from Verité on indicators of human trafficking for forced labor in corn production in Bolivia

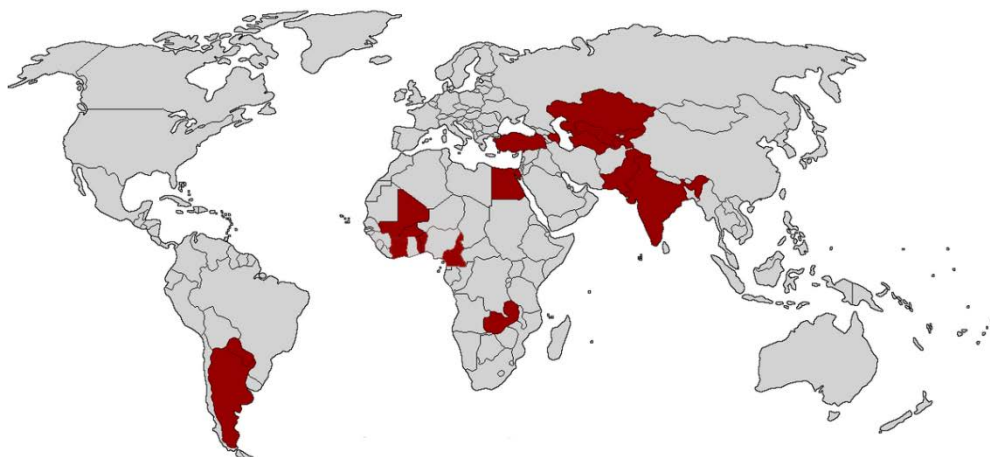
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National Corn Growers Association. *2011 World of Corn*. 2011. <http://www.ncga.com/uploads/useruploads/woc-2011.pdf>

<sup>228</sup> National Corn Growers Association. *2013 World of Corn*. 2013. <http://www.ncga.com/upload/files/documents/pdf/WOC%202013.pdf>

<sup>229</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *Detailed World Agricultural Trade Flows*. 2011. <http://faostat.fao.org/DesktopModules/Faostat/WATFDetailed2/watf.aspx?PageID=536>

## Cotton



<b>Cotton is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:</b>	<b>Top ten countries that produce cotton (lint and seed) worldwide (FAOSTAT 2012):</b>	<b>Top ten countries that export cotton worldwide (UN Comtrade 2012):</b>	<b>Top ten countries from which the US imports cotton (UN Comtrade 2012):</b>
Argentina (CL)	<i>Cotton lint:</i>	1. China	1. China
Azerbaijan (CL)	1. China	2. India	2. South Korea
Benin (FL, CL)	2. India	3. United States	3. Pakistan
Brazil (CL)	3. United States	4. Pakistan	4. India
Burkina Faso (FL, CL)	4. Pakistan	5. Hong Kong	5. Italy
Cameroon (FL)	5. Brazil	6. Australia	6. Japan
China (FL, CL)	6. Uzbekistan	7. Brazil	7. Mexico
Côte d'Ivoire (CDI) (FL)	7. Australia	8. Italy	8. Turkey
Egypt (CL)	8. Turkey	9. Turkey	9. Indonesia
India – Cottonseed (hybrid) (FL, CL)	9. Greece	10. Germany	10. Other Asia (not elsewhere specified)
Kazakhstan (FL, CL)	10. Mexico		
Kyrgyz Republic (FL, CL)			
Mali (CL)	<i>Cottonseed:</i>		
Pakistan (FL)	1. China		
Paraguay (CL)	2. India		
Tajikistan (FL, CL )	3. United States		
Togo (FL)	4. Pakistan		
Turkey (CL)	5. Brazil		
Turkmenistan (FL)	6. Uzbekistan		
Uzbekistan (FL, CL)	7. Australia		
Zambia (CL)	8. Turkey		
	9. Greece		
	10. Turkmenistan		



### **Where is cotton reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, cotton is produced with forced labor or forced child labor in Benin, Cameroon, CDI, Kyrgyz Republic/Kyrgyzstan, Tajikistan, Togo, Turkmenistan, and Uzbekistan.<sup>230</sup>

The U.S. Department of Labor's 2014 *List of Goods Produced by Child Labor or Forced Labor* includes the following countries for producing cotton with both forced and child labor: Benin, Burkina Faso, China, India (cottonseed), Kazakhstan, Tajikistan, Turkmenistan, and Uzbekistan. Countries in which child labor only was noted by the U.S. Department of Labor are: Argentina, Azerbaijan, Brazil, Egypt, Kyrgyz Republic, Mali, Paraguay, Turkey, and Zambia.<sup>231</sup>

Instances of debt bondage have been reported in Pakistan.<sup>232</sup>

Brazil, Benin, CDI, Kazakhstan, India, Tajikistan, Argentina, Azerbaijan, Brazil, Kyrgyz Republic, Paraguay, Zambia, and Turkey are listed by the U.S. Department of State *Trafficking in Persons Report* as Tier 2 countries. Burkina Faso, Egypt, Mali, China, Pakistan, Uzbekistan and Turkmenistan are Tier 2 Watch List countries.<sup>233</sup>

### **What do trafficking and/or child labor in cotton production look like?**

The nature of forced labor in cotton varies greatly from region to region. For example, in Pakistan hereditary debt ties families and communities to the land they work on. In other countries, such as Uzbekistan and China, forced labor is seasonal and enforced by mandatory labor requirements organized by the national or regional governments. In other cases, such as Benin, forced labor is tied to migrant workers, including migrant children.

In much of the world, particularly in West Africa, cotton is grown in a small-holder context. Children often work on their family's plots. Some children may be involved in worst forms of child labor if they are exposed to dangerous conditions including long hours, heat, and pesticides, and forego their education. In other cases, children perform age-appropriate light tasks and continue to participate in schooling, which does not necessarily constitute a worst form of child labor.

Child migration in West African countries, such as Burkina Faso, Mali, and Benin is also relatively common. Boys aged ten and above migrate from their rural homes to work on farms in other regions of the country, most often traveling to cotton-producing regions to assist in the cotton harvest. In some cases, these children migrate within well-established family or community "kinship" systems. This migration is not always voluntary as some children are pushed into conditions of forced labor. Some children working for farmers may not be paid until the end of the harvest cycle, if they are paid at all.

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<sup>230</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.

<http://www.state.gov/documents/organization/245365.pdf>

<sup>231</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014.

[http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>232</sup> Better Cotton Initiative. BCI scoping research on labour and social issues in global cotton cultivation. 2006.

<http://bettercotton.org/wp-content/uploads/2014/01/BCI-scoping-research-PUBLIC.pdf>

<sup>233</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.

<http://www.state.gov/documents/organization/245365.pdf>

Many times payment is deferred even longer, and the end wages are often much less than promised.<sup>234</sup> Some migrant juvenile workers may be paid in goods rather than cash according to verbal agreements with the farmer. For example, a worker may request a new bicycle and clothes at the end of the harvest.<sup>235</sup>

Until recently, the Uzbek government required children to perform seasonal work harvesting cotton. Child labor in the Uzbek harvest was banned, and the government conducted monitoring in conjunction with the ILO in the 2013 and 2014 harvests.<sup>236</sup> However, there are reports that adults are being pressed into service.<sup>237</sup> In China, some regions reportedly involve school children in cotton harvesting.<sup>238</sup> In Tajikistan, some elementary school children work in the cotton harvest. According to a 2012 monitoring report from the International Organization for Migration (IOM), much of this work is voluntary, but some may be coerced by schools.<sup>239</sup>

Children can be involved in all stages of the supply chain: cultivation, harvesting, ginning, and manufacturing. In cultivation and harvesting, child laborers are forced to work long hours – exhaustion, heat stroke, and malnutrition are common. Children are also exposed to harsh chemicals as cotton uses more insecticide than any other crop – 16 percent of global use. Exposure to these chemicals can cause tremors, nausea, weakness, blurred vision, extreme dizziness, headaches, depression, and even paralysis or death. In ginning, children work without protective equipment, inhaling contaminated air, which leads to respiratory problems.<sup>240</sup>

In the cottonseed industry in India, forced child labor is reportedly used in some regions for the cross-pollination of cottonseed plots. According to the India Committee of the Netherlands tribal children from South Rajasthan and North Gujarat are trafficked to North Gujarat.<sup>241</sup>

## Cotton Production and Supply Chain:

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<sup>234</sup> de Lange, Albertine. “Going to Kompienga.” *A Study of Child Labour Migration and Trafficking in Burkina Faso’s South-Eastern Cotton Sector*. Amsterdam: International Research on Working Children (IREWOC). August 2006.

[http://www.childtrafficking.com/Docs/lange\\_d\\_alb06gtkompienga\\_061106.pdf](http://www.childtrafficking.com/Docs/lange_d_alb06gtkompienga_061106.pdf)

<sup>235</sup> de Lange, Albertine. “Going to Kompienga.” *A Study of Child Labour Migration and Trafficking in Burkina Faso’s South-Eastern Cotton Sector*. Amsterdam: International Research on Working Children (IREWOC). August 2006.

[http://www.childtrafficking.com/Docs/lange\\_d\\_alb06gtkompienga\\_061106.pdf](http://www.childtrafficking.com/Docs/lange_d_alb06gtkompienga_061106.pdf)

<sup>236</sup> International Labor Organization. *Observation (CEACR) - adopted 2013, published 103rd ILC session (2014)*. 2014.

[http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100\\_COMMENT\\_ID:3149080](http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3149080)

<sup>237</sup> Kelley, Annie. “Uzbekistan ban on child labour forces more adults into cotton workforce.” *The Guardian*. November 13, 2014. <http://www.theguardian.com/global-development/2014/nov/14/uzbekistan-ban-child-labour-forces-adults-cotton-work>

<sup>238</sup> MacDonald, Stephen, “Progress and Problems Estimating China’s Cotton Supply and Demand” (Agricultural Outlook Forum 2007: USDA, Economic Research Service, 2 March 2007); Domoney, R. “Briefing on the Chinese Garment Industry”, (Labour Behind the Label, 2007). As cited in Environmental Justice Foundation. *Children Behind our Cotton*. 2007.

[http://ejfoundation.org/sites/default/files/public/The%20Children%20behind%20Our%20Cotton%20FINAL\\_small.pdf](http://ejfoundation.org/sites/default/files/public/The%20Children%20behind%20Our%20Cotton%20FINAL_small.pdf)

<sup>239</sup> International Organization for Migration. *Children and Student Participation in Tajikistan’s Cotton Harvest Annual Assessment 2012*. [http://publications.iom.int/bookstore/index.php?main\\_page=product\\_info&cPath=41\\_7&products\\_id=974](http://publications.iom.int/bookstore/index.php?main_page=product_info&cPath=41_7&products_id=974)

<sup>240</sup> World Vision. *Forced and Child Labour in the Cotton Industry*. March 2012. <http://campaign.worldvision.com.au/wp-content/uploads/2013/04/Forced-and-child-labour-in-the-cotton-industry-fact-sheet.pdf>

<sup>241</sup> India Committee of the Netherlands. “Trafficking of children to cottonseed fields of Gujarat.” January 2015. <http://www.indianet.nl/150120e.html>

The cotton industry is one of the largest agricultural industries, employing an estimated 300 million people.<sup>242</sup> Cotton harvesting is labor intensive, and in much of the world, cotton is grown by small-holder farmers.

After harvesting by machine or hand, raw cotton is transported to gins where it is processed. Cotton yarn is then woven into textiles, which are made into garments and home goods. Alternatively, when cottonseed is processed the meal is separated from the oil, the former to be used in animal feed and the latter to be used as cooking oil.

These production stages may occur across multiple countries, particularly for garments and textiles, making it difficult to determine where fibers in a given consumer item come from. For example, fibers from Egypt, Mali, and the United States may all be combined into one garment at a textile mill in Indonesia.

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<sup>242</sup> World Vision. *Forced and Child Labour in the Cotton Industry*. March 2012. <http://campaign.worldvision.com.au/wp-content/uploads/2013/04/Forced-and-child-labour-in-the-cotton-industry-fact-sheet.pdf>



Source: Reinhart. "About Cotton."

<http://reinhart.com/our-business/about-cotton/>

India and China are the biggest producers and exporters of cotton.<sup>243</sup> They both produce cotton products as well. China is a major importer as well, followed far behind by India, Pakistan, and the United States.<sup>244</sup>

<sup>243</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *FAOSTAT Database: Food and Agricultural Commodities Production /Countries by Commodity*. 2012. [http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries\\_by\\_commodity/E](http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries_by_commodity/E)

UN Department of Economic and Social Affairs. *UN Comtrade Database*. 2012. <http://comtrade.un.org/data/>

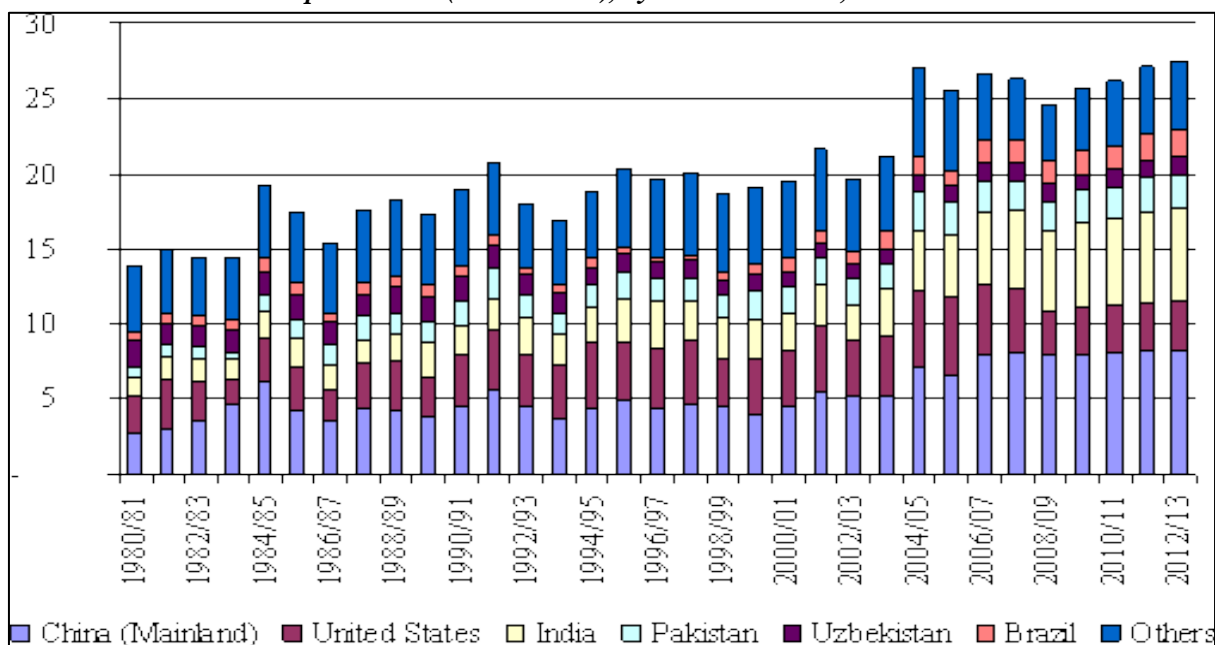
<sup>244</sup> UN Conference on Trade and Development. *Cotton: Chain*. 2004. <http://r0.unctad.org/infocomm/anglais/cotton/chain.htm>

UN Conference on Trade and Development. *Cotton: Market*. 2012. <http://r0.unctad.org/infocomm/anglais/cotton/market.htm>

UN Conference on Trade and Development. *Cotton Production and Consumption Graphs*.

<http://r0.unctad.org/infocomm/anglais/cotton/market.htm>

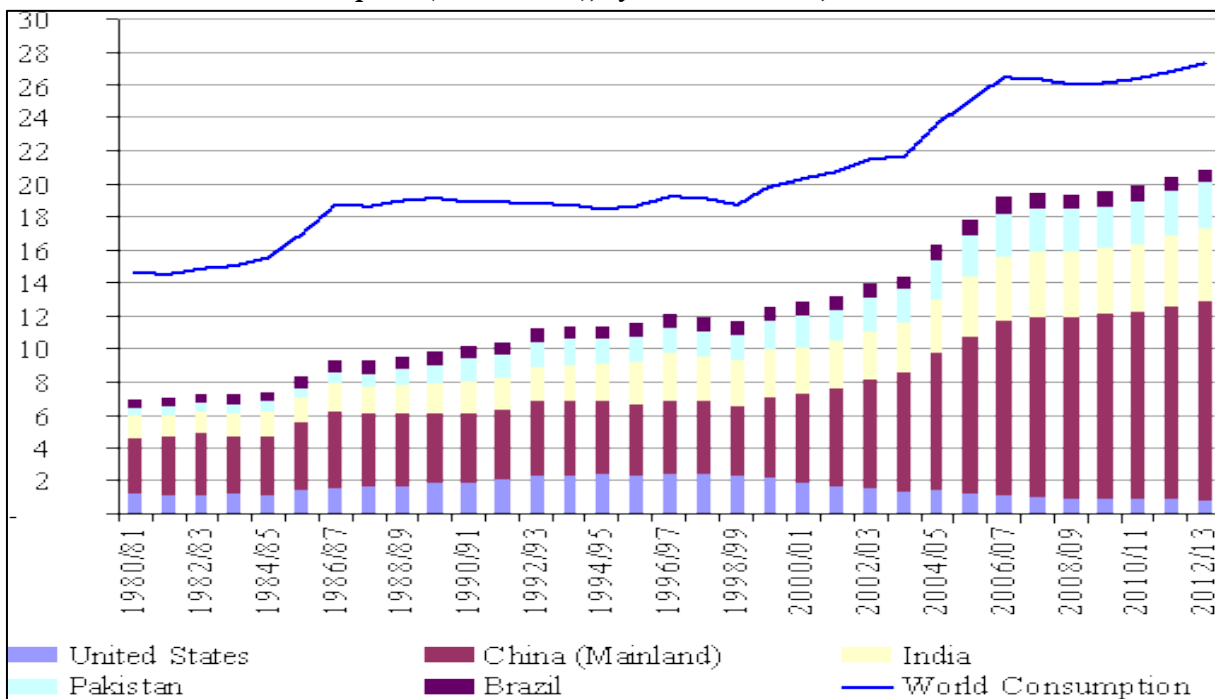
**World cotton production (million tons), by main countries, 1980/81 - 2012/13**



Source: UN Conference on Trade and Development. Cotton Production and Consumption Graphs.  
<http://r0.unctad.org/infocomm/anglais/cotton/market.htm>

\*Based on International Cotton Advisory Committee (ICAC) statistics

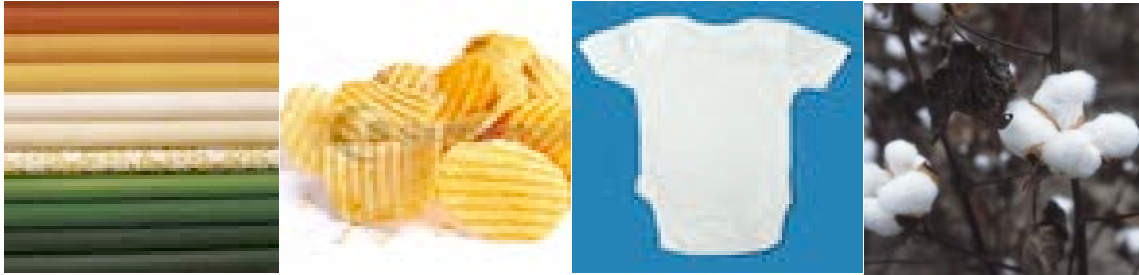
**Cotton consumption (million tons), by main countries, 1980/81-2012/13**



Source: UN Conference on Trade and Development. Cotton Production and Consumption Graphs.  
<http://r0.unctad.org/infocomm/anglais/cotton/market.htm>

\*Based on International Cotton Advisory Committee (ICAC) statistics

## How do trafficking and/or child labor in cotton production affect me?



Cotton produced using forced and/or child labor ends up in the clothes we wear, the textiles in our houses, and, through cottonseed oil, the food we eat.

### Examples of what governments, corporations, and others are doing:

The Better Cotton Initiative (BCI), a multi-stakeholder group, aims to improve cotton-growing conditions through cotton certification. Currently, certification covers the harvest to gin stages.

Organizations including The International Labor Rights Forum (ILRF) and the Responsible Sourcing Network have organized consumers and retailers to boycott Uzbek cotton until labor trafficking in the supply chain has ended.<sup>245</sup> As of September 2013, the Responsible Sourcing Network Pledge had over 150 company signatories.<sup>246</sup>

### Where can I learn more?

[Watch](#) a video by the Environmental Justice Foundation.

[Read](#) a case study by the UN Global Compact on labor trafficking in cotton.

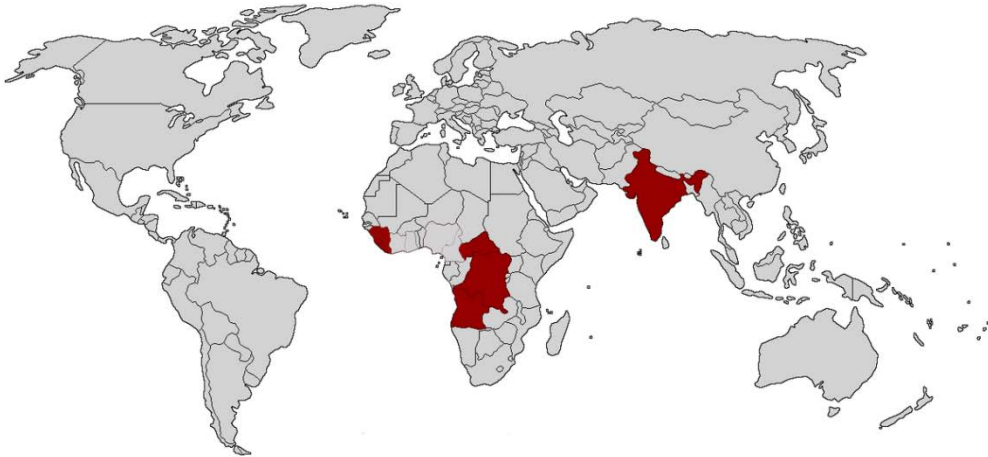
[Read about](#) the Better Cotton Initiative.

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<sup>245</sup> International Labor Rights Forum (ILRF). *Industries: Cotton*. <http://www.laborrights.org/industries/cotton>

<sup>246</sup> Responsible Sourcing Network. *Company Pledge Against Forced Child and Adult Labor in Uzbek Cotton*. May 6, 2013. <http://www.sourcingnetwork.org/the-cotton-pledge>

## Diamonds



**Diamonds are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

Angola (FL, CL)  
 Central African Republic (CL)  
 Democratic Republic of the Congo (DRC) (FL, CL)  
 Guinea (FL, CL)  
 Liberia (FL, CL)  
 Sierra Leone (FL, CL)

*Diamonds (cut and polished)*  
 India (CL)

**Top ten countries that export diamonds worldwide (UN Comtrade 2012):**

1. India
2. Belgium
3. Israel
4. United States
5. Hong Kong
6. United Kingdom
7. Botswana
8. Russia
9. China
10. Canada

**Top ten countries from which the US imports diamonds (UN Comtrade 2012):**

1. Israel
2. India
3. Belgium
4. South Africa
5. Switzerland
6. China
7. United Arab Emirates
8. Botswana
9. Hong Kong
10. Russia

### Where are diamonds reportedly produced with trafficking and/or child labor?

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, diamonds are produced with forced or forced child labor in DRC, Guinea, Liberia and Sierra Leone.<sup>247</sup> The U.S. Department of Labor’s 2014 *List of Goods Produced by Child Labor and Forced Labor* reports that diamonds are produced with forced labor in Angola and Sierra Leone, and with child labor in Angola, Central African Republic, Democratic Republic of the Congo (DRC), Guinea, Liberia, and Sierra Leone.<sup>248</sup>

In some cases, diamonds may be cut and polished with child labor in India.<sup>249</sup>

<sup>247</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.

<http://www.state.gov/documents/organization/245365.pdf>

<sup>248</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014

[http://www.dol.gov/ilab/reports/pdf/TVPR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPR_Report2014.pdf)

<sup>249</sup> U.S. Department of Labor. 2013 *Findings on the Worst Forms of Child Labor: India*. <http://www.dol.gov/ilab/reports/child-labor/india.htm>

Hussain, Sakina Sadat. NBC News. “A Diamond’s Journey: Grime Beyond the Glitter.” June 26, 2009.

[http://www.nbcnews.com/id/15842528/ns/world\\_news/t/diamonds-journey-grime-behind-glitter/](http://www.nbcnews.com/id/15842528/ns/world_news/t/diamonds-journey-grime-behind-glitter/)

The U.S. Department of State 2015 *Trafficking in Persons Report* lists India, Sierra Leone, Angola and Liberia as Tier 2 countries. Guinea and DRC are listed as Tier 2 Watch List countries. Central African Republic is listed as a Tier 3 country.<sup>250</sup>

### **What does trafficking and/or child labor in diamond production look like?**

According to anecdotal reports, trafficking in Angola's diamond sector is a result of bonded labor in which "sponsors" pay for a miner's expenses and are reimbursed through a portion of the mined diamonds.<sup>251</sup> In Sierra Leone, miners, mostly young men, enter into bonded labor whereby they receive tools and housing but no compensation for their work.<sup>252</sup>

In Angola, Zimbabwe, DRC, Sierra Leone, and Liberia, diamonds have been linked with the funding of violent and protracted civil wars, which inspired the phrase 'blood diamonds.' In June 2009, Human Rights Watch (HRW) reported that Zimbabwe's army used forced and child labor to mine diamonds in eastern Zimbabwe, specifically in the Marange fields.<sup>253</sup> Citizens that did not cooperate with the operation were allegedly beaten and tortured. There is evidence of an army led massacre of 200 local miners in 2008.<sup>254</sup> In some cases, even after the official cessation of wars, military and rebel groups continue to control the mines.

In Sierra Leone and other post-conflict societies, children, particularly orphans or children living without their parents, may work in the diamond mines as a means to support themselves and their families. Mining, though extremely hazardous, offers livelihood opportunities that are lacking in countries with collapsed economies. Due to their small size, children are used for excavation work in small pits. Children involved in diamond mining are engaged in a worst form of child labor and are exposed to heavy minerals and chemicals, mudslides, and collapsing pit walls. Mining camps around pits reportedly have high rates of HIV/AIDS as well.<sup>255</sup>

In India, children are reportedly involved in cutting and polishing diamonds. These children are exposed to repetitive stress injuries, eyesight strain, and toxic dust.<sup>256</sup>

### **Case Study:**

#### *The Kimberly Process: Protection against abuses in diamond production?*

The Kimberly Process (KP) emerged in response to the increased use of conflict or 'blood' diamonds to fund violent civil wars in Africa. It is a "joint government, industry and civil society initiative to stem the

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<sup>250</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.

<http://www.state.gov/documents/organization/245365.pdf>

<sup>251</sup> Allen, Michael. "The 'Blood Diamond' Resurfaces." *The Wall Street Journal*. June 19, 2010.

<http://online.wsj.com/article/SB10001424052748704198004575311282588959188.html>

<sup>252</sup> Boas, Morten and Anne Hatloy. *Living in a Material World: Children and Alluvial Diamond Mining in Kono District, Sierra Leone*. Fafo. 2006. <http://www.faf.no/pub/rapp/515/515.pdf>

<sup>253</sup> Human Rights Watch (HRW). "Stop Blood Diamonds." 2010.

[http://www.kintera.org/c.nIWIgN2JwE/b.5657811/k.FB1A/Stop\\_Blood\\_Diamonds/siteapps/advocacy/ActionItem.aspx](http://www.kintera.org/c.nIWIgN2JwE/b.5657811/k.FB1A/Stop_Blood_Diamonds/siteapps/advocacy/ActionItem.aspx)

<sup>254</sup> British Broadcasting Company (BBC). "Zimbabwe Army 'Runs Diamond Mine.'" June 26, 2009.

<http://news.bbc.co.uk/2/hi/africa/8120931.stm>

<sup>255</sup> Cahill, Petra. "A Diamond's Journey: Grim Reality Tarnishes Glitter." *NBC News*. June 26, 2009.

[http://www.nbcnews.com/id/15842524/ns/world\\_news-t/diamonds-journey-grim-reality-tarnishes-glitter/#.U2K21vldUyg](http://www.nbcnews.com/id/15842524/ns/world_news-t/diamonds-journey-grim-reality-tarnishes-glitter/#.U2K21vldUyg)

<sup>256</sup> Hassain, Hakina Sadat. "A Diamond's Journey: Grime behind the Glitter." *NBC News*. June 26, 2009.

[http://www.nbcnews.com/id/15842528/ns/world\\_news-t/diamonds-journey-grime-behind-glitter/#.U2FJh1fijW5](http://www.nbcnews.com/id/15842528/ns/world_news-t/diamonds-journey-grime-behind-glitter/#.U2FJh1fijW5)



flow of conflict diamonds.”<sup>257</sup> The Kimberly Process Certification Scheme is intended to guarantee that diamonds are “conflict free.” However, this process does not cover all human rights abuses but is limited to “rough diamonds used by rebel movements or their allies to finance conflict aimed at undermining legitimate governments.” The NGO Global Witness stated in 2010 that “due to the weaknesses in the Kimberley Process, and the lack of self-regulation by the diamond industry, it is still very difficult for consumers to know if they are buying a ‘clean’ diamond.”<sup>258</sup>

These debates came to a head recently in Zimbabwe, where efforts by the KP to address human rights concerns were widely seen as ineffective when the appointed monitor released disputed diamonds for shipment and sale without approval. While human rights advocates have asked that diamonds from Zimbabwe be boycotted, shipments have continued to enter the global market.<sup>259</sup> On June 23, 2011, KP chairman Mathieu Yamba officially lifted the ban on diamond exports from the Marange fields, despite evidence that “serious human rights abuses and rampant smuggling” still occurred. Human Rights Watch (HRW) called on the KP to address the labor abuses in Zimbabwe’s diamond fields. HRW stated that “serious abuses in Zimbabwe’s Marange diamond fields in recent years have exposed the KP’s inability to effectively address human rights violations by government security forces related to diamond mining.”<sup>260</sup>

In part due to the increasing criticism of the KP, Martin Rapaport, head of the Rapaport diamond trading company, endorsed a more stringent social standard in diamond production. He called for diamonds “that are legal and not directly involved in severe human rights violations ... freely, fairly and legally traded.” The phrase “directly involved in severe human rights violations” is defined as diamonds whose “physical production involves murder, rape, physical violence, or forced servitude.”<sup>261</sup>

### **Diamond Supply Chain and Production:**

Diamonds are mined through hard-rock, open-pit, or alluvial mining. Alluvial mining, where miners pan for diamonds in water, is most likely to include artisanal and small-scale mining as little specialized equipment is required. This type of diamond production is most likely to feature forced and/or child labor.

After mining, raw diamonds are sent to one of a few global diamond sorting and cutting centers. These include Tel Aviv, Israel, Antwerp, Belgium and Surat, India. At these centers diamonds from all locations are mixed together, making traceability difficult. Some producing countries, such as Zimbabwe, are also beginning to cut and polish their own diamonds.

New York and London are major centers of diamond sales. The diamond industry is very centralized, with just a few major corporations like De Beers accounting for the majority of global production and trade.

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<sup>257</sup> The Kimberley Process (KP). *Kimberley Process Certification Scheme*. [www.kimberleyprocess.com/download/getfile/4](http://www.kimberleyprocess.com/download/getfile/4)

<sup>258</sup> Global Witness. “Industry Must Refuse Diamonds Certified by Rogue Monitor.” November 16, 2010.

<http://www.globalwitness.org/library/industry-must-refuse-zimbabwe-diamonds-certified-rogue-monitor>

<sup>259</sup> Global Witness. “Industry Must Refuse Diamonds Certified by Rogue Monitor.” November 16, 2010.

<http://www.globalwitness.org/library/industry-must-refuse-zimbabwe-diamonds-certified-rogue-monitor>

<sup>260</sup> Human Rights Watch (HRW). “Zimbabwe: Diamond Abuses Show Need for Reforms.” June 4, 2012.

<http://www.hrw.org/news/2012/06/04/zimbabwe-diamond-abuses-show-need-reforms>

<sup>261</sup> Rapaport Diamond Network. *Human Rights and the Diamond Industry-The Way Forward*.

<http://www.diamonds.net/cms/Conference/2010/conferencevideos.aspx>

Eight and a half billion rough diamonds, or 65 percent of the global trade, are from African countries, including those that have been cited for forced and/or child labor.<sup>262</sup>

### How do trafficking and/or child labor in diamond production affect me?



Diamonds are used in jewelry and industrial tools.

With the slogan “A diamond is forever,” De Beers marketed diamond rings as the symbol of love and fidelity. Approximately 75 percent of American brides wear a diamond ring.<sup>263</sup> Globally, demand for diamonds is predicted to increase 4.5 percent in 2014, driven by Chinese and American consumption.<sup>264</sup>

Industrial uses of diamonds, such as cutting and drilling, account for 70 percent of all diamonds, generally those of lesser quality.<sup>265</sup>

### Examples of what governments, corporations, and others are doing:

In addition to the Kimberly Process (see case study), initiatives with a focus on diamonds include the Madison Dialogue, the Responsible Jewelry Council (RJC), and the Diamond Development Initiative. The Madison Dialogue and RJC are both voluntary company initiatives with multi-stakeholder consultative components. The RJC launched a certification system for diamonds and gold in 2009, but its systems have been criticized for loopholes.<sup>266</sup>

### How can I learn more?

[Watch](#) the National Geographic video “Diamonds of War: Africa’s Blood Diamonds”

[Listen](#) to the 2010 Diamond Conference: “Human Rights and the Diamond Industry – The Way Forward.”

[Read](#) a feasibility study on Fair Trade diamonds.

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<sup>262</sup> World Diamond Council. *Diamond Industry Fact Sheet*.

<http://www.worlddiamondcouncil.org/download/resources/documents/Fact%20Sheet%20%28The%20Diamond%20Industry%29.pdf>

<sup>263</sup> Sullivan, Courtney J. “How Diamonds Became Forever.” *New York Times*. May 3, 2013.

<http://www.nytimes.com/2013/05/05/fashion/weddings/how-americans-learned-to-love-diamonds.html>

<sup>264</sup> Biesheuvel, Thomas. “De Beers Sees Diamond Demand Growing 4.5% on US, China.” *Bloomberg News*. February 24, 2014.

<http://www.bloomberg.com/news/2014-02-14/de-beers-sees-diamond-demand-growing-4-5-on-u-s-china.html>

<sup>265</sup> World Diamond Council. *Diamond Industry Fact Sheet*.

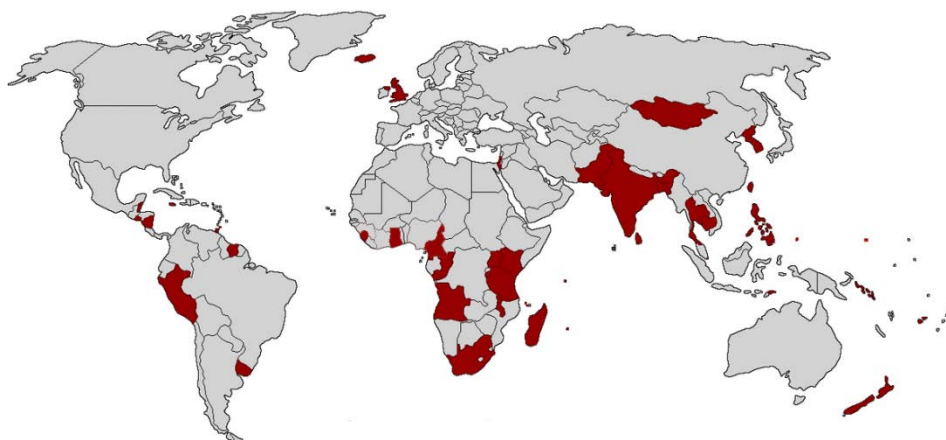
<http://www.worlddiamondcouncil.org/download/resources/documents/Fact%20Sheet%20%28The%20Diamond%20Industry%29.pdf>

<sup>266</sup> Earthworks. *How RJC Certification Fails to Create Responsible Jewelry*. May 22, 2013.

[http://www.earthworksonline.org/library/detail/more\\_shine\\_than\\_substance#.U2E-11fijW4](http://www.earthworksonline.org/library/detail/more_shine_than_substance#.U2E-11fijW4)

[Visit](#) the website of Global Witness, which in 2003 was co-nominated for the Nobel Prize for its work on blood diamonds.

## Fish



**Fish is reportedly caught/harvested/processed with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export fish worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports fish (UN Comtrade 2012):**

Angola (FL)	Mongolia (FL)	1. China	1. Canada
Bangladesh – Dried	Namibia (FL)	2. Norway	2. China
Fish (FL, CL)	New Zealand (FL)	3. United States	3. Chile
Belize (FL)	Nicaragua – Shellfish	4. Vietnam	4. Indonesia
Burundi (FL)	(CL)	5. Canada	5. Vietnam
Cambodia (CL)	Pakistan (FL)	6. Chile	6. Thailand
Cameroon (FL)	Palau (FL)	7. India	7. Ecuador
Cocos (Keeling) Islands (FL)	Peru (CL, FL)	8. Spain	8. India
Congo, Republic of (FL)	Philippines (FL, CL)	9. Netherlands	9. Mexico
El Salvador – Shellfish (CL)	Seychelles (FL)	10. Thailand	10. Norway
Fiji (FL)	Sierra Leone (FL)		
Gabon (FL)	Singapore (FL)		
Ghana – Fish; Tilapia (FL, CL)	Solomon Islands (FL)		
Iceland (FL)	South Africa (FL)		
India (FL)	Sri Lanka (FL)		
Indonesia (FL, CL)	Suriname (FL)		
Israel (FL)	Taiwan (FL)		
Jamaica (FL)	Tanzania – Nile Perch (FL, CL)		
Kenya (FL)	Thailand (FL)		
Korea (FL)	Timor Leste (FL)		
Madagascar (FL)	Trinidad and Tobago (FL)		
Malawi (FL)	Uganda (CL, FL )		
Mauritius (FL)	UK (FL)		
Micronesia (FL)	Uruguay (FL)		

### **Where are fish reportedly caught, harvested and processed with trafficking and/or child labor?**

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, forced labor or forced child labor is reported in the fishing/seafood sector in the following countries: Angola, Bangladesh, Belize, Burundi, Cameroon, Comoros, and Republic of Congo. Fiji, Gabon, Ghana, Iceland, India, Indonesia, Israel, Jamaica, Kenya, Korea, Madagascar, Malawi, Mauritius, Micronesia, Mongolia, Namibia, New Zealand, Pakistan, Palau, Peru, Philippines, Seychelles, Sierra Leone, Singapore, Solomon Islands, South Africa, Sri Lanka, Suriname, Taiwan, Tanzania, Thailand, Timor Lest, Trinidad and Tobago, Uganda, U.K., and Uruguay.<sup>267</sup>

The U.S. Department of Labor's 2014 *List of Goods Produced by Child Labor or Forced Labor* notes that fish is caught with forced labor in Ghana and Thailand. Child labor is noted in the fishing industries of Cambodia, Ghana, Indonesia, Peru, the Philippines, and Uganda. Nile Perch specifically is caught with child labor in Tanzania, and dried fish is produced with forced labor and child labor in Bangladesh. Child labor is noted in shellfish harvesting in in El Salvador and Nicaragua.<sup>268</sup> (For more information on Shrimp, click [here](#).)

The U.S. Department of State 2015 *Trafficking in Persons Report* lists Angola, Fiji, India, Kenya, Madagascar, Malawi, Micronesia, Mongolia, Palau, Seychelles, Sierra Leone, Singapore, South Africa, Uruguay, Nicaragua, Indonesia, Peru, the Philippines, Uganda, Bangladesh, and El Salvador as Tier 2 countries. Republic of Congo, Gabon, Jamaica, Mauritius, Namibia, Pakistan, Solomon Islands, Sri Lanka, Tanzania, Timor Leste, Trinidad and Tobago, Cambodia, Ghana and Tanzania are listed as Tier 2 Watch List countries. Thailand, Belize, Burundi, and Comoros are Tier 3 countries.<sup>269</sup>

Gathering region-specific data on forced labor in ocean fishing is difficult because many fishing vessels travel in international waters and have crews from multiple countries. In many instances, the country of vessel ownership, the port state, the vessel's flag state, the coastal state, and the nationality of the workers on board will all be different. For example, the U.S. Department of State reports that fishers from Indonesia, the Philippines, Vietnam, Sri Lanka, North Korea and Fiji are subject to indicators of forced labor on Taiwanese flagged vessels in Solomon Islands' territorial waters.<sup>270</sup>

### **What does trafficking and/or child labor in fishing look like?**

Verité and the ILO have identified several contributing factors to forced labor in fishing. Employment in the fishing sector is highly dependent on the local context, the size of the vessel, and the type of fishing undertaken. Fishers employed on larger boats may have relatively formal employment agreements with the captain of the vessel or fleet ownership, but contracts are rare. Workers may be recruited through formal or informal labor recruiters, to whom they owe debt for their job placement. Often workers recruited through brokers will have no advanced knowledge of their actual employer. On small boats, employment relationships are predominantly casual. The relationship may be based on traditional relationships such as patronage, leading to a high level of dependence between the worker and boss.

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<sup>267</sup> Note that this includes fishing in territorial waters of a country workers.

<sup>268</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014 [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>269</sup> U.S. Department of State. *Trafficking in Persons Report*.2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>270</sup> U.S. Department of State. *Trafficking in Persons Report*.2015. <http://www.state.gov/documents/organization/245365.pdf>

Further complicating the employment relationship, payment on both large and small fishing vessels is often based on the traditional “share” system in which worker pay is based on an allotment of net proceeds from the catch after expenses for output (food, fuel, etc.) are deducted. Under the “share” system, workers are considered ‘partners’ in the fishing venture rather than employees, and are therefore denied legal protections available to other classes of workers.<sup>271</sup>

The “share” system also means that crew members share financial risk with owners. If a voyage does not clear a profit, workers may not be compensated, leaving them vulnerable to debt. Fishers may also have their pay docked for items consumed on board including cigarettes, alcohol, medicine, and in some cases, food. These items are often deducted at highly inflated rates. In some cases, a workers’ family may also take loans from the boat ownership while the fisher is at sea. These loans are also deducted from the fisher’s pay at high interest. The many fishers who are paid under some version of the “share” system often lack visibility of the calculation of profit and therefore their wages. For example, workers interviewed in the Philippines tuna sector noted that they are barred from observing the catch being weighed, leaving them reliant on the word of the ownership and leading to a perception of being cheated.<sup>272</sup>

Rates of abuse are high on fishing vessels. Regardless of formal employment relationships, crews are generally overseen by a captain or boss. The captain or boss has a high financial stake in a profitable voyage, incentivizing abusive management practices including actual or threatened physical abuse (hitting, threats or actual violence with weapons, denial of rest), verbal abuse (yelling, threats), and other forms of intimidation.<sup>273</sup> In extreme cases, crew members have reported witnessing murders of crew members at the hands of bosses onboard vessels.<sup>274</sup>

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<sup>271</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Fish in Indonesia: Platform (Jermal) Fishing, Small-Boat Anchovy Fishing, and Blast Fishing*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector__9.16.pdf)

Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)

International Labor Organization (ILO). *Caught at Sea: Forced Labour and Trafficking in Fisheries*. 2013.  
[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_214472.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_214472.pdf)

<sup>272</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Fish in Indonesia: Platform (Jermal) Fishing, Small-Boat Anchovy Fishing, and Blast Fishing*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector__9.16.pdf)

Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)

<sup>273</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Fish in Indonesia: Platform (Jermal) Fishing, Small-Boat Anchovy Fishing, and Blast Fishing*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector__9.16.pdf)

Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)

International Labor Organization (ILO). *Caught at Sea: Forced Labour and Trafficking in Fisheries*. 2013.  
[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_214472.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_214472.pdf)

<sup>274</sup> International Labor Organization (ILO). *Caught at Sea: Forced Labour and Trafficking in Fisheries*. 2013.  
[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_214472.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_214472.pdf)

Workers aboard fishing vessels are inherently isolated, particularly on larger vessels that can stay at sea for extended periods of time, leaving workers with limited means of escape or avenues to report abuse. Fishing operations take place across national and maritime boundaries, leaving workers under the legal jurisdiction of the country in which the vessel is flagged. In cases where the vessel is using a flag of convenience, workers have severely limited legal protection.<sup>275</sup>

The ILO identifies fishing as a highly hazardous sector. Fishers routinely face hazards and dangerous conditions of work including rough weather, exposure to sun and salt water without protective clothing, slippery/moving work surfaces, regular use of knives/other sharp objects, inadequate sleeping quarters, inadequate sanitation, and lack of fresh food/water. In addition, the work itself is highly labor intensive. When setting nets or hauling a catch, workers may be required to work around the clock for days without breaks. Workers report high degrees of fatigue, which further increases the risk of accidents. In informal fishing, children are involved in diving for fish, because they are believed to have stronger lungs. These children may dive without any protective gear, putting them at high risk for injury or death. Fish processing, which can take place on board larger vessels or in port cities, carries its own risks. For example, workers who pack fish on ice often report frost bite symptoms in the fingers. Few workers are provided adequate health and safety gear. When injuries and illness do occur, medical care is rarely provided. Adult and child workers interviewed by Verité reported high levels of injury to fishing crew, as well as high rates of illness. Due to the highly hazardous nature of the work, fishing is generally considered a worst form of child labor.<sup>276</sup>

Labor rights abuses can also take place at the level of processing or canning. Burmese and Cambodian workers are also trafficked into working in fish processing plants in Thailand, through the same mechanisms that boat workers are recruited.<sup>277</sup>

Verité research found child labor in fish drying workshops in Indonesia. Girls as young as ten work alongside their mothers and are responsible for sorting, boiling, salt processing, and drying the fish. Because this work is conducted overnight, many of the girls drop out of school due to exhaustion.<sup>278</sup>

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<sup>275</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Fish in Indonesia: Platform (Jermal) Fishing, Small-Boat Anchovy Fishing, and Blast Fishing*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector__9.16.pdf)

Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)

International Labor Organization (ILO). *Caught at Sea: Forced Labour and Trafficking in Fisheries*. 2013.  
[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_214472.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_214472.pdf)

<sup>276</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Fish in Indonesia: Platform (Jermal) Fishing, Small-Boat Anchovy Fishing, and Blast Fishing*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector__9.16.pdf)

Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)

International Labor Organization (ILO). *Caught at Sea: Forced Labour and Trafficking in Fisheries*. 2013.  
[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_214472.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_214472.pdf)

<sup>277</sup> Mirror Foundation. 2011. *Trafficking and Forced Labour of Thai Males in Deep-sea Fishing (Bangkok)*. As cited in: International Labor Organization (ILO). *Employment Practices and Working Conditions in Thailand's Fishing Sector*. 2013.  
[www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms\\_220596.pdf](http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_220596.pdf)

In the Philippines tuna canning sector, Verité found indicators of exploitive labor among the primarily female workers of the facility. There has been a shift towards a highly “casual” labor system. Workers are hired through manpower cooperatives or recruiters and therefore do not have a direct relationship with the canning facilities. Several workers reported wage deductions and forced overtime.<sup>279</sup>

### **Case Study:**

#### *Labor Trafficking in the Philippines*

The Philippines is a global hotspot for human trafficking and fishing. Verité found that fishermen faced abuses such as being forced to work longer than told, being paid lower wages than promised, and having wages withheld. Additionally, competition for positions is such that workers may have to make bribes to obtain employment. Foreign workers are also at risk on ships from the Philippines. Taiwanese fishing vessels have been observed transferring foreign laborers to houseboats when they dock in a Taiwanese port and then picking up the foreign laborers before heading out to sea again. Almost 30 percent of seamen in the world are Filipino.<sup>280</sup> Further Verité research conducted between 2008 and 2011 found induced indebtedness, lack of contracts and grievance mechanisms, engagement in hazardous work, and low earnings in hand line fishing and purse seine tuna fishing in the Philippines.<sup>281</sup>

#### *Labor Trafficking and Child Labor in the Supply Chain of Fish in Indonesia*

Research performed by Verité in 2010, 2011, and early 2012, revealed appalling conditions for fishermen in Indonesia. Fishers were found to work excessively long hours around the clock, they were forced to work overtime and be on-call. They had limited freedom of movement and communication, leading to extreme isolation, and they were constantly under supervision. The living conditions for these fishermen were poor, the work was hazardous, and there was limited access to medical attention, food and fresh water. The bosses were physically and verbally abusive, wages were withheld and not paid until the end of the three-month term, and there was even evidence of workers with mental disabilities being exploited in the fishing sector. In small-boat anchovy fishing and blast fishing, Verité found child labor and conditions of debt bondage.<sup>282</sup>

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<sup>278</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Fish in Indonesia: Platform (Jermal) Fishing, Small-Boat Anchovy Fishing, and Blast Fishing*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector__9.16.pdf)

<sup>279</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)

<sup>280</sup> Verité. *Hidden Costs in the Global Economy: Human Trafficking of Philippine Males in Maritime, Construction and Agriculture*. 2007.  
<http://www.verite.org/sites/default/files/images/Verit%C3%A9%20TIP%20Report%20Male%20Trafficking.pdf>

<sup>281</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)

<sup>282</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Fish in Indonesia: Platform (Jermal) Fishing, Small-Boat Anchovy Fishing, and Blast Fishing*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Indonesian%20Fishing%20Sector__9.16.pdf)

Verité. *Research on Indicators of Forced Labor in the Supply Chain of Tuna in the Philippines*. 2012.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Philippines%20Tuna%20Sector__9.16.pdf)



### *Forced Child Labor, Lake Volta, Ghana*

In Ghana, fishermen or labor brokers approach the parents of young children and arrange to take them for training in fishing boats in the Lake Volta region. At the end of the training period, which may last up to five years, they are promised a payment of cash or goods.<sup>283</sup> Sometimes the brokers promise parents additional educational access and job training. They may also offer parents an advance for their child's work. However, abusive work conditions and lack of interim payment may mean that children enter into a situation of human trafficking.

### *Human Trafficking in Thai Fishing Sector*

In Thailand recent media stories and NGO reports have documented horrific abuses of migrant workers in the seafood sector. Migrant workers from Burma and Cambodia pay fees to brokers, often hoping to find jobs in construction or manufacturing. Instead, they may be sold to boat captains and subject to extreme violence, horrific conditions and up to 20 hours a day of forced work. Some were locked in chains and kept at sea for years.<sup>284</sup> The Thai fishing industry is deeply reliant on migrant labor as there is a labor shortage in the sector.<sup>285</sup> As fish catch decreases due to overfishing, vessels must stay at sea for longer and longer periods, and contend with sharply decreasing profit margins -- meaning that that one of the few opportunities for profit is in decreasing labor costs. These factors make it difficult to recruit workers, as those who have alternative livelihood options avoid the sector.

### **Fish Supply Chain:**



Source: UN Conference on Trade and Development. *Commodity Atlas: Fishery Products*. 2004. [http://www.unctad.org/en/docs/ditccom20041ch9\\_en.pdf](http://www.unctad.org/en/docs/ditccom20041ch9_en.pdf)

<sup>283</sup> UN Office on Drugs and Crime. *Child Trafficking in Ghana*. 2010. <http://www.unodc.org/unodc/en/frontpage/child-trafficking-in-ghana.html>

<sup>284</sup> Environmental Justice Foundation. *Slavery at Sea: The Continued Plight of Trafficked Migrants in Thailand's Fishing Industry*. March 4, 2014. <http://ejfoundation.org/node/1062>

Hodal, Kate; Kelly, Chris. The Guardian. "Trafficked into slavery on Thai trawlers to catch food for prawns." June 10, 2014. <http://www.theguardian.com/global-development/2014/jun/10/-sp-migrant-workers-new-life-enslaved-thai-fishing>.

McDowell, Robin; Mendoza, Martha; Mason, Margie. Associated Press. "Are Slaves Catching the Fish You Buy?" March 25, 2015. <http://bigstory.ap.org/article/b9e0fc7155014ba78e07f1a022d90389/ap-investigation-are-slaves-catching-fish-you-buy>

Stoakes, Emanuel; Kelly, Chris; Kelly, Annie. The Guardian. "Revealed: how the Thai fishing industry trafficks, imprisons and enslaves." July 20, 2015. <http://www.theguardian.com/global-development/2015/jul/20/thai-fishing-industry-implicated-enslavement-deaths-rohingya>.

Urbina, Ian. New York Times. "Sea Slaves: The Human Misery That Feeds Pets and Livestock." July 27, 2015. [http://www.nytimes.com/2015/07/27/world/outlaw-ocean-thailand-fishing-sea-slaves-pets.html?\\_r=1](http://www.nytimes.com/2015/07/27/world/outlaw-ocean-thailand-fishing-sea-slaves-pets.html?_r=1).

<sup>285</sup> Undercurrent News. "Thai Fishing Industry in Labor Shortage." January 22, 2015.

Fish is captured through wild-harvest catching or aquaculture (production of fish or shellfish on farms). The seafood is then collected from docks or farms and sold directly or through intermediaries to processing facilities. Processing facilities may fillet, bread, can, pickle, or otherwise process the fish. The processing facilities may be owned by brands or they might be independent suppliers. The seafood is then transported to retailers such as restaurants and supermarkets for purchase by consumer.

### How do trafficking and/or child labor in fishing affect me?



Of all fish caught, 80 percent is used for food and 20 percent is made into fishmeal and oil.<sup>286</sup>

The United Nations Conference on Trade and Development (UNCTAD) reports that “for two thirds of the world’s population, including most of the world’s poor, fish provides at least 40 percent of protein consumption.”<sup>287</sup> The United States is ranked third in terms of fish consumption, right behind China and Japan. A total of 4.8 billion pounds of seafood was consumed by Americans in 2009, 84 percent of which was imported.<sup>288</sup>

### Examples of what governments, corporations, and others are doing:

#### *Cambodia’s Response to Child Labor in the Fishing Industry*

An estimated six million people in Cambodia take part in fishing related activities in Cambodia.<sup>289</sup> Most of these people are working on a subsistence level, which means that oftentimes the whole family is involved in the labor including the children. The Cambodian Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Fisheries Administration (FiA) have been working with the Department of Labor’s Office of Child Labor, Forced Labor and Human Trafficking (OCFT) to “eliminate child labor in the sector and to improve rural livelihoods, enhance food security, and ensure sustainable development and equitable use of fisheries resource base.” In addition, FiA is working with the ILO and the United Nations Food and Agriculture Organization (FAO), among others, to “empower local communities so that farmers can participate directly, actively and equitably in fishery plans, programs and management.” The ILO and FAO held a workshop in December 2011 that educated FiA officials on child labor in fisheries. The FiA then held a national stakeholder consultation meeting a couple months later to address these issues and the National Plan of Action on Eliminating Child Labor in Fisheries & Aquaculture Sector of Cambodia was produced and officially endorsed by MAFF. The government has also included “child

<sup>286</sup> UN Conference on Trade and Development. *Commodity Atlas: Fishery Products*. 2004. [http://www.unctad.org/en/docs/ditcom20041ch9\\_en.pdf](http://www.unctad.org/en/docs/ditcom20041ch9_en.pdf)

<sup>287</sup> UN Conference on Trade and Development. *Commodity Atlas: Fishery Products*. 2004. [http://www.unctad.org/en/docs/ditcom20041ch9\\_en.pdf](http://www.unctad.org/en/docs/ditcom20041ch9_en.pdf)

<sup>288</sup> Science Daily. “US Seafood Consumption Declines Slightly in 2009.” September 13, 2010. <http://www.sciencedaily.com/releases/2010/09/100913164659.htm>

<sup>289</sup> Food and Agriculture Organization of the United Nations. *National Fisheries Sector Overview: Cambodia*. March 2011.

labor elimination targets in fishing communities” in their 10-year fishery plan and child labor concerns in the Cambodia Code of Conduct for Responsible Fisheries.<sup>290</sup>

#### *The Government of Thailand’s Response to Migrant Trafficking*

The Thai Ministry of Social Development and Human Security (MSDHS) rolled out the 2013 National Action Plan to Prevent and Suppress Human Trafficking (NAP) in the 2012-2013 fiscal year. The NAP lays out activities to combat human trafficking in Thailand, in the fishing sector specifically.

Stakeholders, including the Environmental Justice Foundation (EJF) have been critical of the plan and of the government follow-through as of 2014. EJF states that implementation of the NAP “fail[s] to address many of the systemic issues identified by the U.S. Department of State as undermining efforts to combat human trafficking within Thailand.”<sup>291</sup> And EJF investigation found that corruption is also a serious problem, with local officials enabling human trafficking.<sup>292</sup>

In 2015, the U.S. Department of State reported that the Thai government regularized the migration status of 1.6 million migrant workers. However, according to media reports, efforts to register undocumented migrant fish workers are still incomplete<sup>293</sup> and origin country verification was still pending as of July 2015.<sup>294</sup>

To address the root cause of the labor shortage in the fishing sector, the government passed new labor laws that mandated a minimum wage, as well as other working conditions such as employment contracts and holidays. However, the U.S. Department of State reported that “law enforcement, inadequate human and financial resources, lack of systemic data linkages among relevant agencies, and fragmented coordination among regulatory agencies in the fishing industry contributed to overall impunity for exploitative labor practices in this sector.”<sup>295</sup>

#### *Singapore’s Response to Migrant Workers Seeking Assistance in Port*

The U.S. Department of State reported that the government of Singapore funds Seafarers’ Welfare Centers to help fishers who seek assistance in Singapore’s ports. However, because many migrant workers are ineligible to receive work permits, they are not eligible to receive legal redress in Singapore.<sup>296</sup>

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<sup>290</sup> U.S. Department of Labor. *2012 List of Goods Produced by Child Labor or Forced Labor*. 2012.

<http://www.dol.gov/ilab/programs/ocft/pdf/2011TVPRA.pdf>

<sup>291</sup> Environmental Justice Foundation (EJF). *Slavery at Sea: The Continued Plight of Trafficked Migrants in Thailand’s Fishing Industry*. 2014. [http://ejfoundation.org/sites/default/files/public/EJF\\_Slavery-at-Sea\\_report\\_2014\\_web-ok.pdf](http://ejfoundation.org/sites/default/files/public/EJF_Slavery-at-Sea_report_2014_web-ok.pdf)

<sup>292</sup> Environmental Justice Foundation (EJF). *Slavery at Sea: The Continued Plight of Trafficked Migrants in Thailand’s Fishing Industry*. 2014. [http://ejfoundation.org/sites/default/files/public/EJF\\_Slavery-at-Sea\\_report\\_2014\\_web-ok.pdf](http://ejfoundation.org/sites/default/files/public/EJF_Slavery-at-Sea_report_2014_web-ok.pdf)

<sup>293</sup> Ashayagachat, Achara. “Migrant Fishing Worker Documentation Hampered.” *The Bangkok Post*. April 27, 2014.

<http://www.bangkokpost.com/news/local/406825/migrant-fishing-worker-documentation-hampered>

<sup>294</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.

<http://www.state.gov/documents/organization/245365.pdf>

<sup>295</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>296</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

**Where can I learn more?**

[Watch](#) a series of videos by the EJF on flags of convenience and pirate fishing.

[Read](#) a report by Verité on trafficking in the Philippines.

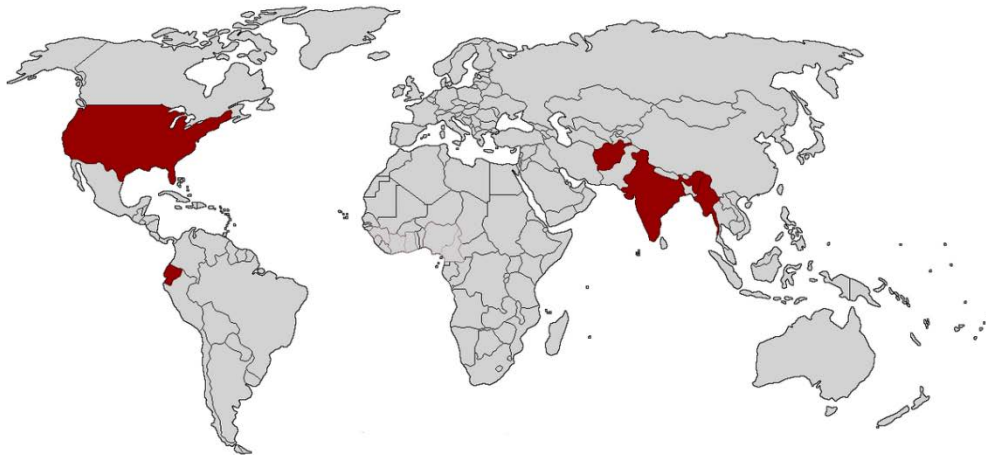
[Read](#) a report by Verité on human trafficking for forced labor indicators in the supply chain of fish in Indonesia.

[Read](#) a report by Verité on human trafficking for forced labor indicators in the supply chain of tuna in the Philippines

[Read](#) a report by the EJF about labor abuses in fishing.

[Read](#) a report by the International Transport Workers Federation on labor abuses in fishing and transport.

## Flowers



**Flowers are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export flowers worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports flowers (UN Comtrade 2012):**

Afghanistan (CL)

Burma – sunflowers (FL)

Ecuador (CL)

India (FL)

United States (FL)

1. Netherlands

2. Colombia

3. Ecuador

4. Malaysia

5. Ethiopia

6. China

7. Thailand

8. Mexico

9. Spain

10. Germany

*Not Available*

### **Where are flowers reportedly produced with trafficking and/or child labor?**

The U.S. Department of State 2015 *Trafficking in Persons Report* notes the possibility of trafficking in the Indian floriculture sector.<sup>297</sup>

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, flowers are harvested using child labor in Ecuador and Afghanistan. Sunflowers are reportedly produced using forced labor in Burma.<sup>298</sup>

There is some evidence that migrant workers experience indicators of forced labor in the plant nursery sector in the United States<sup>299</sup>

<sup>297</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>298</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014 [http://www.dol.gov/ilab/reports/pdf/TVPRR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRR_Report2014.pdf)

The U.S. Department of State 2015 *Trafficking in Persons Report* lists Afghanistan, Ecuador and India as Tier 2 countries. Burma is listed as a Tier 2 Watch List country. The United States is listed as a Tier 1 country.<sup>300</sup>

### **What does trafficking and/or child labor in flower production look like?**

In 2000, the International Labor Organization reported that 20 percent of 60,000 flower workers in Ecuador were children who were forced to work in the industry for financial reasons, instead of attending school. Children in flower production are exposed to physically strenuous labor, long hours, and dangerous chemicals in the form of pesticides and herbicides. Fair Trade USA reported that workers (including children) in the flower industry are exposed to health risks from inhaling pesticides and fuel fumes and can develop asthma.<sup>301</sup> These workers work seven days a week and are rarely allowed sick time or days off. Fair Trade USA claims that medical care and educational resources are very limited for workers in the cut flower industry.<sup>302</sup>

The International Labor Rights Fund (ILRF) reports that workers in the flower sector are routinely required to work overtime (up to 20 hours a day) without extra pay, particularly around high periods such as before Valentine's Day.<sup>303</sup>

Women, who are heavily represented in the flower sector, are subjected to endemic sexual violence and harassment, facilitated by solitary work conditions and long hours. Incidents are rarely reported, as women fear reprisal from their supervisors. Furthermore, the very poor women who often work in the flower sector may fear losing their jobs altogether if they report the abuse.<sup>304</sup>

In the United States, a lawsuit against Imperial Nurseries charges that agents of Imperial confiscated Guatemalan H-2B workers' passports to prevent their escape, forced them to work nearly 80 hours a week for far less than minimum wage, denied them emergency medical care, and threatened them with jail and deportation if they complained. Workers interviewed by Verité indicated that their freedom of movement was severely curtailed. Eight workers were housed in a small two bedroom apartment in a dangerous neighborhood in Hartford, CT where they were either afraid to talk to people or were unable to do so due to language barriers. They also reported that they were specifically told not to leave the apartment and that two Mexican supervisors were housed with them to ensure that they did not escape. The employers threatened to report workers to immigration services if they tried to leave.<sup>305</sup>

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<sup>299</sup> Verité. *Immigrant Workers in US Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor*. 2010. [https://www.verite.org/sites/default/files/images/HELP%20WANTED\\_A%20Verite%CC%81%20Report\\_Migrant%20Workers%20in%20the%20United%20States.pdf](https://www.verite.org/sites/default/files/images/HELP%20WANTED_A%20Verite%CC%81%20Report_Migrant%20Workers%20in%20the%20United%20States.pdf)

<sup>300</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>301</sup> Fair Trade USA. "Fair Trade Romance? Why Fair Trade Flowers Matter on Valentine's Day." Triple Pundit. February 7, 2013. <http://www.triplepundit.com/2013/02/fair-trade-romance-fair-trade-flowers-matter-valentines-day/>

<sup>302</sup> Fair Trade USA. "Fair Trade Romance? Why Fair Trade Flowers Matter on Valentine's Day." Triple Pundit. February 7, 2013. <http://www.triplepundit.com/2013/02/fair-trade-romance-fair-trade-flowers-matter-valentines-day/>

<sup>303</sup> International Labor Rights Fund (ILRF). *Flowers*. <http://www.laborrights.org/creating-a-sweatfree-world/fairness-in-flowers>

<sup>304</sup> International Labor Rights Fund (ILRF). *Sexual Harassment in the Workplace: The Cut Flower Industry*. April 2005. <http://www.laborrights.org/sites/default/files/publications-and-resources/Ecuador.pdf>

<sup>305</sup> Verité. *Immigrant Workers in US Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor*. 2010. [https://www.verite.org/sites/default/files/images/HELP%20WANTED\\_A%20Verite%CC%81%20Report\\_Migrant%20Workers%20in%20the%20United%20States.pdf](https://www.verite.org/sites/default/files/images/HELP%20WANTED_A%20Verite%CC%81%20Report_Migrant%20Workers%20in%20the%20United%20States.pdf)

## How do trafficking and/or child labor in flower production affect me?



Flowers are in high demand in the United States as representations of love and affection during the holiday season. Almost ninety percent of America's Valentine's Day flowers are imported, and most of those flowers are from Colombia and Ecuador.<sup>306</sup> Ecuador is known to employ children in their cut flower industry.<sup>307</sup> The International Business Times found that, during the Valentine's Day season, workers were forced to work up to twenty hours per day, and the increased demand for labor increased the chances that children would be hired.<sup>308</sup> The U.S. International Trade Commission reports that importing flowers from growers in South America and Africa is preferred over domestic production due to lower worker wages, lower land and resource costs, and weaker currency value.<sup>309</sup>

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<sup>306</sup> Thakur, Monami. "Valentine's Day: Demand for Rose Soars in US, 90 Percent Imported." *International Business Times Media, Inc.* February 14, 2012. <http://www.ibtimes.com/valentines-day-demand-rose-soars-us-90-percent-imported-photos-554189#>

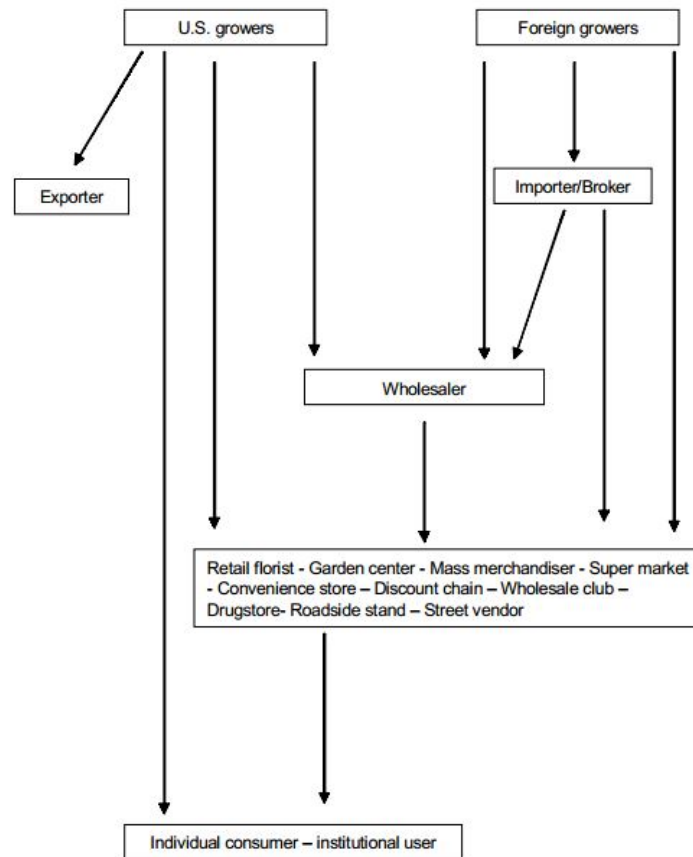
<sup>307</sup> U.S. Department of Labor. *2011 Findings on the Worst Forms of Child Labor*. 2011. <http://www.dol.gov/ilab/programs/ocft/2011TDA.pdf>

<sup>308</sup> Thakur, Monami. "Valentine's Day: Demand for Rose Soars in US, 90 Percent Imported." *International Business Times Media, Inc.* February 14, 2012. <http://www.ibtimes.com/valentines-day-demand-rose-soars-us-90-percent-imported-photos-554189#>

<sup>309</sup> U.S. International Trade Commission, Office of Industries. *Industry & Trade Summary: Cut Flowers*. February 2003. <http://www.usitc.gov/publications/332/pub3580.pdf>

## Flower Production and Supply Chain:

Major distribution channels for fresh cut flowers in the United States



Source: US International Trade Commission, Office of Industries. *Industry & Trade Summary: Cut Flowers*. February 2003.

<http://www.usitc.gov/publications/332/pub3580.pdf>

In South America, seeds, seedlings, and flower cuttings are often imported from labs to be planted in greenhouses or fields. Some plants can last a number of years and produce hundreds of blooms. Flower plants can take weeks to mature and produce blooms, during which time workers must care for the plants, often by applying harmful pesticides and herbicides. After plants mature, flowers are cut, usually by hand, and shipped to the United States and Europe for sale.<sup>310</sup>

### Examples of what governments, corporations, and others are doing:

The 'Ecuador without Child Labor' government policy aims to gather child labor data, raise awareness and strengthen labor inspections. Under the policy, government agencies partner with private sector actors

<sup>310</sup> U.S. International Trade Commission, Office of Industries. *Industry & Trade Summary: Cut Flowers*. February 2003. <http://www.usitc.gov/publications/332/pub3580.pdf>



to coordinate actions and promote joint programs to address child labor in agriculture, livestock, construction and flower sectors.<sup>311</sup>

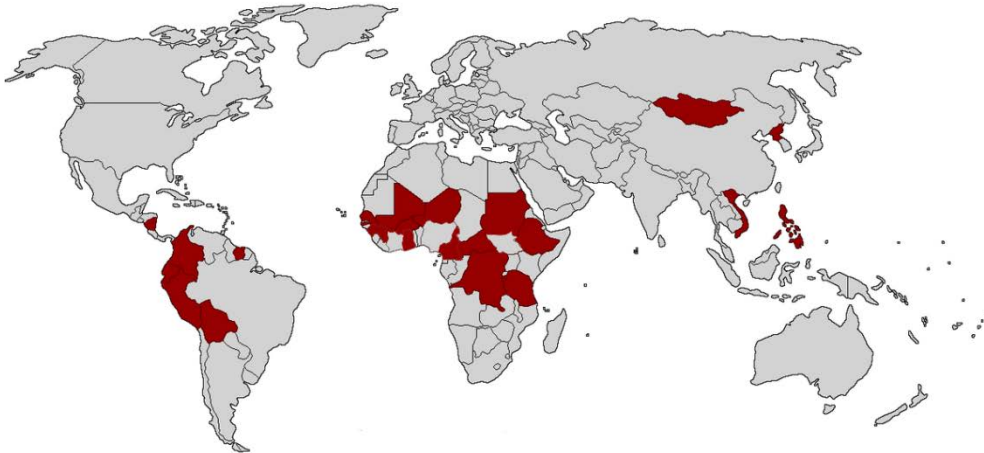
**Where can I learn more?**

[Watch](#) this video on labor conditions on U.S. owned flower plantations

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<sup>311</sup> U.S. Department of Labor. *2013 Findings on the Worst Forms of Child Labor: Ecuador*. 2013.  
<http://www.dol.gov/ilab/reports/child-labor/ecuador.htm>

## Gold



**Gold is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export gold worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports gold (UN Comtrade 2012):**

Bolivia (CL)  
 Burkina Faso (FL, CL)  
 Burundi (FL)  
 Cameroon (FL)  
 Central African Republic (FL)  
 Colombia (CL)  
 Democratic Republic of Congo (DRC) (FL, CL)  
 Ecuador (CL)  
 Ethiopia (CL)  
 Ghana (CL, FL)  
 Guinea (CL)  
 Indonesia (CL)  
 Mali (FL, CL)  
 Mongolia (CL)  
 Nicaragua (CL)  
 Niger (FL, CL)  
 North Korea (FL)  
 Peru (FL, CL)  
 Philippines (CL)  
 Senegal (FL, CL)

1. Saudi Arabia  
 2. Spain  
 3. Hong Kong  
 4. United States  
 5. Mexico  
 6. Tanzania  
 7. Peru  
 8. Canada  
 9. Turkey  
 10. Argentina

1. Mexico  
 2. Colombia  
 3. Canada  
 4. Peru  
 5. Bolivia  
 6. Curacao  
 7. Guatemala  
 8. Guyana  
 9. Ecuador  
 10. Chile

Suriname (FL, CL)  
Sudan (FL)  
Suriname (FL, CL )  
Tanzania (CL)  
Vietnam (FL)

### **Where is gold reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, gold is reportedly produced with forced labor or forced child labor in Burkina Faso, Burundi, Cameroon, Central African Republic (CAR), Democratic Republic of Congo (DRC), Ghana, Mali, Niger, Peru, Senegal, Sudan, Suriname, and Vietnam.<sup>312</sup>

The Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor* notes that forced labor in gold production is found in Burkina Faso, the Democratic Republic of the Congo (DRC), North Korea, and Peru, and child labor is found in Bolivia, Colombia, the DRC, Ecuador, Ethiopia, Ghana, Guinea, Indonesia, Mali, Mongolia, Nicaragua, Niger, Peru, the Philippines, Senegal, Suriname, and Tanzania.<sup>313</sup> Child labor has been reported in gold mining in Burkina Faso.<sup>314</sup>

The U.S. Department of State *Trafficking in Persons Report* lists. Nicaragua, Cameroon, Niger, Sudan, Surinam, Vietnam, Colombia, Ecuador, Ethiopia, Indonesia, Mongolia, Niger, Peru, Philippines, and Senegal are listed as Tier 2 countries. Burkina Faso, Sudan, Surinam, Guinea, Mali, Suriname, DRC, Ghana and Tanzania are listed as Tier 2 Watch List countries. Burundi and North Korea are listed as Tier 3 countries.<sup>315</sup>

### **What does trafficking and/or child labor in gold production look like?**

Forced labor in gold production can be linked to migrant workers or to debt-bondage. In the case of debt bondage, middlemen sell artisanal and small-scale miners supplies at inflated prices which miners are unable to pay back, resulting in a cycle of debt. This form of forced labor is most common in Latin America, where labor trafficking also occurs in illegal gold mines. The control of illegal gold mines by

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<sup>312</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>313</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014 [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>314</sup> Unicef. Getting Children out of Gold Mining in Burkina Faso. [http://www.unicef.org/protection/burkinafaso\\_73787.html](http://www.unicef.org/protection/burkinafaso_73787.html)

<sup>315</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

criminal groups in Peru and Colombia increases workers' risk to human trafficking.<sup>316</sup> Revenue generated from illegal gold exports rivals cocaine as a generator of illicit revenue in Peru.<sup>317</sup> According to a 2012 report, profits for criminal groups from illegal gold mining have surpassed the revenue generated from coca in eight provinces in Colombia.<sup>318</sup>

Human trafficking in the DRC occurs in North and South Kivu where armed groups control mines, including gold mines. Miners may be forced to work under threat of violence or may be required to pay a "tax" to armed groups. Profits from gold mining, as well as mining of minerals such as cassiterite, columbite-tantalite and wolframite, fund the on-going conflict in the country.<sup>319</sup> In Sudan, the U.S. Department of State noted reports that tribal conflicts of control of the mines increased children forced in acting as child soldiers.<sup>320</sup>

Discoveries of gold in a region can lead to "rushes," particularly in areas where people have lost other livelihood options. Rushes can also create labor shortages in other sectors, such as agriculture. These rushes can precipitate large scale migrations and the creation of a highly vulnerable population living in isolation in mining camps. In the Kedougou region of Senegal, for example, villagers who cannot support their families through agriculture or have lost their land to logging have turned to gold mining as a necessity. They are joined by international migrants from the neighboring countries of Mali, Guinea, Gambia, Ghana, Burkina Faso, Togo, and Nigeria. In many cases, migrant workers in the mining sector include children and juveniles, either travelling with their families or independently.<sup>321</sup>

In general, child laborers in gold mining include both children working voluntarily as a means of supporting themselves or their families as well as children who have been trafficked. In the case of child trafficking in West Africa, children from local communities and neighboring countries have been trafficked into informal gold mining.<sup>322</sup>

Gold mining and processing presents serious health hazards to all workers, especially children, in countries such as Tanzania, Burkina Faso, Mali, Ethiopia, Ghana, Guinea, Indonesia, Mongolia, Nicaragua, Niger, Senegal, Suriname, Tanzania, and Peru. The mining shafts, in which workers, including teenage boys, often work are usually unstable, and children can suffer severe injuries and deaths from

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<sup>316</sup> Verité. *Risk Analysis of Indicators of Forced labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf> Yagoub, Mimi. Insight Crime. "Peru, Colombia Join Forces to Tackle Illegal Gold." May 7, 2014. <http://www.insightcrime.org/news-briefs/peru-colombia-join-forces-illegal-gold-mining>

<sup>317</sup> Verité. *Risk Analysis of Indicators of Forced labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf>

<sup>318</sup> Ramsey, Geoffrey. "Gold Overtaking Coca for Colombia's Gangs: Report." *Insight Crime*. September 12, 2012. <http://www.insightcrime.org/news-analysis/colombian-armed-groups-coca-mining>

<sup>319</sup> Free the Slaves. *The Congo Report: Slavery in Conflict Minerals*. June 2011. <https://www.freetheslaves.net/document.doc?id=243>

Global Witness. *Faced With A Gun, What Can You Do?* 2009.

<https://www.globalwitness.org/sites/default/files/pdfs/englishsummary.pdf>

<sup>320</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>321</sup> Thorsen, Dorte. *Children Working in Mines and Quarries – Evidence from West and Central Africa*. UNICEF. April 2012. [http://www.unicef.org/wcaro/english/Briefing\\_paper\\_No\\_4\\_-\\_children\\_working\\_in\\_mines\\_and\\_quarries.pdf](http://www.unicef.org/wcaro/english/Briefing_paper_No_4_-_children_working_in_mines_and_quarries.pdf)

<sup>322</sup> Human Rights Watch (HRW). *Gold's Costly Dividend*. 2010. <http://www.hrw.org/features/png-golds-costly-dividend>  
Charlton, Angela. "Child Trafficking Victims Freed in Burkina Faso." *Associated Press*. November, 22 2012. <http://bigstory.ap.org/article/child-trafficking-victims-freed-burkina-faso>

falls and collapsed mine shafts.<sup>323</sup> The dust from pulverizing stone can lead to lung damage. Younger children often dig out the pits with sharp tools and carry heavy bags of ore, both of which can lead to musculoskeletal injuries.

In informal and illegal mining, powdered ore is mixed with mercury to create an amalgam that workers burn to evaporate the mercury and collect the gold. Women and children often complete this task at mining camps. This process is detrimental to the worker's health as exposure to mercury can cause developmental and neurological problems, especially among children.<sup>324</sup> Mercury may be ingested (accidentally during work or when it contaminates water), absorbed through the skin (when it is handled with bare hands or miners have to swim in mercury contaminated water), or inhaled (when the mercury is burnt off of pieces of gold). This can result in inflammation of vital organs, the inability to urinate, shock, and death. It can also result in skin lesions, irritation to the lungs, difficulty breathing, and permanent damage to the nervous system.<sup>325</sup> Verité research in Peru indicates that in some formal processing plants, workers are also exposed to cyanide with minimal Personal Protective Equipment (PPE) and many workers are exposed to mercury with little to no PPE in illegal gold mining.<sup>326</sup>

Workers, including child workers, are often required to work long shifts, sometimes working up to 24 hours at a time. Child workers miss out on educational opportunities, as mining requires children to skip or forgo school entirely. Female workers, including child workers, are frequently exposed to sexual harassment, which can lead to involvement in the commercial sex industry and increased risk of sexually transmitted infections.<sup>327</sup>

### **Case Study:**

#### *Gold Production in Burkina Faso and Mali*

The International Labor Organization (ILO) estimates that the Sahel region in West Africa accounts for a quarter of all child labor in mining. The ILO indicates that 70 percent of all children working in the area are less than 15 years old.<sup>328</sup> While the majority of gold in Burkina Faso and Mali is produced by large-scale commercial mines, often owned by foreign companies, small-scale mining offers an opportunity for income in a region ranked among the world's poorest and least developed. The vast majority of child labor is associated with these small-scale mines. Many children working in mines work alongside their families and live with their families in camps near the mines. In other cases, children, particularly juvenile boys, may migrate by themselves to seek livelihood opportunities.<sup>329</sup> Although much of the reporting has

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<sup>323</sup> Internal Verité research.

<sup>324</sup> Human Rights Watch (HRW). *Toxic Toil: Child Labor and Mercury Exposure in Tanzania's Small-Scale Gold Mines.* August 2013. <http://www.hrw.org/node/118031/>

<sup>325</sup> International Labor Organization (ILO). *Peligros, Riesgos y Daños a La Salud de Los Niños y Niñas que Trabajan en la Minería Artesanal.* Organización Internacional del Trabajo. 2005. [http://white.oit.org.pe/ipecc/documentos/cartilla\\_riesgos\\_min.pdf](http://white.oit.org.pe/ipecc/documentos/cartilla_riesgos_min.pdf)

<sup>326</sup> Verité. *Risk Analysis of Indicators of Forced Labor and Human Trafficking in Illegal Gold Mining in Peru.* 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf>

<sup>327</sup> Human Rights Watch (HRW). *Toxic Toil: Child Labor and Mercury Exposure in Tanzania's Small-Scale Gold Mines.* August 2013. <http://www.hrw.org/node/118031/>

PBS Newshour. "Children in Burkina Faso Take on Dirty, Dangerous Work of Digging up Gold." July 10, 2013. [http://www.pbs.org/newshour/bb/world-july-dec13-burkinafaso\\_07-10/](http://www.pbs.org/newshour/bb/world-july-dec13-burkinafaso_07-10/)

<sup>328</sup> International Labor Organization (ILO). *Child Labor in Gold Mining: The Problem.* June 2006. [http://www.rimmrights.org/childmining/child\\_labour\\_in\\_gold\\_mining.htm](http://www.rimmrights.org/childmining/child_labour_in_gold_mining.htm)

<sup>329</sup> Human Rights Watch (HRW). *Mali: Artisanal Mines Produce Gold with Child Labor.* December 6, 2011. <http://www.hrw.org/news/2011/12/06/mali-artisanal-mines-produce-gold-child-labor>

focused on children who migrate willingly, either individually or with their families, police have rescued children who were trafficked to gold mines in Burkina Faso.<sup>330</sup> The sex trafficking of girls in mining camps has also been reported.<sup>331</sup> The U.S. Department of State reported that women and girls are trafficked to gold mining regions for domestic labor and forced prostitution for those engaged in gold mining in Mali.<sup>332</sup>

Gold plays a critical role in the Burkinabe economy, as it accounted for 20 percent of GDP as of 2013.<sup>333</sup> Burkina Faso's major markets are Singapore, Belgium, China, Thailand, Ghana, and Niger.<sup>334</sup> Gold is significant in Mali, as it accounts for approximately 20-25 percent of GDP there as well.<sup>335</sup> Mali exports a majority of its gold to Switzerland and the United Arab Emirates.<sup>336</sup>

### *Gold Production in Peru*

The Madre de Dios region in south-eastern Peru, which accounts for over three-fourths of Peru's gold deposits according to the Peruvian National Institute of Planning, is a major site for both forced and child labor. Workers are recruited from the Andean highlands and promised high wages, food, and lodging; however, these promises are rarely ever fulfilled. Peru's Environment Minister, Mr. Antonio Brack, told NPR's Lourdes Garcia-Navarro in a September 2009 interview that "99.9 percent of all mining concessions in Madre de Dios are illegal".<sup>337</sup>

Recent Verité research found a number of different indicators of forced labor in four regions of Peru: Madre de Dios, Cusco, Puno, and Arequipa. In Madre de Dios in particular, worker interviews conducted by Verité revealed deception regarding terms of employment, induced indebtedness, physical isolation and confinement, withholding and non-payment of wages, physical abuse, the threat of denunciation to authorities, and induced addiction to illegal drugs. Verité also found evidence of sex trafficking and child labor in services related to gold mining.<sup>338</sup>

Verité's research indicates that Peru is one of the world's largest producers and exporters of gold. Verité's research also suggests that over 20 percent of Peru's gold is produced illegally and that indicators of vulnerability to trafficking are widespread in the illegal mining sector. Verité found evidence that illegal gold is often "laundered," after which it makes its way into Peru's exports and the global supply chain. Although there are few official statistics on the amount of illegally produced gold that makes its way into global markets, Verité found cases in which gold exported to Switzerland could be traced back to areas in

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<sup>330</sup> Charlton, Angela. "Child Trafficking Victims Freed in Burkina Faso." *Associated Press*. November, 22 2012. <http://bigstory.ap.org/article/child-trafficking-victims-freed-burkina-faso>

<sup>331</sup> Human Rights Watch (HRW). *Mali: Artisanal Mines Produce Gold with Child Labor*. December 6, 2011. <http://www.hrw.org/news/2011/12/06/mali-artisanal-mines-produce-gold-child-labor>

<sup>332</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>333</sup> Reuters. "Burkina Faso Gold Exports to Rise to 35 T in 2014." February 7, 2014. <http://www.reuters.com/article/2014/02/07/burkina-gold-idUSL5N0LC3DC20140207>

<sup>334</sup> U.S. Department of State. *Background Note: Burkina Faso*. September 8, 2010. <http://www.state.gov/r/pa/ei/bgn/2834.htm>

<sup>335</sup> Bindra, Tanya Kaur. Al Jazeera. "In Pictures: Digging for Gold." April 11, 2014. <http://www.aljazeera.com/indepth/inpictures/2014/04/pictures-digging-gold-mali-20144715326639973.html>

<sup>336</sup> Human Rights Watch (HRW). *Mali: Artisanal Mines Produce Gold with Child Labor*. December 6, 2011. <http://www.hrw.org/news/2011/12/06/mali-artisanal-mines-produce-gold-child-labor>

<sup>337</sup> National Public Radio (NPR). "Interoceanic Highway Lead to Peru's Gold Mines." September 15, 2009. <http://www.npr.org/templates/transcript/transcript.php?storyId=112861679>

<sup>338</sup> Verité. *Risk Analysis of Indicators of Forced Labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf>

which the vast majority of gold is produced illegally and/or in situations where indicators of vulnerability to human trafficking were present.<sup>339</sup> “One survey found that only half of the gold workers in Madre de Dios returned home with any earnings, despite the fact that their main objective for working had been to gain income for their families.”<sup>340</sup>

### **Gold Production and Supply Chain:**

The majority of the world’s gold – an estimated 75 percent in 2009 – is produced by large, multinational companies using advanced technology to extract gold in large-scale mines.<sup>341</sup> The remaining 25 percent is produced by artisanal mines.<sup>342</sup>

Generally, artisanal/informal gold mining is a more dangerous and lower-paid occupation than mining in large, formalized mines. This is due to a lack of technology or formalized structures of accountability. In cases where mines operate in protected areas and/or fail to comply with environmental, tax, and labor law, they can be classified as informal mines. They generally lack permits, do not pay taxes, lack environmental impact analyses, and have lower employment and labor standards. These mines are not necessarily small, and can operate with international capital, with profits that can run into the billions. Precisely because these mines operate outside of the purview of the state, the amount of gold that they produce often does not factor into international gold production calculations, so their scale may be extremely underestimated. Because these mines operate clandestinely and fail to abide by the law, the workers employed in these mines are generally poorer, more marginalized, and more vulnerable to extreme forms of labor exploitation, including human trafficking.<sup>343</sup>

Labor trafficking is most likely to occur in artisanal and small-scale mining operations, with a particularly heightened risk in illegal mining.

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<sup>339</sup> Verité. *Risk Analysis of Indicators of Forced labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf>

<sup>340</sup> U.S. Department of Labor. *Forced and Bonded Child Labor*. <http://www.dol.gov/ILAB/media/reports/iclp/sweat2/bonded.htm>

<sup>341</sup> Verité. *Risk Analysis of Indicators of Forced labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf>

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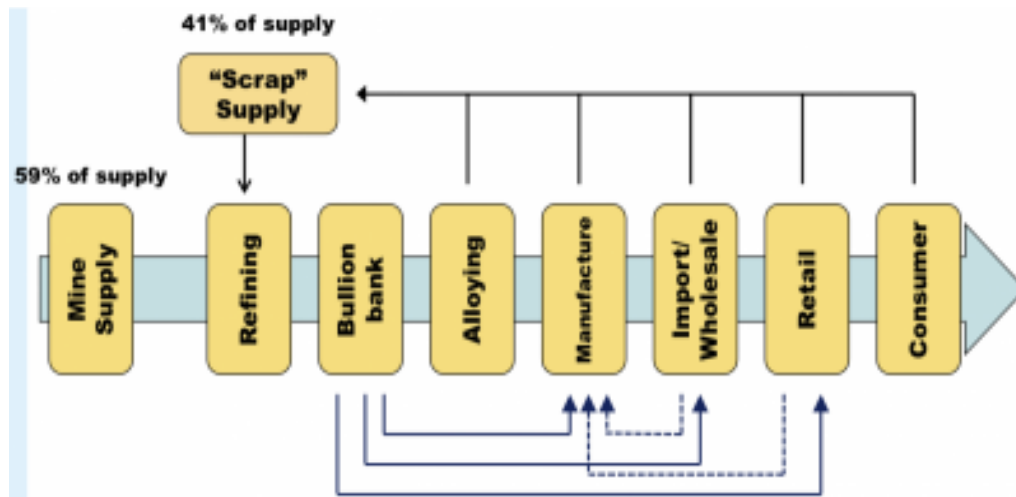
<sup>342</sup> Larmer, Brook. “The Real Price of Gold.” *National Geographic*. January 2009.

<http://ngm.nationalgeographic.com/2009/01/gold/larmer-text>

<sup>343</sup> Verité. *Risk Analysis of Indicators of Forced labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013.

<http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf> Swenson, Jennifer J. et al. Gold Mining in the Peruvian Amazon : Global Prices, Deforestation, and Mercury Imports. April 11, 2011. PLoS ONE 6(4).

<http://www.plosone.org/article/info%3Adoi%2F10.1371%2Fjournal.pone.0018875#pone.0018875--Veiga1>



Source: Responsible Jewelry Council. *Gold and the Jewelry Supply Chain*. May 18, 2010. [http://www.responsiblejewellery.com/files/RJC\\_18\\_May\\_Philip\\_Olden.pdf](http://www.responsiblejewellery.com/files/RJC_18_May_Philip_Olden.pdf)

Gold is mined either through hard-rock or alluvial mining. In hard-rock mining, minerals and metals are extracted from rock, which can be done in large open-pit mining or in tunnels that are dug into rock faces. In alluvial mining, minerals and metals are extracted from water. This can be done through panning in rivers; sluicing, in which water is combined with materials (such as sand and dirt) and is channeled into boxes that sift and separate the minerals and metals from the material; and dredging, in which minerals and metal-laced sediment are sucked up from sediment in bodies of water.<sup>344</sup>

After the gold is mined, it must be separated from the material that bears it. In hard-rock mining, the rock is often ground into dust. The gold can either be separated using gravity concentration or chemical processes. Both mercury and cyanide are used and these chemicals must then be burnt off.<sup>345</sup> In artisanal and small-scale mining, mercury is used, and this dangerous process may take place in or around miners' homes.<sup>346</sup> Gold mined by artisanal miners is generally sold to local middlemen or traders, who in turn, sell the gold to processors, trading houses, or exporters.<sup>347</sup>

Once gold reaches refineries in countries including the United States and Switzerland, it becomes even more difficult to identify the origin of the gold as gold from all over the world may be mixed and processed together. Refineries sell gold to banks, jewelry companies, and electronic producers around the world.<sup>348</sup> After gold is mined and processed, it may be mixed with stronger metals to create an alloy. Processed gold is sold to manufacturers, who produce jewelry and other goods, as well as retailers

<sup>344</sup> Ethical Gold Fund. Mining Process. <http://www.ethicalgoldfund.com/#!mining-process/c248p>

<sup>345</sup> Verité. *Risk Analysis of Indicators of Forced labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf>

<sup>346</sup> UN Environmental Program (UNEP). *A Practical Guide : Reducing Mercury Use in Artisanal and Small Scale Gold Mining*. July 2012.

[http://www.unep.org/chemicalsandwaste/Portals/9/Mercury/Documents/ASGM/Techdoc/UNEP%20Tech%20Doc%20APRIL%202012\\_120608b\\_web.pdf](http://www.unep.org/chemicalsandwaste/Portals/9/Mercury/Documents/ASGM/Techdoc/UNEP%20Tech%20Doc%20APRIL%202012_120608b_web.pdf)

<sup>347</sup> Human Rights Watch (HRW). *Mali: Artisanal Mines Produce Gold with Child Labor*. December 6, 2011.

<http://www.hrw.org/news/2011/12/06/mali-artisanal-mines-produce-gold-child-labor>

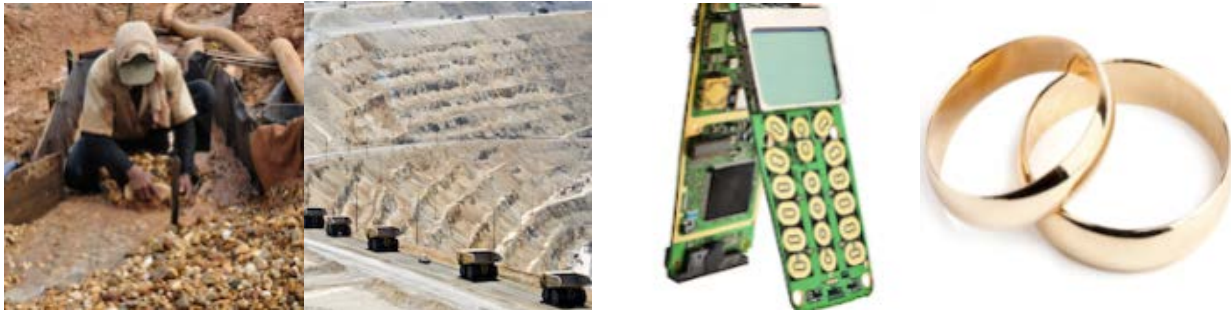
<sup>348</sup> Verité. *Risk Analysis of Indicators of Forced labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf>



(Responsible Jewelry Council). Because of the use of scrap gold and the mixing of gold from multiple sources, it is very difficult to track the origin of the gold in specific products.

According to Earthworks – an NGO that seeks to promote environmental and social standards in gold mining – “half of the world's gold is produced on indigenous peoples' lands.” Additionally, it is estimated that 30 percent of miners are women and children. Women in particular are likely to be involved in gold processing, subjecting them to the dangers of mercury exposure, which include birth defects and a range of neurological symptoms.<sup>349</sup>

### How do trafficking and/or labor in gold production affect me?



Jewelry accounts for the majority of all gold use. Due to its high conductivity, gold is also used in electronics such as cell phones and laptops. Small amounts of gold are also used in dentistry, medicine, and in the banking sector. In 2012, consumers possessed approximately 75 to 80 percent of the world's gold in 70,000 to 80,000 tons of jewelry, as well as other consumer goods, coins, and gold bullion. As of 2000, approximately 20 to 25 percent of the world's gold was held as bullion by central banks, which held about 30,000 tons of bullion, including 8,139 by the United States, 3,469 by Germany, 3,217 by the IMF, 3,025 by France, and 2,590 by Switzerland.<sup>350</sup>

The largest producers of gold are China, Australia, the United States, South Africa, and Peru.<sup>351</sup> India and China are the largest consumers of gold. Cultural traditions in India require large amounts of gold jewelry. India consumed 773.6 tons of gold in 2007, about 20 percent of the world gold market at the time. China followed India as the second largest consumer in 2007 with 363.3 tons consumed, and the United States came in third with 278.1 tons consumed.<sup>352</sup>

In addition to using a large amount of gold in its banking sector, Switzerland is a global clearinghouse for gold, with much of the gold it imports eventually making its way into gold bullion, jewelry, watches, and electronics that end up in the hands of consumers in countries around the world. The U.S. Geological Survey reported that only 2,700 metric tons of gold were produced worldwide in 2011, meaning that up to 96 percent of the world's gold may go to Switzerland at one point or another.<sup>353</sup>

### Gold and the Environment:

<sup>349</sup> No Dirty Gold. *Where Gold is Mined*. [http://www.nodirtygold.org/stdnt\\_where.cfm](http://www.nodirtygold.org/stdnt_where.cfm)

<sup>350</sup> Bullionmark. *How Much Gold is There?* 2012. <http://www.bullionmark.com.au/how---much---gold---is---there>

<sup>351</sup> U.S. Geographical Survey. *Gold*. 2010. <http://minerals.usgs.gov/minerals/pubs/commodity/gold/mcs-2010-gold.pdf>

<sup>352</sup> National Geographic. *The Real Price of Gold*. <http://ngm.nationalgeographic.com/print/2009/01/gold/larmer-text>

<sup>353</sup> Mariani, Daniel. “Switzerland: the World's Gold Hub.” *Swissinfo.ch*. October 12, 2012. [http://www.swissinfo.ch/eng/business/Switzerland:\\_the\\_world\\_s\\_gold\\_hub.html?cid=33706126](http://www.swissinfo.ch/eng/business/Switzerland:_the_world_s_gold_hub.html?cid=33706126)

In addition to being linked with forced labor, gold production is highly destructive environmentally. Cyanide and mercury are used to separate gold particles, and smelting produces 13 percent of all sulfur dioxide annually.<sup>354</sup> The chemicals used in gold production pollute water and surrounding land and affect human health. For example, in the Madre de Dios region in Peru, the Amazon Conservation Association (ACA) estimates that 30 to 40 tons of mercury are dumped annually. This causes more than half of the commonly eaten fish to contain unsafe amounts of mercury and 78 percent of residents to have unsafe levels of mercury in their blood.<sup>355</sup> HRW reports that artisanal gold mining, such as that practiced in Madre de Dios, is “one of the largest sectors for mercury use globally”.<sup>356</sup>

Additionally, gold production is linked with deforestation. In the Madre de Dios region alone, 370,000 acres of rainforest have been lost to gold mining, with no signs indicating that the deforestation will cease.<sup>357</sup> In the Sahel Region in West Africa, gold mining is contributing to drastic deforestation and desertification as trees are cut down to line mine shafts.<sup>358</sup>

### **Examples of what governments, corporations, and others are doing:**

The Organization for Economic Co-operation and Development (OECD) is undertaking a high-level initiative to develop a due diligence policy for coltan, tungsten, tin and gold mining in conflict and high-risk scenarios, particularly the DRC. Forced labor is one of the indicators of "intolerable abuses" in this due diligence guide.<sup>359</sup>

A number of organizations address social and environmental standards in gold mining. These include the Responsible Jewelry Council (RJC), a membership organization which aims to improve conditions in gold and diamond supply chains. In 2009, the RJC initiated a certification program for all members of the gold and diamond supply chain requiring obligatory third party auditing.<sup>360</sup>

No Dirty Gold, a campaign from the NGO Earthworks, seeks to promote environmental and social standards in gold mining. As of March 2011, more than 70 companies had signed on to the No Dirty Gold's “12 Golden Rules” for sourcing, including eight out of 10 of the top jewelry retailers, with Target being the most recent addition.<sup>361</sup> The Madison Dialogue is another industry-focused organization which

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<sup>354</sup> No Dirty Gold. *Where Gold is Mined*. [http://www.nodirtygold.org/stdnt\\_where.cfm](http://www.nodirtygold.org/stdnt_where.cfm)

<sup>355</sup> Amazon Conservation Association. *Fact Sheet: Illegal Gold Mining in Madre de Dios, Peru*. [http://www.amazonconservation.org/pdf/gold\\_mining\\_fact\\_sheet.pdf](http://www.amazonconservation.org/pdf/gold_mining_fact_sheet.pdf)

Collins, Dan. “Peru’s Gold Rush Sparks Fear of Ecological Disaster.” *BBC*. December 20, 2009. <http://news.bbc.co.uk/2/hi/8411408.stm>

<sup>356</sup> Human Rights Watch (HRW). *Nigeria: Mercury in Gold Mining*. June 25, 2012. <http://www.hrw.org/features/nigeria-mercury-gold-mining>

<sup>357</sup> Amazon Conservation Association. *Fact Sheet: Illegal Gold Mining in Madre de Dios, Peru*. [http://www.amazonconservation.org/pdf/gold\\_mining\\_fact\\_sheet.pdf](http://www.amazonconservation.org/pdf/gold_mining_fact_sheet.pdf)

<sup>358</sup> The Guardian. “Battling the Effects of Gold Mining in Burkina Faso.” September 5, 2011. <http://www.theguardian.com/global-development/gallery/2011/sep/05/burkina-faso-gold-in-pictures#/?picture=378427673&index=10>

<sup>359</sup> Organization for Economic Cooperation and Development (OECD). *Draft Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*. 2010. <http://www.oecd.org/dataoecd/13/18/46068574.pdf>

<sup>360</sup> Responsible Jewelry Council. *Gold and the Jewelry Supply Chain*. May 18, 2010. [http://www.responsiblejewellery.com/downloads/RJC\\_18\\_May\\_Philip\\_Olden.pdf](http://www.responsiblejewellery.com/downloads/RJC_18_May_Philip_Olden.pdf)

<sup>361</sup> No Dirty Gold. *Where Gold is Mined*. [http://www.nodirtygold.org/stdnt\\_where.cfm](http://www.nodirtygold.org/stdnt_where.cfm)

does not offer a certification program but which seeks to build engagement in the gold and diamond supply chains.<sup>362</sup>

In March 2010, the Fairtrade Labeling Organization (FLO) and the Alliance for Responsible Mining (ARM) launched a Fair mined Standard for Gold and Associated Precious Metals. “Fairmined” gold certified under the standard must meet social, environmental, labor and economic requirements in artisanal mining communities.<sup>363</sup>

In response to the hazards mercury poses to the environment and human health, whether used in gold mining or elsewhere, the UN Environmental Program (UNEP) drafted a convention on mercury, called the Minamata Convention. The convention was agreed to in January 2013, was ratified in the U.S. in June 2013, and has since been signed by 104 countries as of September 2014 (UNEP). Signatories of the convention agree to measures limiting and controlling the mining, manufacture, storage, and trade of mercury; this includes a ban on the creation of new mercury mines and an agreement to cease operations of already operating mercury mines within fifteen years.<sup>364</sup>

#### **How can I learn more?**

[Watch](#) a video by HRW on gold mining in New Guinea.

[Read](#) a Verité report on indicators of forced labor and human trafficking in gold mining in Peru.

[Read](#) How companies can address risks of forced labor in illegal gold mining.

[Learn](#) more about the environmental effects of gold at “No Dirty Gold.”

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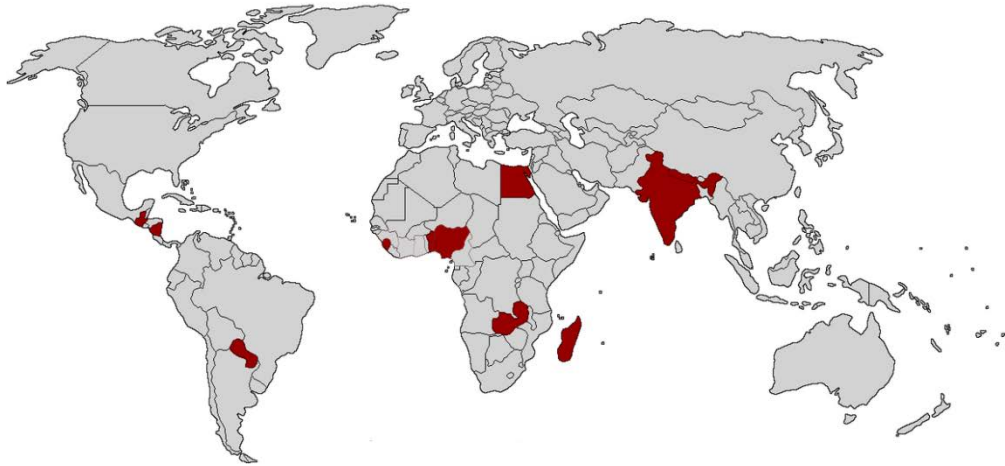
<sup>362</sup> Fair Jewelry Action. *The Madison Dialogue: A Cross-Sector Initiative*. <http://www.fairjewelry.org/the-madison-dialogue-a-cross-sector-initiative/>

<sup>363</sup> Alliance for Responsible Mining. *Fairmined Gold*. <http://www.communitymining.org/en/1-fairmined-gold>

<sup>364</sup> UN Environmental Program (UNEP). *Minimata Convention on Mercury: Text and Annexes*. October 2013.

[http://www.mercuryconvention.org/Portals/11/documents/Booklets/Minamata%20Convention%20on%20Mercury\\_booklet\\_English.pdf](http://www.mercuryconvention.org/Portals/11/documents/Booklets/Minamata%20Convention%20on%20Mercury_booklet_English.pdf)

## Granite and Other Stone



**Granite and other stones are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

*Granite:*

Benin (CL)  
Nigeria (FL, CL)  
Sierra Leone (CL)

*Gravel (crushed stone):*

Guatemala (CL)  
Nicaragua (CL)  
Nigeria (FL, CL)

*Limestone:*

Egypt (CL)  
Paraguay (CL)

*Pumice:*

Nicaragua (CL)

*Various Stones:*

India (FL, CL)  
Madagascar (CL)  
Nepal (FL, CL)  
Zambia (CL)

**Top ten countries that export granite and other stones worldwide (UN Comtrade 2012):**

*Granite:*

1. India
2. Indonesia
3. China
4. Brazil
5. Norway
6. Sweden
7. Turkey
8. Finland
9. Portugal
10. South Africa

*Stones/Gravel (crushed stone):*

1. Ukraine
2. Norway
3. Germany
4. Belgium
5. Malaysia
6. United Kingdom
7. Mexico
8. France
9. Indonesia
10. Netherlands

**Top ten countries from which the US imports granite and other stones (UN Comtrade 2012):**

*Granite:*

1. India
2. Canada
3. China
4. South Africa
5. United Kingdom
6. Uruguay
7. Italy
8. Philippines
9. Zimbabwe
10. Norway

*Stones/Gravel (crushed stone):*

1. Mexico
2. Canada
3. Bahamas
4. Honduras
5. Norway
6. Jamaica
7. Germany
8. Italy
9. New Zealand
10. Venezuela

### **Where is stone reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, granite is produced with forced labor in Nigeria and with child labor in Benin, Nigeria, and Sierra Leone.<sup>365</sup> Additionally, gravel (crushed stone) is reportedly produced with forced labor in Nigeria and with child labor in Guatemala, Nicaragua, and Nigeria (see the [Gravel and Crushed Stone](#) commodity report for more information). Child labor is reportedly used in limestone production in Egypt and Paraguay and in pumice production in Nicaragua. Various stones are reportedly produced with forced and child labor in India and Nepal and with child labor in Madagascar and Zambia.<sup>366</sup>

The U.S. Department of State 2015 *Trafficking in Persons Report* lists Nicaragua, Benin, Nigeria, Sierra Leone, Guatemala, Madagascar, Paraguay, India, Nepal and Zambia as Tier 2 Countries. Egypt is listed as a Tier 2 Watch List country.<sup>367</sup>

### **What does trafficking and/or child labor in stone production look like?**

In Nigeria, young migrant workers may be at risk of trafficking. Often the workers are young boys or teenagers who may migrate to Nigeria willingly and receive advances from labor brokers, but who end up in situations of trafficking. While there is no confirmed total estimate of labor trafficking victims in Nigerian granite, one estimate states that “at least 6,000 children from Benin alone are forced to work in the country’s granite pits in the southwest.”<sup>368</sup>

In India, forced and child labor are linked to the quarrying of granite and other stones. It is estimated that around 200,000 children work in sandstone production in India.<sup>369</sup> Entire families who take loans may become bonded for generations and forced to work in quarries. Children may inherit the debt and be forced to work to pay it off. Bonded children may also be bought and sold between quarry owners.<sup>370</sup>

According to one organization, the majority of quarry workers in India are impacted by debt bondage.<sup>371</sup> In these circumstances, workers take on debt which, when unpaid, may be passed down through generations. According to a study by the India Committee for the Netherlands (2006) families often take on debt during the rainy season in which quarrying is halted and they have no alternative income source. Debts may accumulate due to high interest rates, cost of supplies and tools, and contractor fees.<sup>372</sup>

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<sup>365</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRAR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRAR_Report2014.pdf)

<sup>366</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRAR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRAR_Report2014.pdf)

<sup>367</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>368</sup> Stone World. *Child Laborers are Rescued from Nigerian Granite Quarries*. November 1, 2003. <http://www.stoneworld.com/articles/child-laborers-are-rescued-from-nigerian-granite-quarries>

<sup>369</sup> Griffiths, Sophie. “We Can’t Turn a Blind Eye to This.” *Building Magazine*. April 9, 2010. <http://www.building.co.uk/we-can%E2%80%99t-turn-a-blind-eye-child-labour/3161396.article>

<sup>370</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Forced or Indentured Child Labor*. <http://www.dol.gov/ilab/reports/child-labor/list-of-products/index-country.htm>

<sup>371</sup> Griffiths, Sophie. “We Can’t Turn a Blind Eye to This.” *Building Magazine*. April 9, 2010. <http://www.building.co.uk/we-can%E2%80%99t-turn-a-blind-eye-child-labour/3161396.article>

<sup>372</sup> India Committee of the Netherlands. *From Quarry to Graveyard: Corporate Social Responsibility in the Natural Stone Sector. Labour, Social, Environmental and Economic Issues in the Quarrying, Processing and Trade of Natural Stone from Developing Countries. Focus on India and the Netherlands*. 2006. [www.indianet.nl/pdf/fromquarrytograveyard.pdf](http://www.indianet.nl/pdf/fromquarrytograveyard.pdf)

### **Stone Production and Supply Chain:**

Imports are divided into dimension stones, which have been shaped, and crushed stone, which has not. The most commonly sold forms of dimension stone in the United States are limestone, granite, and sandstone. Rough stone is used in construction and "dressed" or finished stone in products such as tile, blackboards, and flagging.<sup>373</sup>

The principal sources of stone imports for the United States are not those countries which produce stone with forced or child labor, with the exception of India.

In 2008, the most significant import sources by value for all dimension stones included Brazil, Italy, China, and Turkey. For granite specifically, the most significant sources were Brazil, China, Italy, and India. Only five percent of all sandstone produced in India is exported.<sup>374</sup>

The United States is an exporter of dimension stone, particularly granite. The U.S. Geographical Survey (2008) states, "although unreported, a significant amount of granite was probably exported back to the U.S. market." Due to the high cost of transport, imported crushed stone accounted for only one percent of domestic use.<sup>375</sup>

### **How do trafficking and/or child labor in stone production affect me?**



Stone is used in a variety of home goods, such as tile and counters, as well as in construction goods, such as gravel and flagging. By some estimates, Americans spend between USD 1.2 billion and USD 1.6 billion on granite countertops alone.<sup>376</sup>

### **Examples of what governments, corporations, and others are doing:**

In Guatemala, an ILO-IPEC funded program is working to withdraw children from rock crushing work by offering improved technology for rock crushing, providing improved educational opportunities and creating awareness among local populations on why child work in quarries is hazardous.<sup>377</sup>

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<sup>373</sup> U.S. Geographical Survey (USGS). *Minerals Yearbook 2008: Dimension Stone*.  
[http://minerals.usgs.gov/minerals/pubs/commodity/stone\\_dimension/mcs-2010-stand.pdf](http://minerals.usgs.gov/minerals/pubs/commodity/stone_dimension/mcs-2010-stand.pdf)

<sup>374</sup> Griffiths, Sophie. "We Can't Turn a Blind Eye to This." *Building Magazine*. April 9, 2010. <http://www.building.co.uk/we-can%E2%80%99t-turn-a-blind-eye-child-labour/3161396.article>

<sup>375</sup> U.S. Geographical Survey (USGS). *Minerals Yearbook 2008: Dimension Stone*.  
[http://minerals.usgs.gov/minerals/pubs/commodity/stone\\_dimension/mcs-2010-stand.pdf](http://minerals.usgs.gov/minerals/pubs/commodity/stone_dimension/mcs-2010-stand.pdf)

<sup>376</sup> Fitch, Stephane. "Granite Countertop Craze Has Cost US More Than First Gulf War." *Forbes*. November 23, 2010.  
<http://www.forbes.com/sites/stephanefitch/2010/11/23/granite-countertop-craze-has-cost-u-s-more-than-gulf-war/>

<sup>377</sup> International Labor Organization. *NGOs: How IPEC Works with Non-Governmental Organizations*.  
<http://www.ilo.org/ipecc/Partners/NGOs/lang--en/index.htm>

**How can I learn more?**

[Read](#) about child labor in stone quarries.

[Watch](#) a video about children working in quarries in Sierra Leone.

**Gravel and Crushed Stone**



<b>Gravel and crushed stone are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:</b>	<b>Top ten countries that export gravel and crushed stone worldwide (UN Comtrade 2012):</b>	<b>Top ten countries from which the US imports gravel and crushed stone (UN Comtrade 2012):</b>
Guatemala (CL)	1. Ukraine	1. Mexico
Nicaragua (CL)	2. Norway	2. Canada
Nigeria (FL, CL)	3. Germany	3. Bahamas
	4. Belgium	4. Honduras
	5. Malaysia	5. Norway
	6. United Kingdom	6. Jamaica
	7. Mexico	7. Germany
	8. France	8. Italy
	9. Indonesia	9. New Zealand
	10. Netherlands	10. Venezuela

### **Where is gravel and crushed stone reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of Labor’s 2014 *List of Goods Produced by Forced Labor and Child Labor*, gravel and crushed stone are produced with forced labor in Nigeria and child labor in Guatemala, Nicaragua, and Nigeria.<sup>378</sup>

The U.S. Department of State lists Nicaragua, Nigeria and Guatemala in its *Trafficking in Persons Report* as Tier 2 countries.<sup>379</sup>

### **What does trafficking and/or child labor look like in gravel and crushed stone production?**

In Nigeria, the forced labor of children is employed in the production of gravel and granite. Children often join the workforce instead of attending school.<sup>380</sup>

In Nicaragua, trafficked migrant workers come from Panama, Costa Rica and other countries in Central America to find work, sometimes in the mining or quarrying sectors.<sup>381</sup> The chain of production usually involves men heating up large boulders, usually over fire pits that are sometimes heated by toxic materials like tires, and breaking them into chunks. The small rock pieces are then sold or traded down to other workers, often children and women, who break the rocks into smaller pieces or grind them into powder. The gravel is then bagged and sold, often to the industrial sector.<sup>382</sup>

<sup>378</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014.

[http://www.dol.gov/ilab/reports/pdf/TVPRR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRR_Report2014.pdf)

<sup>379</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>380</sup> U.S. Department of Labor. *Nigeria*. 2011. <http://www.dol.gov/ilab/programs/ocft/2011TDA/Nigeria.pdf>

<sup>381</sup> U.S. Department of State. *Trafficking of Persons in 2013 Report: Country Narratives*. 2013. <http://www.state.gov/j/tip/rls/tiprpt/countries/2013/index.htm>

<sup>382</sup> Wines, Michael “Africa Adds to Miserable Ranks of Child Workers.” *The New York Times*. August 24, 2006. [http://www.nytimes.com/2006/08/24/world/africa/24zambia.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2006/08/24/world/africa/24zambia.html?pagewanted=all&_r=0)



In Sierra Leone, entire families work crushing stones that are used for cement production. Men dig large boulders out of the dirt and then heat with fire to make them easier to split with sledgehammers. Women and children use smaller hammers to crush large rocks into pebbles.<sup>383</sup>

All children involved in the sector face serious hazards. The production of gravel and crushed stone can lead to injury and even death from falling rocks, carrying heavy loads in dangerous mining conditions, and from exposure to contaminants and particle byproducts, which can cause respiratory diseases such as silicosis or tuberculosis.<sup>384</sup>

### **How do trafficking and/or child labor in gravel and crushed stone production affect me?**



Gravel and crushed stone are used in concrete, cement, asphalt, and other road surfacing materials (U.S. Geographical Survey 2008).

### **Examples of what governments, corporations, and others are doing:**

In Guatemala, there were significant efforts made by the International Labor Organization's International Program to Eliminate Child Labor (ILO-IPEC) to eliminate child labor from the mining of gravel and crushed stone in the Retalhuleu province of Guatemala. The sponsored program took place from 2001 to 2006 and is called the Piedrín Project. Specifically, these efforts included improving the overall education system of the region and increasing at-risk families' income through training of alternative labor skills. This ensures that children can stay in school and delay entry to the workforce. These programs also provided children with social services, health, education, and rehabilitation services, and created a community child labor monitoring system.<sup>385</sup>

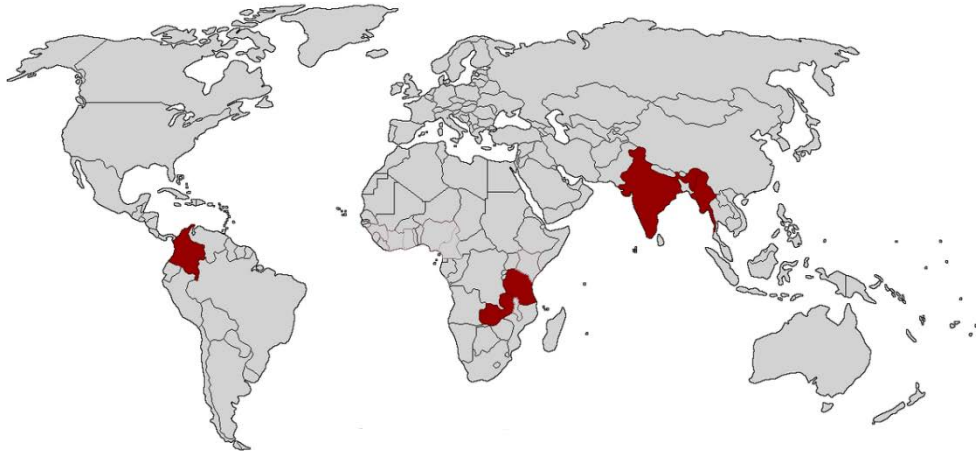
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<sup>383</sup> Campell, Greg. "The Rock-Mining Children of Sierra Leone Have Not Found Peace." *The Atlantic*. May 31, 2012. <http://www.theatlantic.com/international/archive/2012/05/the-rock-mining-children-of-sierra-leone-have-not-found-peace/257899/>

<sup>384</sup> UNICEF. *Children Working in Mines and Quarries: Evidence from Central and West Africa*. April 2012. [http://www.unicef.org/wcaro/english/Briefing\\_paper\\_No\\_4\\_-\\_children\\_working\\_in\\_mines\\_and\\_quarries.pdf](http://www.unicef.org/wcaro/english/Briefing_paper_No_4_-_children_working_in_mines_and_quarries.pdf)

<sup>385</sup> U.S. Department of Labor. *Progressive Eradication of Child Labor in Gravel Production in Retalhuleu, Guatemala*. 2006. [http://www.dol.gov/ilab/projects/americas/Guatemala\\_Quarries\\_CLOSED.pdf](http://www.dol.gov/ilab/projects/americas/Guatemala_Quarries_CLOSED.pdf)

## Jewels



Jewels/gemstones are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that export jewels/gemstones worldwide (UN Comtrade 2012):	Top ten countries from which the US imports jewels/gemstones (UN Comtrade 2012):
<i>Jade &amp; Rubies:</i> Burma (FL, CL)	<i>Rubies, Sapphires, Emeralds (worked but not set):</i>	<i>Rubies, Sapphires, Emeralds (worked but not set):</i>
<i>Gems:</i> Zambia (CL) Tanzania (CL) Colombia – Emeralds (CL)	<ol style="list-style-type: none"> <li>1. United States</li> <li>2. Switzerland</li> <li>3. Thailand</li> <li>4. Hong Kong</li> <li>5. United Kingdom</li> <li>6. India</li> <li>7. Colombia</li> <li>8. France</li> <li>9. Germany</li> <li>10. Italy</li> </ol>	<ol style="list-style-type: none"> <li>1. Colombia</li> <li>2. Thailand</li> <li>3. Hong Kong</li> <li>4. Sri Lanka</li> <li>5. India</li> <li>6. Switzerland</li> <li>7. Israel</li> <li>8. Zambia</li> <li>9. Tanzania</li> <li>10. Brazil</li> </ol>
<i>Gem Cutting:</i> India (CL)		

### Where are jewels reportedly produced with trafficking and/or child labor?

According to the U.S. Department of State *Trafficking in Persons Report*, jade and precious stones are mined with forced labor in Burma.<sup>386</sup>

The U.S. Department of Labor’s 2014 *List of Goods Produced by Child Labor or Forced Labor* notes that jade and rubies are mined with forced and child labor in Burma.<sup>387</sup>

A 2008 report from the International Labour Organization noted hazardous child labor in gem mining in Zambia.<sup>388</sup> Media stories, including a 2014 story from the BBC, have reported child labor in tanzanite

<sup>386</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>387</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

mining in Tanzania.<sup>389</sup> In India, children are involved in caste-based bonded labor in the gem cutting industry.<sup>390</sup> Labor exploitation, including child labor, has also been reported in the emerald mining sector of Colombia, where a majority of the mines are dominated by various organized crime factions.<sup>391</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Zambia, Colombia, Kenya and India as Tier 2 countries. Burma, and Tanzania are listed as Tier 2 Watch List countries.<sup>392</sup>

For information on forced labor in the diamond sector, see the [Diamond](#) commodity report.

### **What does trafficking and/or child labor in jewel production look like?**

The jewels industry is a thriving business. Child labor and forced labor are found in both the mining and processing of gemstones. The vast majority of gemstones, such as rubies and sapphires, are mined in small scale digging sites, rather than large industrial mines.

In the artisanal mining sector, miners are not officially employed, but instead earn a living from whatever they mine themselves. These workers, including children, frequently work in extremely hazardous conditions without supervision or safety gear. Artisanal miners sell their finds to intermediaries, who may set prices below market value; as a result, miners can easily become trapped in debt cycles, accepting prices below market value.<sup>393</sup> Children engaged in mining are vulnerable to suffering many health issues, including lung and respiratory system damage; headaches, hearing and vision problems from noise; joint and muscular disorders; exposure to toxic chemicals used to clean the gems; and injuries from falls in mine shafts, sharp tools, falling stones and mine collapse. In addition, families involved in artisanal mining can migrate large distances from their homes. Removed from their normal support networks, these families may be vulnerable targets for human traffickers.<sup>394</sup>

Children involved in processing, cutting, and polishing gemstones are exposed to dangerous tools and machinery, eye strain and injury, repetitive motions, toxic chemicals and dust.<sup>395</sup>

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<sup>388</sup> International Labour Organization. *Rapid assessment of child labour in non-traditional mining sector in Zambia*. 2008. <http://www.ilo.org/ippecinfo/product/download.do;jsessionid=afe1caecc9778bb3e98ff0aad6c9f6890f7f5ffaeb3da0bbdcf4b4e4f002e17e.e3aTbhuLbNmSe3qMb40?type=document&id=13633>

<sup>389</sup> Famau, Aboubakar. BBC News. "The Tanzanian Gemstone Mined by Child Labour." June 19, 2014. <http://www.bbc.com/news/world-africa-27933666>

<sup>390</sup> International Dalit Solidarity Center. *Dalits and Bonded Labour in India*. <http://idsn.org/caste-discrimination/key-issues/bonded-labour/india/>

<sup>391</sup> Parkinson, Charles. "Inside Colombia's Emerald Battle." *The Atlantic Magazine*. August 7, 2013. <http://www.theatlantic.com/international/archive/2013/08/inside-colombias-emerald-battle/278429/>

<sup>392</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>393</sup> Irin News. "Malawi's Small Scale Miners Think Big." July 1, 2013. <http://www.irinnews.org/fr/report/98332/malawi-s-small-scale-miners-think-big>

World Vision. *Behind the Bling: Forced and Child Labour in the Jewellery Industry*. 2013. [http://campaign.worldvision.com.au/wp-content/uploads/2013/09/7185\\_DTL\\_Factsheet\\_Jewellery\\_LR.pdf](http://campaign.worldvision.com.au/wp-content/uploads/2013/09/7185_DTL_Factsheet_Jewellery_LR.pdf)

<sup>394</sup> World Vision. *Behind the Bling: Forced and Child Labour in the Jewellery Industry*. 2013. [http://campaign.worldvision.com.au/wp-content/uploads/2013/09/7185\\_DTL\\_Factsheet\\_Jewellery\\_LR.pdf](http://campaign.worldvision.com.au/wp-content/uploads/2013/09/7185_DTL_Factsheet_Jewellery_LR.pdf)

<sup>395</sup> World Vision. *Behind the Bling: Forced and Child Labour in the Jewellery Industry*. 2013. [http://campaign.worldvision.com.au/wp-content/uploads/2013/09/7185\\_DTL\\_Factsheet\\_Jewellery\\_LR.pdf](http://campaign.worldvision.com.au/wp-content/uploads/2013/09/7185_DTL_Factsheet_Jewellery_LR.pdf)

### **Jewel Production and Supply Chain:**

Precious stones are extracted most commonly from mines in Southeast Asia and Africa. Brokers and intermediaries buy stones from miners and sell them to exporters who sell the stones again. The exporting process can obscure the source country of the stones. Gemstones are then cut and polished. After polishing, gems are sold on the international market and are ultimately sold by retailers, often incorporated into jewelry.<sup>396</sup>

### **How do trafficking and/or child labor in jewel production affect me?**



Gems such as rubies and sapphires are used in fine jewelry, including engagement rings, and the demand has grown in recent years. Jade is a very durable gemstone that is used in jewelry, sculptures and other ornamental objects. These luxury items are mostly exported to developed countries, including the United States.

### **Examples of what companies, governments and others are doing:**

Certification organizations, such as Fairmined, audit gem supply chains against ethical standards in order to guide consumers to ethical purchases. Fairmined is an assurance label that certifies gold from empowered responsible artisanal and small-scale mining organizations and is backed by a rigorous 3rd party certification and audit system.

### **Where can I learn more?**

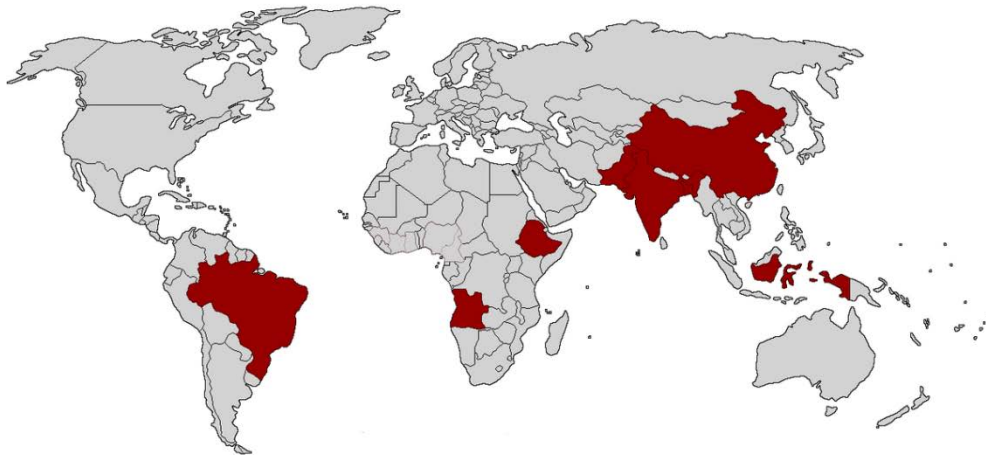
[Explore](#) an in-depth summary of US economic sanctions against Burma.

[Read](#) about the World Vision Campaign for ethical jewelry.

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<sup>396</sup> World Vision. *Behind the Bling: Forced and Child Labour in the Jewellery Industry*. 2013.  
[http://campaign.worldvision.com.au/wp-content/uploads/2013/09/7185\\_DTL\\_Factsheet\\_Jewellery\\_LR.pdf](http://campaign.worldvision.com.au/wp-content/uploads/2013/09/7185_DTL_Factsheet_Jewellery_LR.pdf)

# Leather



**Leather and leather goods are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

Bangladesh (CL)  
 Pakistan (CL)  
 Ethiopia (CL)  
 Angola (CL)

*Leather Goods:*  
 India (CL)

*Footwear:*  
 Bangladesh (CL)  
 Brazil (CL)  
 China (FL)  
 India (CL)  
 Indonesia – sandals (CL)

**Top ten countries that export leather and leather goods worldwide (UN Comtrade 2012):**

*Leather:*  
 1. Italy  
 2. United States  
 3. Hong Kong  
 4. Brazil  
 5. Germany  
 6. Nigeria  
 7. India  
 8. Australia  
 9. South Korea  
 10. Spain

*Leather Goods:*  
 1. China  
 2. Italy  
 3. Hong Kong  
 4. France  
 5. Germany  
 6. India  
 7. United States  
 8. Vietnam  
 9. Belgium  
 10. Netherlands

**Top ten countries from which the US imports leather and leather goods (UN Comtrade 2012):**

*Leather:*  
 1. Italy  
 2. Brazil  
 3. Mexico  
 4. Argentina  
 5. Canada  
 6. China  
 7. Uruguay  
 8. United Kingdom  
 9. Germany  
 10. Thailand

*Leather Goods:*  
 1. China  
 2. Italy  
 3. France  
 4. Vietnam  
 5. India  
 6. Indonesia  
 7. Mexico  
 8. The Philippines  
 9. Other Asia (not elsewhere specified)  
 10. Thailand

### **Where is leather reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of Labor's 2014 *List of Goods Produced by Child Labor or Forced Labor*, child labor has been found in the production of leather in Bangladesh and Pakistan, as well as various leather goods and accessories in India.<sup>397</sup> Other sources report that child labor has been found in leather production in Ethiopia and Angola.<sup>398</sup> Child labor has been found in the production of footwear in Bangladesh, Brazil, India, and Indonesia (sandals); forced labor has been found in the production of footwear in China.<sup>399</sup>

Bangladesh, India, Angola, Ethiopia, Brazil and Indonesia are listed by the U.S. Department of State 2015 *Trafficking in Persons Report* as Tier 2 countries. Pakistan and China are listed as Tier 2 Watch List countries.<sup>400</sup>

### **What do trafficking and/or child labor in leather production look like?**

Most child labor in leather production occurs in the informal sector, where it is difficult for governments to enforce regulations.<sup>401</sup> The tanning phase specifically is known for employing child labor. In many cases, children are exposed to toxic tanning chemicals and fumes. These chemicals can cause various skin and respiratory complications, such as rashes and asthma.<sup>402</sup>

Children are also employed in the making of leather footwear, which is often a labor intensive practice. Children are exposed to dangerous equipment, such as knives or scrapers, in order to make the shoes. They are rarely provided with protective gear when handling dangerous equipment.<sup>403</sup> Children exposed to dust and chemicals have higher rates of cancer, and the glues used can be highly toxic.

### **Leather Production and Supply Chain:**

Most hides used in leather come from livestock, including cows, goats, sheep, and buffalo. After animals are slaughtered for meat in slaughterhouses, the hides are sold to middlemen, who sell them in turn to warehouses. At the warehouse level, hides are cleaned and trimmed. Tanners then buy hides from warehouses. Depending on the geographic context and size of the supply chain, the hides may sometimes move directly from slaughter to tanning.<sup>404</sup>

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<sup>397</sup> U.S. Department of Labor. 2014. *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>398</sup> UN Industrial Development Organization. *Technical assistance project for the upgrading of the Ethiopian leather and leather products industry*. 2012. [https://www.unido.org/fileadmin/user\\_media\\_upgrade/Resources/Evaluation/Ethiopia\\_leather\\_evaluation\\_FINAL\\_report\\_130208.pdf](https://www.unido.org/fileadmin/user_media_upgrade/Resources/Evaluation/Ethiopia_leather_evaluation_FINAL_report_130208.pdf)

U.S. Department of Labor. *Findings on the Worst Forms of Child Labor: Angola*. 2013. <http://www.dol.gov/ilab/reports/child-labor/findings/2013TDA/angola.pdf>

<sup>399</sup> U.S. Department of Labor. 2014. *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>400</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>401</sup> International Labor Organization (ILO). *Globalization of the Footwear, Textiles, and Clothing Industries at 76; Diagnóstico do Trabalho Infantil at 79; IPEC in India (1992- 1995): Looking Back*, (New Delhi 1996)

<sup>402</sup> Human Rights Watch (HRW). "Bangladesh: Tanneries Harm Workers, Poison Communities." October 9, 2012. <http://www.hrw.org/news/2012/10/08/bangladesh-tanneries-harm-workers-poison-communities>

<sup>403</sup> U.S. Department of Labor. Bureau of International Labor Affairs. "Leather Footwear" <http://www.dol.gov/ilab/media/reports/iclp/sweat4/leather.htm#top36>

<sup>404</sup> SOMO. *Where the Shoe Pinches: Child Labor in the Production of Leather Brand Name Shoes*. June 2012. <http://www.stopchildlabour.org/content/download/80933/700035/file/Where%20the%20shoe%20pinches%20FINAL.pdf>

Tanning is a complex and toxic process. First the hide is prepared, which includes removing all remaining hair or other material from the hide and pickling the hide with salts. Then the hide is tanned. The conventional methods of tanning leather require dangerous chemicals including formaldehyde and chromium (III), which when oxidized, turns into chromium (IV), a toxic carcinogen. Finally the hide is rehydrated, dried, died, and shined.<sup>405</sup>

After the tanning process, leather can be exported or made into consumer goods locally.

Between 2009 and 2010, the countries that imported the most footwear, leather and non-leather, were Germany, Italy, the US, France, Spain, the Netherlands, Portugal, the United Arab Emirates, and Denmark. Together these countries make up 82 percent of India's footwear exports.<sup>406</sup>

### **Case Study:**

#### *Child labor in Bangladesh tanneries*

Outside of Dhaka, Bangladesh, children as young as seven years old work in leather tanneries. The majority of child laborers in tanneries are male. The children that work in tanneries generally come from very poor families, which rely on the child's income to survive.<sup>407</sup> Some of these children work nearly 15 hours a day. Wages for children in tanneries in Bangladesh are around USD 37 a month. A report looking at tanneries in Bangladesh that employ child labor found that protective garments and equipment are rarely provided or used. This exposes children to the harmful chemicals used in the leather tanning process.<sup>408</sup>

The exposure to harmful chemicals does not end when the workers leave the factory. In the neighborhood of Hazaribagh, "some 150 leather tanneries discharge 21 thousand cubic meters of untreated effluent into the nearby Buriganga River each day."<sup>409</sup> With the Buriganga River being the primary water source for Hazaribagh's inhabitants, residents of the neighborhood are continuously exposed to these harmful chemicals.

### **How do trafficking and/or child labor in leather production affect me?**

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<sup>405</sup> SOMO. *Where the Shoe Pinches: Child Labor in the Production of Leather Brand Name Shoes*. June 2012. <http://www.stopchildlabour.org/content/download/80933/700035/file/Where%20the%20shoe%20pinches%20FINAL.pdf>

<sup>406</sup> SOMO. *Where the Shoe Pinches: Child Labor in the Production of Leather Brand Name Shoes*. June 2012. <http://www.stopchildlabour.org/content/download/80933/700035/file/Where%20the%20shoe%20pinches%20FINAL.pdf>

<sup>407</sup> SOMO. *Where the Shoe Pinches: Child Labor in the Production of Leather Brand Name Shoes*. June 2012. <http://www.stopchildlabour.org/content/download/80933/700035/file/Where%20the%20shoe%20pinches%20FINAL.pdf>

<sup>408</sup> Human Rights Watch (HRW). "Bangladesh: Tanneries Harm Workers, Poison Communities." October 9, 2012. <http://www.hrw.org/news/2012/10/08/bangladesh-tanneries-harm-workers-poison-communities>

<sup>409</sup> Human Rights Watch (HRW). *World Report 2013: Bangladesh*. 2013. <http://www.hrw.org/world-report/2013/country-chapters/bangladesh?page=1>



Leather goods are common in shoes, apparel, and industrial products such as automobiles. The United States imports the majority of leather goods it consumes.

### **Examples of what governments, corporations, and others are doing:**

In a report conducted by Stop Child Labor, the majority of leather footwear companies studied had codes of conduct in place to deter child labor. However, these same companies had a hard time verifying and preventing the use of child labor beyond their first manufacturer, due to the lack of transparency of subcontractors in the industry.<sup>410</sup> In subcontracted workshops, conditions are not monitored regularly and child labor is more common.<sup>411</sup>

### **Where can I learn more?**

[Read](#) an in-depth report on leather tanneries in Bangladesh.

[View](#) pictures of child labor conditions in Indian tanneries.

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<sup>410</sup> Stop Child Labor. *Child Labor in the Leather Footwear Industry*. November 28, 2012.

<http://www.hivos.nl/content/download/87290/780639/file/Article%20child%20labour%20in%20footwear%20industry.pdf>

<sup>411</sup> SOMO. *Where the Shoe Pinches: Child Labor in the Production of Leather Brand Name Shoes*. June

2012. <http://www.stopchildlabour.org/content/download/80933/700035/file/Where%20the%20shoe%20pinches%20FINAL.pdf>

International Labor Organization. International Program on the Elimination of Child Labor (ILO-IPEC). *Combating the Exploitation of Child Labor in the Footwear Industry of the Vale dos Sinos, Brazil*. April 2002.

<http://www.ilo.org/ipecinfo/product/download.do?type=document&id=6305>



## Melons



Melons are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce melons worldwide (FAOSTAT 2012):	Top ten countries that export melons worldwide (UN Comtrade 2012):	Top ten countries from which the US imports melons (UN Comtrade 2012):
Honduras (CL)	1. China	1. Spain	1. Mexico
Mexico (CL)	2. Turkey	2. Mexico	2. Guatemala
Panama (CL)	3. Iran	3. Guatemala	3. Honduras
United States (CL) <sup>412</sup>	4. Egypt	4. United States	4. Costa Rica
	5. India	5. Brazil	5. Belize
	6. United States	6. Honduras	6. Brazil
	7. Spain	7. Netherlands	7. Nicaragua
	8. Morocco	8. Italy	8. Dominican Republic
	9. Brazil	9. Costa Rica	9. Canada
	10. Mexico	10. Greece	10. Jamaica

### Where are melons reportedly produced with trafficking and/or child labor?

According to the U.S. Department of Labor’s 2014 *List of Goods Produced by Forced Labor and Child Labor*, melons are produced using child labor in Honduras, Mexico, and Panama.<sup>413</sup> Additionally, Human Rights Watch (HRW) has reported interviewed children involved in melon production in the United States, although the scope of the problem is not established.<sup>414</sup>

The 2015 U.S. Department of State *Trafficking in Persons Report* lists Honduras, Panama and Mexico as Tier 2 countries. The United States is listed as a Tier 1 country.<sup>415</sup>

<sup>413</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>414</sup> Human Rights Watch (HRW). *Tobacco’s Hidden Children*. May 13, 2014. <https://www.hrw.org/report/2014/05/13/tobacco-hidden-children/hazardous-child-labor-united-states-tobacco-farming>

<sup>415</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

### **What does trafficking and/or child labor in melon production look like?**

In Honduras, there are 150,000 children under the age of 14 working, over 60 percent of who are employed in the agricultural industry. Indigenous children are particularly vulnerable to working in the fields, alongside their parents or independently. The melon industry is seasonal, which means that children of migrant laborers travel around the country seeking work throughout the year allowing them only limited access to schools.<sup>416</sup> According to HRW, children working in the agricultural industry in the United States drop out of school at four times the national rate. Children work up to ten hour days using dangerous tools, they are exposed to the elements, and they have a death rate four times higher than the average American child.<sup>417</sup>

### **Case Study:**

#### *Honduran Women in the Fields*

In Honduras, a country with a population of just over eight million, more than 25,000 people labor on melon plantations. These workers are primarily female, low-income, and lacking formal education. Although recent consumer campaigns have improved the quality of fruit allowed on the market, very little work has been done to monitor and improve the quality of the working conditions of those who produce melons. Honduran women often work 14 hour days, seven days a week, and have base salaries set at a fraction of the legal minimum wage with no overtime pay. Additionally, these women often work Sundays and holidays without any pay at all. The workers are given no access to social security or other forms of insurance and they are frequently exposed to harsh weather conditions and dangerous chemical fertilizers and pesticides.<sup>418</sup>

According to interviews conducted by the Coordinating Body of Banana and Agroindustrial Workers' Unions of Honduras (COSIBAH), during the 14 hour work days, only about half of the workers interviewed reported being given time off for lunch. Less than a third of farm workers interviewed confirmed access to potable water, working restrooms, or cafeteria facilities. Despite working with dangerous tools to remove melons from the vines and being exposed to fertilizers and pesticides, fewer than half of the workers interviewed were supplied with proper training or protective equipment.<sup>419</sup>

A pattern of providing only temporary contracts, due to the seasonal nature of melon cultivation, allows plantation owners to avoid the organization of workers and reduce the likelihood of workers reporting unsafe or unethical working conditions.<sup>420</sup>

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<sup>416</sup> U.S. Department of Labor. *2011 Findings on the Worst Forms of Child Labor*. 2011. <http://www.dol.gov/ilab/programs/ocft/2011TDA.pdf>

<sup>417</sup> Human Rights Watch (HRW). *Take Action: End Child Labor in US Agriculture*. <http://www.hrw.org/support-care>

<sup>418</sup> International Labor Rights Forum (ILRF) and COSIBAH. "Women in the Honduran Melon Industry." *Building a Just World For Workers*. 2012. <http://laborrights.org/sites/default/files/publications-and-resources/HonduranMelonPlantations2012.pdf>

<sup>419</sup> International Labor Rights Forum (ILRF) and COSIBAH. "Women in the Honduran Melon Industry." *Building a Just World For Workers*. 2012. <http://laborrights.org/sites/default/files/publications-and-resources/HonduranMelonPlantations2012.pdf>

<sup>420</sup> International Labor Rights Forum (ILRF) and COSIBAH. "Women in the Honduran Melon Industry." *Building a Just World For Workers*. 2012. <http://laborrights.org/sites/default/files/publications-and-resources/HonduranMelonPlantations2012.pdf>

### **Melon Production and Supply Chain:**

Melons require warm weather to grow, and therefore must be planted after the last frost of the year. The planting of melons is labor intensive. The plants require loose soil and thus tilling is often recommended, which is a lengthy process and the use of a rototiller can be very dangerous. Fertilizer is often suggested for the successful growth of melons, which can be detrimental to the health of the farmworker. Melons can only be pollinated for one day during their growth and thus the selective use of insecticides is required in order to avoid hurting bee populations or other local pollinators. The cultivation and management of bees can be labor intensive and dangerous as well.<sup>421</sup>

Melons are generally sold as a fresh fruit and so the fruits must be packaged and sent away to processing and distribution facilities.

### **How do trafficking and/or child labor in melon production affect me?**



Mexico, a country known to employ child labor in melon production, is a top ten world producer of melons.<sup>422</sup> It is also the number two exporter of melons worldwide and the number one country that the United States imports melons from.<sup>423</sup>

### **Examples of what governments, corporations, and others are doing:**

Coordination of Banana Unions in Honduras (COSIBAH), an agricultural trade union, advocates for fair treatment of agricultural workers in Honduras, including in the melon sector.

### **Where can I learn more?**

[Watch](#) this HRW exposé on child labor in US agriculture, including but not limited to melon production.

<sup>421</sup> Iowa State University. "Melons." *Publications*. May 2009. <http://www.extension.iastate.edu/publications/pm1892.pdf>

<sup>422</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *FAOSTAT Database: Food and Agricultural Commodities Production /Countries by Commodity*. 2012. [http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries\\_by\\_commodity/E](http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries_by_commodity/E)

<sup>423</sup> UN Department of Economic and Social Affairs. *UN Comtrade Database*. 2012. <http://comtrade.un.org/data/>

## Nuts



<b>Nuts are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:</b>	<b>Top countries that produce nuts worldwide (FAOSTAT 2012):</b>	<b>Top countries that export nuts worldwide (UN Comtrade 2012):</b>	<b>Top countries from which the US imports nuts (UN Comtrade 2012):</b>
<i>Brazil-nuts &amp; Chestnuts:</i> Bolivia (FL, CL) Peru (FL)	<i>Brazil-nuts:</i> 1. Bolivia 2. Brazil 3. Côte d’Ivoire 4. Gambia 5. Peru	<i>Brazil-nuts (shelled):</i> 1. Bolivia 2. Peru 3. United Kingdom 4. Netherlands 5. Germany	<i>Brazil-nuts (shelled):</i> 1. Bolivia 2. Peru 3. Brazil 4. Chile 5. Australia
<i>Peanuts:</i> Bolivia (FL) Turkey (CL)	<i>Peanuts:</i> 1. China 2. India 3. Nigeria 4. United States 5. Burma	<i>Brazil-nuts (in shell):</i> 1. Brazil 2. Hong Kong 3. Ghana 4. Nigeria 5. Spain	<i>Brazil-nuts (in shell):</i> 1. Brazil 2. Bolivia 3. Mexico
<i>Hazelnuts:</i> Turkey (CL)	<i>Hazelnuts:</i> 1. Turkey 2. Italy 3. United States 4. Azerbaijan 5. Georgia	<i>Peanuts:</i> 1. India 2. Argentina 3. United States 4. China 5. Netherlands	<i>Peanuts:</i> 1. Argentina 2. Nicaragua 3. Mexico 4. Brazil 5. Paraguay
<i>Physic Nuts/Castor Beans:</i> Burma (FL)	<i>Coconuts:</i> 1. Indonesia 2. Philippines	<i>Hazelnuts</i>	<i>Hazelnuts (shelled):</i> 1. Turkey

3. India	<i>(shelled):</i>	2. China
4. Brazil	1. Turkey	3. Thailand
5. Sri Lanka	2. Italy	4. Canada
	3. Georgia	5. Italy
<i>Cashews:</i>	4. Azerbaijan	
1. Vietnam	5. Germany	<i>Hazelnuts (in shell):</i>
2. Nigeria		1. Chile
3. India	<i>Hazelnuts (in shell):</i>	2. Canada
4. Côte d'Ivoire	1. United States	3. Turkey
5. Benin	2. Hong Kong	4. Italy
	3. Chile	
	4. France	<i>Coconuts:</i>
	5. Georgia	1. Philippines
		2. Sri Lanka
	<i>Coconuts:</i>	3. Dominican Republic
	1. Philippines	4. Indonesia
	2. Indonesia	5. Vietnam
	3. Sri Lanka	
	4. Côte d'Ivoire	<i>Cashews (shelled):</i>
	5. Dominican Republic	1. Vietnam
		2. India
	<i>Cashews (shelled):</i>	3. Brazil
	1. Vietnam	4. Mozambique
	2. India	5. Côte d'Ivoire
	3. Netherlands	
	4. Brazil	<i>Cashews (in shell):</i>
	5. Ghana	1. Brazil
		2. Vietnam
	<i>Cashews (in shell):</i>	3. India
	1. Côte d'Ivoire	4. Turkey
	2. Tanzania	
	3. Ghana	
	4. Nigeria	
	5. Indonesia	

### Where are nuts reportedly produced with trafficking and/or child labor?

According to the U.S. Department of Labor's 2014 *List of Goods Produced by Child Labor or Forced Labor*, forced labor is present in the production of Brazil-nuts and chestnuts in Peru, and forced and child labor takes place in the production of these nuts in Bolivia.<sup>424</sup> Peanuts are reportedly produced with forced

<sup>424</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRAR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRAR_Report2014.pdf)

labor in Bolivia.<sup>425</sup> Additionally, child labor has been reported in the production of hazelnuts and peanuts in Turkey. Labor trafficking has been noted in the production of physic nuts or castor beans in Burma.<sup>426</sup> Recent evidence shows that incidences of forced and child labor in cashew harvesting are connected with drug treatment programs in Vietnam where patients are required to participate in the harvest under the guise of treatment, although the scope of these programs is unknown.<sup>427</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Peru, Turkey and Vietnam as Tier 2 countries. Bolivia and Burma are listed as Tier 2 Watch List countries.<sup>428</sup>

### **What do trafficking and/or child labor in nut production look like?**

A 2005 study found human trafficking to be prevalent in Brazil-nut harvesting in the Bolivian departments of Beni and Pando, both located in the Amazon Basin. The study indicates that some 31,000 people traveled annually to these regions to participate in Brazil-nut harvesting. After taking on an average debt of BOB 1,000 (approximately USD 140) against their labor, the workers reportedly found that their wages were not sufficient to pay back the debt. The workers were also forced to purchase goods at exorbitant costs.<sup>429</sup>

Brazil-nut workers in Bolivia may not be permitted to leave the remote harvest sites. At the end of the harvest they remained in debt and were obligated to return the next year or to remain indefinitely. An estimated 5,000-6,000 of the 31,000 men, women and children were subjected to human trafficking. There have also been instances reported in which local indigenous peoples have been kidnapped and subjected to forced work in Brazil-nut harvesting for brief periods of time.<sup>430</sup> Verité research on indicators of forced labor in Brazil-nut production in Bolivia, carried out between 2010 and 2012, detected risk factors that increased vulnerability to trafficking amongst Brazil-nut harvesters and factory workers in the Amazon region. The research found a large number of indicators of labor trafficking, as well as excessive working hours, a lack of days off during peak periods, low wages, a lack of benefits, serious hazards to workers' health and safety, discrimination, poor living conditions, dangerous transportation, and child labor.<sup>431</sup>

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<sup>425</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014.

[http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>426</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014.

[http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>427</sup> Szalavita, Maia. "Human Rights Watch: Hundreds of Thousands still Tortured in Name of Drug Treatment." *TIME Magazine*. August 3, 2012. <http://healthland.time.com/2012/08/03/human-rights-watch-hundreds-of-thousands-still-tortured-in-name-of-drug-treatment/>

<sup>428</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.

<http://www.state.gov/documents/organization/245365.pdf>

<sup>429</sup> Bedoya Garland, Eduardo and Alvaro Bedoya Silva-Santisteban. *Enganche y Servidumbre por Deudas en Bolivia [Recruitment and Debt Bondage in Bolivia]*. International Labor Office. January 2005.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_082055.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_082055.pdf)

<sup>430</sup> Bedoya Garland, Eduardo and Alvaro Bedoya Silva-Santisteban. *Enganche y Servidumbre por Deudas en Bolivia [Recruitment and Debt Bondage in Bolivia]*. International Labor Office. January 2005.

[http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_082055.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_082055.pdf)

<sup>431</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chains of Brazil-Nuts, Cattle, Corn, and Peanuts in Bolivia*.

[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%20Cattle%20Corn%20and%20Peanut%20Sectors\\_\\_9.19.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%20Cattle%20Corn%20and%20Peanut%20Sectors__9.19.pdf)

In Peru, trafficking is most likely to be a result of debt bondage as workers take advances from intermediaries against their future harvest to gain access to capital.<sup>432</sup> The highest risk of labor abuses was detected in the Amazonian region of Madre de Dios, where Verité found extreme cases of trafficking in illegal gold mining.<sup>433</sup>

### **Case Study:**

#### *Child Labor in Turkish Nut Gathering*

A study in Turkey estimated that hazelnut harvesting accounted for approximately six percent of child labor and that peanut harvesting accounted for approximately three percent.<sup>434</sup> The study found that children were most likely to work alongside their families in nut gathering on a seasonal basis, alternating nut gathering with cotton harvesting and other agricultural activities. A 2011 Fair Labor Association (FLA) assessment of the hazelnut supply chain found a variety of labor rights issues including lack of employment records, discrimination in compensation, harassment and underage workers. With regards to child labor, they found that workers' ages were not adequately verified. Underage workers were exposed to the same conditions as adult workers including long hours, carrying heavy loads, and repetitive motions.<sup>435</sup>

#### *“Blood Cashews” in Vietnam*

Cashews are reportedly harvested with the labor of people detained for drug-related offenses in Vietnam.<sup>436</sup> Over 350,000 people were reported to be held in these facilities against their will and were reportedly “detained without due process, some tortured with electric shock, starved and deprived of food and water.” Children as young as seven have been found in these centers, where they were reportedly exposed to physical and sexual abuse. For their labor, detainees were paid nothing or a few dollars a month. Even this small amount is further decreased through deductions for food, lodging and other assorted “managerial fees.”<sup>437</sup>

#### *Research on Indicators of Forced Labor in the Supply Chains of Brazil-Nuts and Peanuts in Bolivia*

Verité conducted research on the Brazil-nut industry in the Amazon region and the peanut industry in the Chaco region of Bolivia and found indicators of trafficking. Brazil-nut harvest sites are located in isolated areas where the closest rural communities are up to 82 hours away by a combination of motorcycle, boat and foot travel. This leaves workers physically confined to the workplace as many employers deny their laborers freedom of movement or the workers do not have the money to leave. While transportation is

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<sup>432</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *FAOSTAT Database: Food and Agricultural Commodities Production /Countries by Commodity*. 2012. [http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries\\_by\\_commodity/E](http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries_by_commodity/E)

<sup>433</sup> Verité. *Risk Analysis of Indicators of Forced Labor and Human Trafficking in Illegal Gold Mining in Peru*. 2013. <http://www.verite.org/sites/default/files/images/IndicatorsofForcedLaborinGoldMininginPeru.pdf>

<sup>434</sup> Gulcubuk, Bülent, Ertan Karabiyik and Ferdi Tanir. *Baseline Survey on Worst Forms of Child Labor in the Agricultural Sector: Children in Cotton Harvesting in Karatas, Adana*. September 2003. <http://www.ilo.org/ipeinfo/product/viewProduct.do?productId=5224>

<sup>435</sup> Fair Labor Association. *Assessment of Hazelnut Supply Chain and Hazelnut Harvest in Turkey*. March, 2012. [http://www.fairlabor.org/sites/default/files/documents/reports/nestle\\_hazelnut\\_report.pdf](http://www.fairlabor.org/sites/default/files/documents/reports/nestle_hazelnut_report.pdf)

<sup>436</sup> Human Rights Watch. *Vietnam: Torture, Forced Labor in Drug Detention*. September 7, 2011.

<http://www.hrw.org/news/2011/09/07/vietnam-torture-forced-labor-drug-detention>

<sup>437</sup> Szalavita, Maia. “Human Rights Watch: Hundreds of Thousands still Tortured in Name of Drug Treatment.” *TIME Magazine*. August 3, 2012. <http://healthland.time.com/2012/08/03/human-rights-watch-hundreds-of-thousands-still-tortured-in-name-of-drug-treatment/>

paid for by the employer at the beginning and end of employment, workers who want to leave early must pay for their own transportation. Workers are also kept at the harvest sites through intimidation and threats. Researchers found that workers who attempted to leave early were threatened with physical and sexual violence and that some managers carried weapons or employed armed guards. Additionally, workers risked confiscation of their property, expulsion from the community and the loss of future employment if they left before the harvest period was over or before their debts were repaid.<sup>438</sup>

Debts were incurred in the form of the *habilito*, the food, supplies and tools that harvesters were advanced for the three to four month harvest season. *Habilito* debts were paid back in Brazil-nuts which leaves workers vulnerable to exploitation by the employer or money lender. Many harvesters were unable to pay back their loans, drawing them into a spiral that forces them deeper into debt with each harvesting season. This cycle of debt also exists in Brazil-nut processing plants where workers, who are mostly women, become indebted to factory owners through a company-owned store and cash advances that are difficult to repay. Researchers also found that some workers had their identity cards confiscated until they repaid their debts.<sup>439</sup>

Almost all harvesters and factory workers are recruited by labor brokers. Contracts are rarely signed and workers are given false promises regarding the amount they will be paid. Work at the harvesting sites and in the factories consists of long hours for little pay. Because the employment is seasonal, workers are provided with short-term, intensive employment in which they work up to 16 hours per day for three to four months per year. In the harvesting areas, workers are subjected to dangerous conditions, including exposure to malaria and other jungle diseases, the risk of falling brazil-nut pods and injuries during transportation. In the factories, high temperatures make heat exhaustion a common occurrence. Child labor is an issue, as brazil-nut harvesting is done as a family. Young boys generally accompany their fathers into the jungle to harvest the nuts and young girls work with their mothers in the processing factories.<sup>440</sup>

Indicators of human trafficking were also found in the peanut industry. Peanut production takes place on haciendas which, like the Brazil-nut harvesting sites, are isolated in remote areas. Workers lack access to public transportation and on some haciendas trucks arrive rarely or not at all because of inaccessibility. Many workers are indebted to their employers and fear that they will not be able to leave the hacienda until their debts are repaid. Peanut harvesters work long hours for low pay; in some cases food is included in the pay, making them dependent on their employer. Researchers found that some employers make false promises to workers at the time of hiring. Workers also experience the withholding of wages and physical abuse by their employees. Many workers harvest peanuts on communal land owned by the indigenous society. As a part of this society, every person must work their assigned parcel of land. Workers who fail

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<sup>438</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chains of Brazil-Nuts, Cattle, Corn, and Peanuts in Bolivia*. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors\\_\\_9.19.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors__9.19.pdf)

<sup>439</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chains of Brazil-Nuts, Cattle, Corn, and Peanuts in Bolivia*. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors\\_\\_9.19.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors__9.19.pdf)

<sup>440</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chains of Brazil-Nuts, Cattle, Corn, and Peanuts in Bolivia*. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors\\_\\_9.19.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors__9.19.pdf)



the community can be penalized with loss of social status, home, job and community ties. Child labor is common in the peanut industry as work is carried out as a family unit.<sup>441</sup>

### **Brazil-nuts Production and Supply Chain:**

Brazil-nuts can only grow in specific climates found in the Amazon rainforest, located in Bolivia, Brazil and Peru. The trees on which they grow can be 50 meters tall and can live for 1,000 years. The trees produce pods the size of grapefruits that hold 20 to 40 Brazil-nuts. Each tree can produce up to 1,300 pods. During the rainy season, January to March, the pods fall from the trees onto the forest floor where they can be gathered and harvested.<sup>442</sup>

According to the FAO, Bolivia is by far the largest source of shelled Brazil-nuts for the U.S. market, followed by Peru. Brazil accounts for a significant portion of imported unshelled nuts, followed by Bolivia.<sup>443</sup>

### **Peanut Production and Supply Chain:**

Today, peanuts are grown in subtropical and tropical regions all around the world. Peanuts are legumes, planted annually, that produce fruit under the ground. As a result, the harvesting process is labor intensive. Peanuts are often planted in early spring and can be harvested once or twice a season, depending on the local climate. The two stages of harvesting are digging and combining. The fruits of the plant must be dug out of the ground and inverted to dry in the sun. Then, the hard shells with the fruits inside must be collected and cleaned for processing. In developed countries such as the United States, this process is entirely mechanized.<sup>444</sup>

## **How do trafficking and/or child labor in nut production affect me?**

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<sup>441</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chains of Brazil-Nuts, Cattle, Corn, and Peanuts in Bolivia*. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors\\_\\_9.19.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bolivia%20Brazil-nut%2C%20Cattle%2C%20Corn%2C%20and%20Peanut%20Sectors__9.19.pdf)

<sup>442</sup> The Fairtrade Foundation. *RONAP: Brazil Nut Cooperative, Peru*. [http://www.fairtrade.org.uk/producers/cosmetics/ronap\\_brazil\\_nut\\_cooperative\\_peru.aspx](http://www.fairtrade.org.uk/producers/cosmetics/ronap_brazil_nut_cooperative_peru.aspx)

<sup>443</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *FAOSTAT Database: Food and Agricultural Commodities Production /Countries by Commodity*. 2012. [http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries\\_by\\_commodity/E](http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries_by_commodity/E)

<sup>444</sup> American Peanut Council. *About the Peanut Industry*. <http://www.peanutsusa.com/MainMenu/About-Peanuts/Peanut-History>



Nuts are consumed alone, in chocolate or confectionary products, or as value-added products (flours, oils, butters). Nuts may also be used in cosmetics. The United States consumed approximately 2.7 million tons of tree nuts in 2012.<sup>445</sup>

### **Examples of what governments, corporations, and others are doing:**

In 2012, Nestle completed a risk assessment of its hazelnut supply chain with the Fair Labor Association (FLA) and Nestle published a corrective action plan based on the findings. FLA's report highlighted the lack of supply chain transparency inherent in the Turkish hazelnut supply chain and Nestle committed to ongoing efforts to conduct independent audits.<sup>446</sup>

### **Where can I learn more?**

[Read](#) about the Brazil-nut harvest.

[Read](#) about human trafficking in Bolivia (in Spanish).

[Read](#) Verité's full report on forced labor indicators in Bolivia's Brazil-Nut and Peanut industry.

[Read](#) about socially-responsible peanuts from Bolivia.

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<sup>445</sup> Agricultural Marketing Resource Center. *Nuts*. April 2013. [http://www.agmrc.org/commodities\\_\\_products/nuts/](http://www.agmrc.org/commodities__products/nuts/)

<sup>446</sup> Fair Labor Association. *Assessment of Hazelnut Supply Chain and Hazelnut Harvest in Turkey*. March, 2012. [http://www.fairlabor.org/sites/default/files/documents/reports/nestle\\_hazelnut\\_report.pdf](http://www.fairlabor.org/sites/default/files/documents/reports/nestle_hazelnut_report.pdf)

## Palm Oil



**Palm oil is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

Ecuador (FL, CL)  
Indonesia (FL, CL)  
Malaysia (FL)  
Sierra Leone (CL)  
Ghana (CL)  
Guatemala (FL, CL)

**Top ten countries that produce palm oil worldwide (FAOSTAT 2012):**

1. Indonesia
2. Malaysia
3. Thailand
4. Nigeria
5. Colombia
6. Papua New Guinea
7. Côte d'Ivoire
8. Honduras
9. Ecuador
10. Guatemala

**Top ten countries that export palm oil worldwide (UN Comtrade 2012):**

1. Indonesia
2. Malaysia
3. Ghana
4. Netherlands
5. Thailand
6. Côte d'Ivoire
7. Ecuador
8. Guatemala
9. Honduras
10. Germany

**Top ten countries from which the US imports palm oil (UN Comtrade 2012):**

1. Malaysia
2. Indonesia
3. Netherlands
4. Colombia
5. Denmark
6. Mexico
7. Brazil
8. Liberia
9. Ghana
10. Singapore

### **Where is palm oil reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, palm is produced with forced labor or forced child labor in Burma, Ecuador and Malaysia.<sup>447</sup>

According to the U.S. Department of Labor's 2014 *List of Goods Produced by Forced Labor and Child Labor*, palm oil is being produced with forced labor in Malaysia and with child labor in Indonesia and Sierra Leone.<sup>448</sup> Media and NGO sources have documented human trafficking in palm oil production in

<sup>447</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015.  
<http://www.state.gov/documents/organization/245365.pdf>

<sup>448</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014  
[http://www.dol.gov/ilab/reports/pdf/TVPPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPPRA_Report2014.pdf)

Indonesia.<sup>449</sup> Verité research documented indicators of human trafficking, child labor, and other labor rights abuses in the Ecuadoran and Guatemalan palm oil sector.<sup>450</sup> There is some evidence that child labor is a concern on smallholder palm oil plantations in Ghana and other West African countries.<sup>451</sup>

According to the U.S. Department of State *Trafficking in Persons Report*, Ecuador, Guatemala, Indonesia, Sierra Leone, and Sierra Leone are Tier 2 countries. Burma, Ghana and Malaysia are listed as a Tier 2 Watch List countries.<sup>452</sup>

### **What does trafficking and/or child labor in palm oil production look like?**

Human trafficking and labor rights abuses in the palm oil sector are driven by transnational and domestic migration, as well as displacement of local farmers near plantations. Workers in oil palm plantations are particularly vulnerable to modern slavery because of the isolation of palm groves.<sup>453</sup> Verité research on the trafficking of males revealed that plantations are among the least monitored worksites, due to their remoteness and size, and for these reasons, undocumented persons are brought to these sites where they face exploitation.<sup>454</sup>

Malaysia is a regional destination for international migrants; often labor brokers or employers are implicated in trafficking through such means as confiscation of passports and contract substitution. Verité research revealed that in palm oil plantations, in particular, workers can face significant vulnerability, patterns of abuse and malpractice, and coercion at various stages of the recruitment, migration and employment process. They work long hours for extremely low wages and do physically demanding jobs that leave them susceptible to workplace injuries and poor general health. Many of them are undocumented and constantly face threats of being denounced to the authorities and of being detained and deported. Workers in subcontracting or outsourcing arrangements are particularly vulnerable, as principals and auditing bodies have no insight into their working conditions.<sup>455</sup>

On Malaysian plantations, it is commonplace for employers to take possession of workers' visas, passports, and work permits, thus restricting the workers' ability to leave the plantations. If the workers do manage to escape these exploitative conditions, it is police policy to return found workers to the

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<sup>449</sup> Skinner, E. Benjamin. "Indonesia's Palm Oil Industry Rife with Human-Rights Abuses." *Bloomberg Businessweek*. July 18, 2013. <http://www.businessweek.com/articles/2013-07-18/indonesias-palm-oil-industry-rife-with-human-rights-abuses>

Sawit Watch. *What's Happening in the Indonesian Palm Oil Industry*. September 20, 2011. <http://sawitwatch.or.id/2011/09/what%E2%80%99s-happen-in-the-indonesian-palm-oil-industry-2/>

<sup>450</sup> Verité. *Labor and Human Rights Risk Analysis of the Guatemalan Palm Oil Sector*. 2013. <http://www.verite.org/sites/default/files/images/RiskAnalysisGuatemalanPalmOilSector.pdf>

<sup>451</sup> Ghana Employers' Association. *Rapid Assessment Survey on Child Labour in Five Commercial Oil Palm and Rubber Plantations in Ghana*. March 2005.

[http://www.ilo.org/public/english/dialogue/actemp/downloads/projects/ghana\\_rapidass\\_study\\_oil\\_en.pdf](http://www.ilo.org/public/english/dialogue/actemp/downloads/projects/ghana_rapidass_study_oil_en.pdf)

<sup>452</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>453</sup> Accenture. *Exploitative Labor Practices in the Global Palm Oil Industry*. 2013.

[http://humanityunited.org/pdfs/Modern\\_Slavery\\_in\\_the\\_Palm\\_Oil\\_Industry.pdf](http://humanityunited.org/pdfs/Modern_Slavery_in_the_Palm_Oil_Industry.pdf)

<sup>454</sup> Verité. *Hidden Costs in the Global Economy: Human Trafficking of Philippine Males in Maritime, Construction and Agriculture*. 2008. <http://www.verite.org/sites/default/files/images/Verité%20TIP%20Report%20Male%20Trafficking.pdf>

<sup>455</sup> Verité. *Sustainable Palm Oil? Promoting New Measures to Combat Risks of Forced Labor and Human Trafficking in Palm Oil Supply Chains*. May 2013. [http://www.verite.org/sites/default/files/images/Palm\\_White\\_Paper\\_May\\_2013\\_Final\\_Draft\\_0.pdf](http://www.verite.org/sites/default/files/images/Palm_White_Paper_May_2013_Final_Draft_0.pdf)

plantations. Additionally, without their papers, it is impossible for escaped workers to find legal work elsewhere in Malaysia. Native Malaysians and migrants are both victims of these procedures.<sup>456</sup>

In 2010, Sawit Watch recorded the following labor abuses in Indonesia, specifically East Kalimantan: physical abuse, intimidation, unpaid wages and unpaid overtime, indebtedness, child labor, lack of employment contracts, unsatisfactory living conditions, and dangerous working conditions, including unprotected work with chemicals.<sup>457</sup>

Verité found indicators of human trafficking among displaced farmers in Guatemala, as well as internal migrants recruited by labor contractors.<sup>458</sup>

The exact prevalence of trafficking in palm oil is unknown. This is due in part to the fact that while trafficking to Malaysia is known to be common, figures are not disaggregated by commodity. Additionally, the island of Borneo, a major production site for palm oil, is divided between three countries, including Malaysia and Indonesia. Palm oil production is also increasing in Africa and Latin America, and human trafficking has not been extensively studied in this context. Other abuses, such as the confiscation of land, have been noted in Colombia, Guatemala, Cameroon, Ethiopia, and Indonesia. In many cases, when land is confiscated for large-scale palm plantations, local farmers who were previously engaged in small scale or subsistence farming have no livelihood options other than to seek work on the plantation. This can create vulnerability for trafficking (See Case Study: *Labor Rights Abuses in Palm Oil Production in Guatemala*).

Worker interviews conducted by Verité in September and October 2012 also revealed that child labor is common in Malaysian and Indonesian palm plantations. Verité research found that children of undocumented plantation workers are especially vulnerable, as they are considered “stateless” and so cannot access education and healthcare from the state.<sup>459</sup> The Schuster Institute of Investigative Journalism states that approximately 50,000 Indonesian and Filipino children in the Malaysian states of Sarawak and Sabah are considered stateless. The remote location of palm groves also deters children of plantation workers, documented or undocumented, from attending school. Moreover, the employment and payment schemes adopted in palm plantations, in which only the father or the male head of the family is contracted directly by the employer, and paid per piece or based on productivity, push the other members of the family, including children, to work in order to increase productivity and pay.<sup>460</sup> The social status of the family can force children into work as well, as there may be no other options for employment. Families may also be motivated to send their children to work if they are impoverished, indebted, or if they want their child to learn a trade rather than attend an educational institution.<sup>461</sup>

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<sup>456</sup> Accenture. *Exploitative Labor Practices in the Global Palm Oil Industry*. 2013. [http://humanityunited.org/pdfs/Modern\\_Slavery\\_in\\_the\\_Palm\\_Oil\\_Industry.pdf](http://humanityunited.org/pdfs/Modern_Slavery_in_the_Palm_Oil_Industry.pdf)

<sup>457</sup> Sawit Watch. *What's Happening in the Indonesian Palm Oil Industry*. September 20, 2011. <http://sawitwatch.or.id/2011/09/what%E2%80%99s-happen-in-the-indonesian-palm-oil-industry-2/>

<sup>458</sup> Verité. *Labor and Human Rights Risk Analysis of the Guatemalan Palm Oil Sector*. 2013. <http://www.verite.org/sites/default/files/images/RiskAnalysisGuatemalanPalmOilSector.pdf>

<sup>459</sup> Verité. *Sustainable Palm Oil? Promoting New Measures to Combat Risks of Forced Labor and Human Trafficking in Palm Oil Supply Chains*. May 2013. [http://www.verite.org/sites/default/files/images/Palm\\_White\\_Paper\\_May\\_2013\\_Final\\_Draft\\_0.pdf](http://www.verite.org/sites/default/files/images/Palm_White_Paper_May_2013_Final_Draft_0.pdf)

<sup>460</sup> Verité. *Sustainable Palm Oil? Promoting New Measures to Combat Risks of Forced Labor and Human Trafficking in Palm Oil Supply Chains*. May 2013. [http://www.verite.org/sites/default/files/images/Palm\\_White\\_Paper\\_May\\_2013\\_Final\\_Draft\\_0.pdf](http://www.verite.org/sites/default/files/images/Palm_White_Paper_May_2013_Final_Draft_0.pdf)

<sup>461</sup> Verité. *Sustainable Palm Oil? Promoting New Measures to Combat Risks of Forced Labor and Human Trafficking in Palm Oil Supply Chains*. May 2013. [http://www.verite.org/sites/default/files/images/Palm\\_White\\_Paper\\_May\\_2013\\_Final\\_Draft\\_0.pdf](http://www.verite.org/sites/default/files/images/Palm_White_Paper_May_2013_Final_Draft_0.pdf)

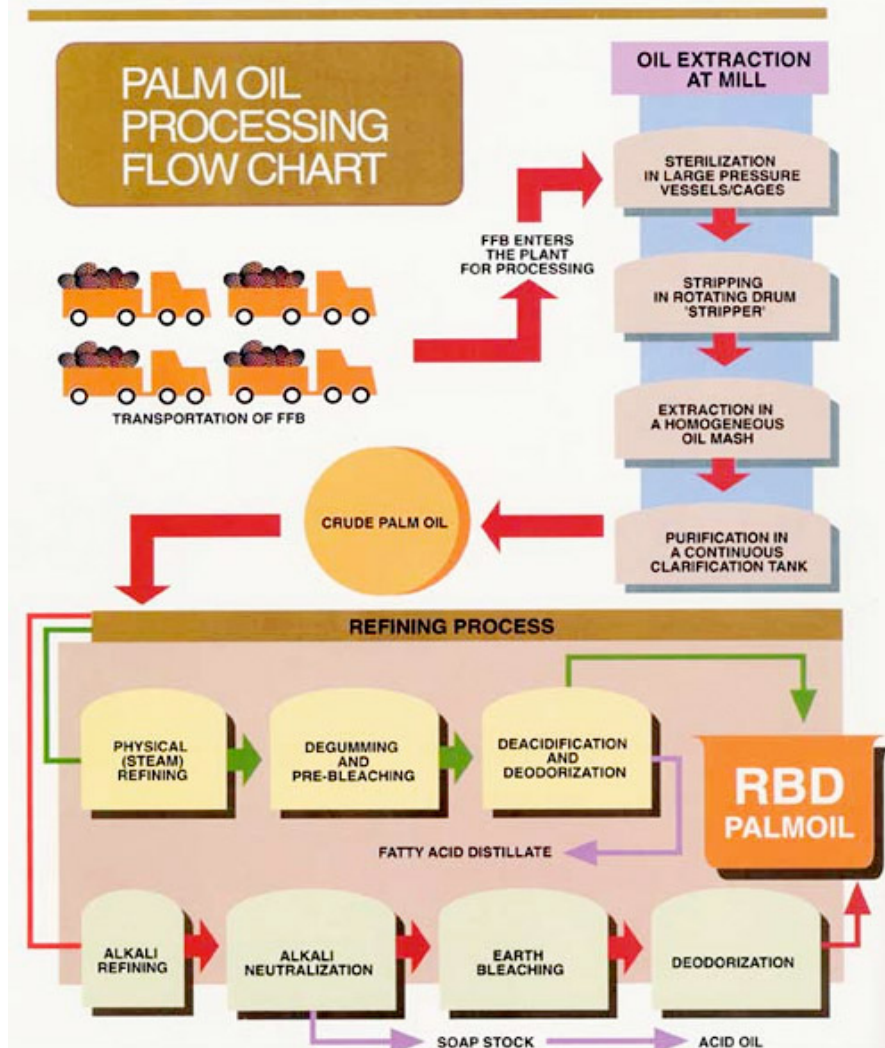
According to a 2002 study by the Ministry of Manpower and Transmigration, 75 percent of children working on palm plantations in Malaysia suffered injuries due to a lack of protective equipment for risky work, 90 percent of children were not provided with any training, and half of the children working on plantations travelled up to an hour to get to work.<sup>462</sup>

Child labor in Ghanaian palm oil production is primarily a result of children working on smallholder plantations or “out-growers” of larger plantations. Most children surveyed in a study carried out by the Ghanaian Employers’ Association were assisting their families. The study noted that some children participating in palm oil production were prevented from fully attending school or had dropped out completely.

### **Palm Oil Production and Supply Chain:**

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<sup>462</sup> Accenture. *Exploitative Labor Practices in the Global Palm Oil Industry*. 2013.  
[http://humanityunited.org/pdfs/Modern\\_Slavery\\_in\\_the\\_Palm\\_Oil\\_Industry.pdf](http://humanityunited.org/pdfs/Modern_Slavery_in_the_Palm_Oil_Industry.pdf)



Palm can be grown on large plantations or in smallholder schemes. In Southeast Asia, most palm comes from large-scale plantations. Large palm oil companies, such as Kuala Lumpur Kepong (KLK), Sime Darby, and Wilmar, usually have their own plantations, mills, and processing plants.<sup>463</sup>

In South America and Africa, the majority of palm comes from smallholder farms. Independent smallholders can seek out the highest available prices for mill purchase of their product; however, they may lack market access including credit for inputs. “Supported smallholders” are tied to mills through a variety of relationship models. Generally, they receive access to credit and/or technical assistance in return for a promise to sell their product. Specifics of these schemes are highly variable based on regional context.<sup>464</sup>

<sup>463</sup> Verité. *Sustainable Palm Oil? Promoting New Measures to Combat Risks of Forced Labor and Human Trafficking in Palm Oil Supply Chains*. May 2013. [http://www.verite.org/sites/default/files/images/Palm\\_White\\_Paper\\_May\\_2013\\_Final\\_Draft\\_0.pdf](http://www.verite.org/sites/default/files/images/Palm_White_Paper_May_2013_Final_Draft_0.pdf)

<sup>464</sup> Mahmud, Adeeb; Rehrig, Matthew; Hills, Greg. *Improving the Livelihoods of Palm Oil Smallholders: the Role of the Private Sector*. 2010. <http://www.fsg.org/tabid/191/ArticleId/220/Default.aspx?srpush>

The first task for low-wage workers on palm plantations is to prepare the land for planting. After three years of applying herbicides and pesticides, weeding, and cultivating the growth of oil palm trees, workers must harvest the fruit. Fruit is removed from trees by hand using a sharp tool such as a scythe. Loose fruits are also collected from the ground.<sup>465</sup> A palm bunch can weigh 55 pounds and contain 3,000 fruits. Harvest periods typically last fewer than 48 hours.<sup>466</sup> After harvesting, the fruit is transported to mills and then processing plants, where palm oil is produced from the flesh and palm kernel oil is produced from the kernel of the fruit. For every ten tons of palm oil, one ton of palm kernel oil is produced.<sup>467</sup>

Oil may be further processed to produce derivatives of varying densities. The derivatives may also be blended with other vegetable oils.<sup>468</sup> Fifty million tons of palm vegetable oil are produced every year.<sup>469</sup>

### **Case Study:**

#### *Human Trafficking in Palm Oil Production in Indonesia*

Journalist E. Benjamin Skinner highlighted the working conditions on a number of palm oil plantations in his article in *Bloomberg Businessweek* in July 2013. He profiles a worker he calls “Adam,” who was brought two thousand miles from his home by an Indonesian foreman to drive trucks in Borneo for USD 6 a day. However, during travel, the foreman forced the recruits to sign a contract that bound them to a distant Malaysian employer and paid them only USD 5 a day. The foreman reportedly told the recruits that they would not in fact be paid for two years and instead would have to apply for loans from the company for health care and food to supplement their meager rations. The contract also prevented the workers from leaving the plantation without permission and forced workers to remain for the contracted two years. Once Adam reached the plantation, owned by Batu Kawan, a top KLK shareholder, his identity card, school certificate, and deed to a home his village owned collectively were confiscated. He was then forced to work in the newly planted palm groves, spreading fertilizer and spraying herbicides all day instead of driving trucks as originally promised. No protective gear was provided even though the herbicide was known to cause kidney and liver damage. Living conditions were horrendous as well. Workers were locked in hot, windowless rooms, given small portions of food often infested with bugs, and provided with fresh water only once a month. Any workers who tried to escape were brought back and beaten severely.<sup>470</sup>

#### *Labor Rights Abuses in Palm Oil Production in Guatemala*

Verité (2013) found a number of human rights and labor risks related to the palm sector in Sayaxché, Petén, Guatemala. Local farmers were displaced by the land grabs of large plantations. Subsistence farmers who sold their land due to coercion, deceit, pressure, or offers of large up-front payments had few options other than working for the palm companies that had obtained huge swaths of land in Sayaxché.

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<sup>465</sup> Food and Agriculture Organization of the UN. *Palm Oil*. <http://www.fao.org/docrep/006/t0309e/T0309E05.htm>

<sup>466</sup> Skinner, E. Benjamin. “Indonesia’s Palm Oil Industry Rife with Human-Rights Abuses.” *Bloomberg Businessweek*. July 18, 2013. <http://www.businessweek.com/articles/2013-07-18/indonesias-palm-oil-industry-rife-with-human-rights-abuses>

<sup>467</sup> Malaysian Palm Oil Council. *Processing Flow Chart*. [http://www.mpoc.org.my/Processing\\_Flow\\_Chart.aspx](http://www.mpoc.org.my/Processing_Flow_Chart.aspx)

<sup>468</sup> GreenPalm. *What is Palm Oil Used In?* <http://www.greenpalm.org/en/about-palm-oil/what-is-palm-oil-used-in>

<sup>469</sup> Verité. *Sustainable Palm Oil? Promoting New Measures to Combat Risks of Forced Labor and Human Trafficking in Palm Oil Supply Chains*. May 2013. [http://www.verite.org/sites/default/files/images/Palm\\_White\\_Paper\\_May\\_2013\\_Final\\_Draft\\_0.pdf](http://www.verite.org/sites/default/files/images/Palm_White_Paper_May_2013_Final_Draft_0.pdf)

<sup>470</sup> Skinner, E. Benjamin. “Indonesia’s Palm Oil Industry Rife with Human-Rights Abuses.” *Bloomberg Businessweek*. July 18, 2013. <http://www.businessweek.com/articles/2013-07-18/indonesias-palm-oil-industry-rife-with-human-rights-abuses>



The loss of land for subsistence agriculture and a lack of other employment opportunities in Sayaxché created a local labor force that either had to continue working on palm plantations under poor conditions or move out of the area to search for other work.

The other group of vulnerable workers in Sayaxché consisted of migrant workers brought in from rural impoverished areas. These workers were typically hired by labor contractors, some of whom deceived them about their conditions of work and charged them up-front recruitment fees and deductions of up to 20 percent of their pay. Furthermore, migrant workers were generally hired on one- to three-month contracts; during the entire duration of their contracts, they did not leave the plantations on which they were housed. Reports indicated that workers were not paid if they left their employment before their contracts were finished. Many of these migrant workers' identity documents were retained, which prevented them from filing legal complaints against their employers.<sup>471</sup>

Verité researchers found a number of indicators of human trafficking in Guatemala's palm sector. Indicators of lack of consent included induced indebtedness, deception or false promises about types and terms of work, withholding and non-payment of wages, and retention of identity documents or other valuable personal possessions. Indicators of menace of penalty included physical violence against workers or family or close associates, sexual violence, imprisonment or other physical confinement, dismissal from current employment, exclusion from future employment, exclusion from community and social life, deprivation of food, shelter or other necessities, and shifts to even worse working conditions.<sup>472</sup>

### **How do trafficking and/or child labor in palm oil production affect me?**



Palm oil – or its derivatives – is present in up to 50 percent of all products in grocery stores (The Economist). Sometimes labeled in products as “vegetable oil,” it is used in products including fuels, soaps and shampoos, processed foods, cereals, baked goods, margarine, cosmetics, confectionary items, cleaning products, detergents, toothpaste, and candles. Since 1970, the global demand for vegetable oils has increased by over one hundred metric tons. This has been attributed to the use of vegetable oils in consumer products, as well as an increasing demand for biodiesel fuels in developed countries. Of the different vegetable oils, palm oil is the most popular; according to Humanity United, this is because palm

<sup>471</sup> Verité. *Labor and Human Rights Risk Analysis of the Guatemalan Palm Oil Sector*. 2013. <http://www.verite.org/sites/default/files/images/RiskAnalysisGuatemalanPalmOilSector.pdf>

<sup>472</sup> Verité. *Labor and Human Rights Risk Analysis of the Guatemalan Palm Oil Sector*. 2013. <http://www.verite.org/sites/default/files/images/RiskAnalysisGuatemalanPalmOilSector.pdf>

is the “most prolific producer of oils.”<sup>473</sup> Since 1990, global consumption of palm oil has increased fivefold.<sup>474</sup>

Currently, the United States is the sixth largest importer of palm oil, following China, India, Europe, Pakistan and Malaysia.<sup>475</sup> Growth in India and China contributes to the ever increasing demand for oil, which the World Wildlife Fund reports may double by 2020.<sup>476</sup> Producers of the oil have begun relying on forced labor to keep costs low and profits high.<sup>477</sup>

Indonesia and Malaysia, both countries confirmed to use forced or child labor in palm oil production, produce about 85 percent of the palm oil in the world – together the countries employ over 3.5 million documented workers.<sup>478</sup>

According to a recent news report, KLK, a Malaysian-owned palm oil company accused of having committed serious human rights offenses, received 26 percent of its revenue from the United States and Europe. Companies known to purchase palm oil from KLK include Unilever, Cargill, Nestlé, General Mills, Kraft, and Kellogg. KLK is among many palm oil companies that are facing such allegations. Only thirty-five percent of Roundtable on Sustainable Palm Oil (RSPO) member growers are actually certified and not one company has had their certification taken away for poor performance, despite reports of misconduct.<sup>479</sup>

### **Environmental Consequences of Palm Oil Production:**

Palm oil production has heavy environmental consequences, notably through widespread deforestation, which leads to the destruction of habitats for endangered species, such as orangutans, and contributes to climate change.<sup>480</sup> According to a 2009 report, “the creation of oil plantations in Malaysia is regarded as the main cause of the air pollution that has been affecting many neighboring countries in Southeast Asia.”<sup>481</sup> As palm production spreads to Latin America and Africa, deforestation is increasing in palm-producing regions. Greenpeace has described the company Herakles Farms in Cameroon illegally logging and clearing forest.<sup>482</sup>

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<sup>473</sup> Accenture. *Exploitative Labor Practices in the Global Palm Oil Industry*. 2013.

[http://humanityunited.org/pdfs/Modern\\_Slavery\\_in\\_the\\_Palm\\_Oil\\_Industry.pdf](http://humanityunited.org/pdfs/Modern_Slavery_in_the_Palm_Oil_Industry.pdf)

<sup>474</sup> Skinner, E. Benjamin. “Indonesia’s Palm Oil Industry Rife with Human-Rights Abuses.” *Bloomberg Businessweek*. July 18, 2013. <http://www.businessweek.com/articles/2013-07-18/indonesias-palm-oil-industry-rife-with-human-rights-abuses>

<sup>475</sup> U.S. Department of Agriculture. *Palm Oil: World Supply and Distribution*. September 11, 2014.

<http://www.fas.usda.gov/psdonline/psdReport.aspx?hidReportRetrievalName=Table+11%3a+Palm+Oil%3a+World+Supply+and+Distribution+&hidReportRetrievalID=710&hidReportRetrievalTemplateID=8>

<sup>476</sup> World Wildlife Fund (WWF). *About Palm Oil*. [http://wwf.panda.org/what\\_we\\_do/footprint/agriculture/palm\\_oil/](http://wwf.panda.org/what_we_do/footprint/agriculture/palm_oil/)

<sup>477</sup> Accenture. *Exploitative Labor Practices in the Global Palm Oil Industry*. 2013.

[http://humanityunited.org/pdfs/Modern\\_Slavery\\_in\\_the\\_Palm\\_Oil\\_Industry.pdf](http://humanityunited.org/pdfs/Modern_Slavery_in_the_Palm_Oil_Industry.pdf)

<sup>478</sup> Accenture. *Exploitative Labor Practices in the Global Palm Oil Industry*. 2013.

[http://humanityunited.org/pdfs/Modern\\_Slavery\\_in\\_the\\_Palm\\_Oil\\_Industry.pdf](http://humanityunited.org/pdfs/Modern_Slavery_in_the_Palm_Oil_Industry.pdf)

<sup>479</sup> Skinner, E. Benjamin. “Indonesia’s Palm Oil Industry Rife with Human-Rights Abuses.” *Bloomberg Businessweek*. July 18, 2013. <http://www.businessweek.com/articles/2013-07-18/indonesias-palm-oil-industry-rife-with-human-rights-abuses>

<sup>480</sup> Greenpeace. *Herakles Farms in Cameroon: A Showcase in Bad Palm Oil Production*. 2013.

<http://www.greenpeace.org/usa/Global/usa/planet3/PDFs/Forests/HeraklesCrimeFile.pdf>

<sup>481</sup> O’Sullivan, Laurence. “Palm Oil Growth Damages Rainforest Environment.” *Suite 101*. March 15, 2009.

<http://www.suite101.com/content/palm-oil-growth-damages-rainforest-environment-a101206#ixzz14pEmzmRy>

<sup>482</sup> Greenpeace. *Herakles Farms in Cameroon: A Showcase in Bad Palm Oil Production*. 2013.

<http://www.greenpeace.org/usa/Global/usa/planet3/PDFs/Forests/HeraklesCrimeFile.pdf>

In addition, palm oil has no environmental benefits when used as a biofuel. Oxfam has stated that the deforestation resulting from the conversion of forest to farmland in Indonesia would require “420 years of biofuel production to pay back the carbon debt.”<sup>483</sup>

### **Examples of what governments, corporations, and others are doing:**

Due to increased campaigning highlighting the environmental impacts of palm oil, the last few years have seen increased engagement by corporations and governments. As a result of pressure from Greenpeace, in 2008, Unilever made a commitment to complete sustainable sourcing by 2015.<sup>484</sup> Since then, other major consumer goods companies such as Mars, Walmart, Nestle, Cargill and General Mills have made similar commitments. While social issues such as human trafficking have not been at the foreground of these campaigns, in one notable case The Body Shop dropped their major supplier of palm oil, Dabaan Organics, over allegations of illegal land confiscations in Colombia.

In 2004, companies and other stakeholders created the Roundtable on Sustainable Palm Oil (RSPO), which has a certification system for sustainable palm oil. The RSPO developed standards for environmental and social responsibility, against which growers and millers are audited for certification. The first set of standards developed by RSPO did not have specific criteria against forced labor; however, after pressure from organizations, including Verité, the RSPO voted in April 2013 to create a new set of principles and criteria that included stronger provisions on labor, employment, human rights and business ethics.<sup>485</sup> The RSPO requires companies claiming to sell certified-sustainable palm oil to partake in third-party assessments to confirm the “legal, economically viable, environmentally appropriate, and socially beneficial management and operations” status of the product. Fifteen percent of RSPO member groups have committed to using only sustainably produced palm oil by 2015.<sup>486</sup>

Hamana Child Aid Society is an organization in Borneo focused on educating the children of migrant workers employed in the palm oil industry. These children are extremely vulnerable to child labor because they lack legal documents and are therefore unable to attend school. Hamana Child Aid Society runs 128 learning centers with a total of 12,000 students. The organization is funded by foreign donors, including the European Union.<sup>487</sup>

### **Where can I learn more?**

[Watch](#) “The Price of Palm Oil” by Al Jazeera.

[Learn](#) about Verité’s efforts to end abuses by labor brokers.

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<sup>483</sup> Oxfam. *Another Inconvenient truth: How Biofuel Policies are Deepening Poverty and Accelerating Climate Change*. June 26, 2008. <http://www.oxfam.org/en/grow/policy/another-inconvenient-truth>

<sup>484</sup> Greenpeace. *How Unilever Palm Oil Suppliers are Burning Up Borneo*. April 21, 2008.

<http://www.greenpeace.org/international/en/publications/reports/how-unilever-palm-oil-supplier/>

<sup>485</sup> Verité. *Sustainable Palm Oil? Promoting New Measures to Combat Risks of Forced Labor and Human Trafficking in Palm Oil Supply Chains*. May 2013. [http://www.verite.org/sites/default/files/images/Palm\\_White\\_Paper\\_May\\_2013\\_Final\\_Draft\\_0.pdf](http://www.verite.org/sites/default/files/images/Palm_White_Paper_May_2013_Final_Draft_0.pdf)

<sup>486</sup> Skinner, E. Benjamin. “Indonesia’s Palm Oil Industry Rife with Human-Rights Abuses.” *Bloomberg Businessweek*. July 18, 2013. <http://www.businessweek.com/articles/2013-07-18/indonesias-palm-oil-industry-rife-with-human-rights-abuses>

<sup>487</sup> Motlagh, Jason. “Borneo: An Expat Teacher on a Mission.” Pulitzer Center on Crisis Reporting. January 23, 2013. <http://pulitzercenter.org/reporting/borneo-malaysia-sabah-hamana-child-aid-plantation-education-mission>

[Read](#) a report by Verité on new measures to combat risks of forced labor and human trafficking in palm oil supply chains.

[Read](#) a report by Amnesty International about trafficking in Malaysia.

[Read](#) Benjamin Skinner’s article “Indonesia’s Palm Oil Industry Rife with Human-Rights Abuses” for a detailed account of human trafficking on a palm plantation.

[Read](#) this Humanity United report on exploitative labor in the palm industry – includes a list of companies and products that use palm oil.

[Explore](#) the Schuster Institute for Investigative Journalism at Brandeis University website to learn more about the dangers of palm oil.

[Watch](#) a video on the impact of Indonesia’s Palm Oil Plantations.

## Pineapple



**Pineapples are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that produce pineapples worldwide (FAOSTAT 2012):**

**Top ten countries that export pineapples worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports pineapples (UN Comtrade 2012):**

Brazil (CL)	1. Thailand	1. Costa Rica	1. Costa Rica
Costa Rica (FL)	2. Costa Rica	2. The Philippines	2. Mexico
Côte d’Ivoire (FL, CL)	3. Brazil	3. Netherlands	3. Honduras
United States (FL)	4. The Philippines	4. Belgium	4. Panama
Thailand (FL)	5. Indonesia	5. United States	5. Guatemala
	6. India	6. Honduras	6. Ecuador
	7. Nigeria	7. Ecuador	7. Thailand
	8. China	8. Côte d’Ivoire	8. Dominican Republic
	9. Mexico	9. Mexico	9. Colombia
	10. Colombia	10. Germany	10. China

**Where is pineapple reportedly produced with trafficking and/or child labor?**

The U.S. Department of State 2015 *Trafficking in Persons* report notes forced child labor in the pineapple sector in Côte d'Ivoire.<sup>488</sup>

According to the U.S. Department of Labor's 2014 *List of Goods Produced by Forced Labor and Child Labor*, pineapples are produced in Brazil using child labor.<sup>489</sup> A Honolulu newspaper reported that migrant farmworkers are exposed to human trafficking on American owned pineapple farms on Maui and the island of Hawaii.<sup>490</sup> According to human rights organization Finnwatch, trafficking has been used in pineapple production in Thailand.<sup>491</sup> The Labor Rights Forum has reported instances of trafficking on pineapple plantations in Costa Rica.<sup>492</sup>

Although specific cases of trafficking have not been cited in the Philippines, high rates of labor casualization – that is, workers working without a formal connection to the plantation owner – have led to severe exploitation of workers.<sup>493</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Brazil, and CDI as Tier 2 countries. Costa Rica is listed as a Tier 2 Watch List country. Thailand is listed as a Tier 3 country. The United States is listed as a Tier 1 country.<sup>494</sup>

### **What does trafficking and/or child labor in pineapple production look like?**

Children working in the pineapple industry may apply dangerous chemicals, carry heavy loads, work long hours and use hazardous tools.<sup>495</sup> According to the U.S. Department of State, boys from neighboring countries of Ghana, Mali, Burkina Faso, Benin, and Togo are trafficked to work on pineapple plantations in Côte d'Ivoire.<sup>496</sup>

In the Philippines and Costa Rica, where pineapple production is dominated by large multi-national companies, contract workers are hired via “labor cooperatives.” These labor cooperatives allow plantations to avoid direct working relationships with workers, who essentially become “permanent temporary” workers with no mechanisms for grievance.<sup>497</sup>

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<sup>488</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>489</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*.

[http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>490</sup> Daranciang, Nelson. “Scope of Isle Farm Labor Abuse Case Widens.” *Star Advertiser*. January 15, 2011.

[http://www.staradvertiser.com/news/20110115\\_scope\\_of\\_isle\\_farm\\_labor\\_abuse\\_case\\_widens.html](http://www.staradvertiser.com/news/20110115_scope_of_isle_farm_labor_abuse_case_widens.html)

<sup>491</sup> Moilanen, Vesa. “Forced Labor Behind Pineapple Juice on Shelves in Finland.” *Nordic Africa News*. January 22, 2013.

<http://www.helsinkitimes.fi/finland/finland-news/domestic/5081-forced-labour-behind-pineapple-juice-on-shelves-in-finland>

<sup>492</sup> International Labor Rights Forum. “The Sour Taste of Pineapple”. October, 2008. <http://laborrights.org/creating-a-sweatfree-world/resources/10745?lang=english>

<sup>493</sup> International Labor Rights Forum. “The Sour Taste of Pineapple”. October, 2008. <http://laborrights.org/creating-a-sweatfree-world/resources/10745?lang=english>

<sup>494</sup> U.S. Department of State. *2015 Trafficking in Person's Report*. 2015.

<http://www.state.gov/documents/organization/243558.pdf>

<sup>495</sup> U.S. Department of Labor. *2011 Findings on the Worst Forms of Child Labor*. 2011.

<http://www.dol.gov/ilab/programs/ocft/2011TDA.pdf>

<sup>496</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*.

[http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>497</sup> International Labor Rights Forum. “The Sour Taste of Pineapple”. October, 2008. <http://laborrights.org/creating-a-sweatfree-world/resources/10745?lang=english>

In Costa Rica, many workers are undocumented migrants and are thus extremely vulnerable to human trafficking. Depending on the region, between 60 and 90 percent of pineapple workers are migrants from Nicaragua, and many lack documentation.<sup>498</sup> These workers generally do not speak the language of the farm owners and, due to their undocumented status, they do not have access to legal avenues for lodging complaints about dangerous working conditions, excessive hours, or low pay. Even workers who do have access to labor unions are habitually fired or blacklisted by farm owners.<sup>499</sup> Workers in pineapple production are exposed to hazards including toxic chemicals, heavy machinery and extreme temperatures.<sup>500</sup>

### **Pineapple Production and Supply Chain:**

The pineapple production process generally includes fertilizing and pesticide spraying in addition to the usual labor-intensive agricultural activities, such as land preparation, planting, and harvesting. A large workforce is required to cultivate the fruit. After an extensive period of planting, protecting, and watering pineapples, they are harvested and packaged to be shipped to processing plants or to be sold as fresh fruit. Pineapple producing brands often own plantations in several countries and shipments from these countries may be shipped together, making it difficult to identify geographic origins of the fruit once it is on grocery shelves.<sup>501</sup>

### **How do trafficking and/or child labor in pineapple production affect me?**

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<sup>498</sup> Lawrence, Felicity. "Bitter Fruit: The Truth about Supermarket Pineapple." *The Guardian*. October 1, 2010.

<http://www.theguardian.com/business/2010/oct/02/truth-about-pineapple-production>

<sup>499</sup> Maliq, Anahi. "The Environmental and Social Cost of Pineapples in Costa Rica." *Labor is Not a Commodity*. January 4, 2011.

[http://laborrightsblog.typepad.com/international\\_labor\\_right/2011/01/the-environmental-and-social-cost-of-pineapples-in-costa-rica.html](http://laborrightsblog.typepad.com/international_labor_right/2011/01/the-environmental-and-social-cost-of-pineapples-in-costa-rica.html)

<sup>500</sup> International Labor Rights Forum. "The Sour Taste of Pineapple". October, 2008. <http://laborrights.org/creating-a-sweatfree-world/resources/10745?lang=english>

<sup>501</sup> International Labor Rights Forum. "The Sour Taste of Pineapple". October, 2008. <http://laborrights.org/creating-a-sweatfree-world/resources/10745?lang=english>

United Nations Conference on Trade and Development (UNCTAD). "Pineapple." *AAACP Products*. April 26, 2012.

<http://www.unctad.info/en/Infocomm/AAACP-Products/COMMODITY-PROFILE---Pineapple/>



As a commodity, the pineapple is predominantly traded as a fresh fruit, but the Food and Agriculture Organization also includes pineapple juice concentrate in the pineapple commodities trade statistics.<sup>502</sup> Pineapples make up about 20 percent of the total world tropical fruit production and they are the second most harvested fruit, after bananas. The United States has the highest demand for imported pineapple. According to the United Nations Conference on Trade and Development (UNCTAD), the primary use globally for pineapple is as a fresh fruit in the country of origin.<sup>503</sup>

### **Examples of what governments, corporations, and others are doing:**

Finnwatch raised awareness about the sourcing of food at Finnish food stores. They found that in a Thai pineapple juicing factory, workers were subjected to conditions that could be considered forced labor. The group has influenced Finnish consumers and stores to ensure that human rights violations are not being committed during pineapple production and processing.<sup>504</sup>

Costa Rican environmental and labor groups created the National Front of Sectors Affected by the Pineapple Industry to combat human rights and health issues in the industry. Subsequently, the International Labor Rights Forum released an extensive report on human rights violations in the global pineapple industry, which in turn led to human rights inquiries by Banana Link and an international campaign by Consumers International targeting improper working conditions in the tropical fruit industry. Various newspapers have also released awareness-raising reports on working conditions for pineapple plantation laborers in light of the recent boom in pineapple demand in the United States and Europe.<sup>505</sup>

### **Where can I learn more?**

[Read](#) this Labor Rights Forum report on the growth of the pineapple industry.

[Take a look](#) at the Finnwatch report on suppliers for European groceries.

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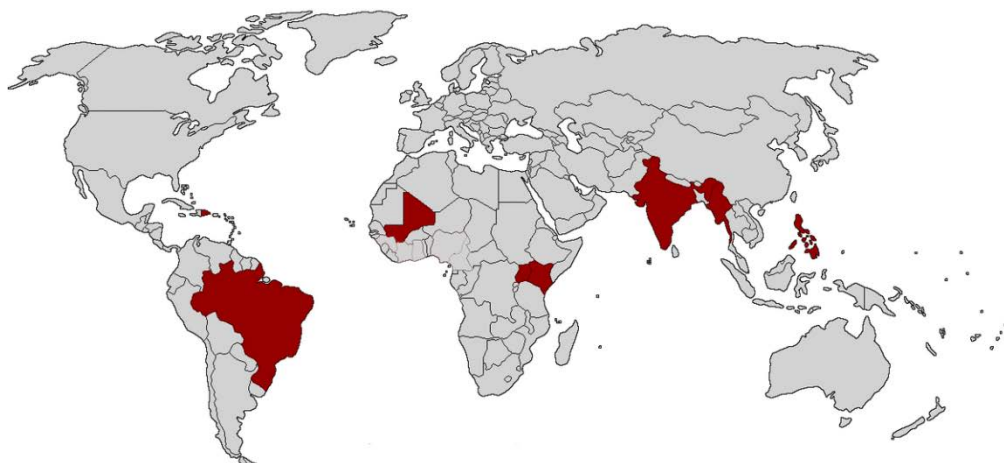
<sup>502</sup> United Nations Conference on Trade and Development (UNCTAD). "Pineapple." *AAACP Products*. April 26, 2012. <http://www.unctad.info/en/Infocomm/AAACP-Products/COMMODITY-PROFILE---Pineapple/>

<sup>503</sup> United Nations Conference on Trade and Development (UNCTAD). "Pineapple." *AAACP Products*. April 26, 2012. <http://www.unctad.info/en/Infocomm/AAACP-Products/COMMODITY-PROFILE---Pineapple/>

<sup>504</sup> Moilanen, Vesa. "Forced Labor Behind Pineapple Juice on Shelves in Finland." *Nordic Africa News*. January 22, 2013. <http://www.helsinkitimes.fi/finland/finland-news/domestic/5081-forced-labour-behind-pineapple-juice-on-shelves-in-finland>

<sup>505</sup> Maliq, Anahi. "The Environmental and Social Cost of Pineapples in Costa Rica." *Labor is Not a Commodity*. January 4, 2011. [http://laborrightsblog.typepad.com/international\\_labor\\_right/2011/01/the-environmental-and-social-cost-of-pineapples-in-costa-rica.html](http://laborrightsblog.typepad.com/international_labor_right/2011/01/the-environmental-and-social-cost-of-pineapples-in-costa-rica.html)

## Rice



Rice is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce rice worldwide (FAOSTAT 2012):	Top ten countries that export rice worldwide (UN Comtrade 2012):	Top ten countries from which the US imports rice (UN Comtrade 2012):
Brazil (CL)	1. China	1. India	1. Thailand
Burma (FL, CL)	2. India	2. Thailand	2. India
Dominican Republic (CL)	3. Indonesia	3. United States	3. Vietnam
India (FL, CL)	4. Bangladesh	4. Pakistan	4. Pakistan
Kenya (CL)	5. Vietnam	5. Brazil	5. Brazil
Mali (FL, CL)	6. Thailand	6. Uruguay	6. Uruguay
Philippines (CL)	7. Burma	7. Italy	7. Italy
Uganda (CL)	8. Philippines	8. Argentina	8. Argentina
	9. Brazil	9. Australia	9. Canada
	10. Japan	10. Russia	10. Spain

### Where is rice reportedly produced with trafficking and/or child labor?

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, rice is made with forced labor or forced child labor in India.<sup>506</sup>

The U.S. Department of Labor's 2014 *List of Goods Produced by Forced Labor and Child Labor* notes that rice is produced with forced labor in Burma, India, and Mali and child labor in Brazil, Burma, the Dominican Republic, India, Kenya, Mali, the Philippines, and Uganda.<sup>507</sup>

<sup>506</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>507</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRR_Report2014.pdf)



The U.S. Department of State *Trafficking in Persons Report* lists Brazil, Kenya, the Dominican Republic, India, Philippines and Uganda as Tier 2 countries. Mali, and Burma are listed as Tier 2 Watch List countries.<sup>508</sup>

### **What does trafficking and/or child labor in rice production look like?**

Most forced and child labor in rice takes place at the harvesting stage. In the rice growing region in eastern Uganda, half of all children reportedly leave school to work on the rice harvest.<sup>509</sup> According to the U.S. Department of State, some Kenyan tenant rice farmers work in debt bondage.<sup>510</sup> They take advances from farm owners or supervisors to pay for school fees, food or medical needs, and are unable to pay back the loans with the proceeds from their harvest.

In India, human trafficking has been identified at the milling stage of production. In early 2010, an Indian rice mill owner was convicted of holding multiple families inside the mill, initially binding them with debt through advances and also locking the facilities and denying workers permission to leave.<sup>511</sup> A similar situation was discovered in a rice mill in Chennai, India in April 2012. The International Justice Mission (IJM) identified the abuse and government authorities “[conducted] the rescue operation,” freeing over two dozen children, women and men.<sup>512</sup>

### **Rice Production and Supply Chain:**

The world’s largest producers of rice are China, India, Indonesia, Vietnam, and Thailand.<sup>513</sup> The United States is a net rice exporter, exporting “about half of its rice crop, mostly to Mexico, Central America, Northeast Asia, the Caribbean and the Middle East.” However, demand for aromatic rice varieties has increased imports from South Asia.<sup>514</sup>

### **How do trafficking and/or child labor in rice production affect me?**

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<sup>508</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>509</sup> Olukya, Godfrey. “Stunted Growth: Thousands of Ugandan Children Abandon School.” *The Africa Report*. June 8, 2012. <http://www.theafricareport.com/Society-and-Culture/stunted-growth-thousands-of-ugandan-children-abandon-school.html>

<sup>510</sup> U.S. Department of Labor. *2012 US Department of Labor’s List of Goods Produced by Child Labor or Forced Labor*. 2012. <http://www.dol.gov/ilab/programs/ocft/pdf/2012TVPRA.pdf>

<sup>511</sup> International Justice Mission. “Rice Mill Operation Frees 22 Laborers.” October 2, 2010. <http://www.ijm.org/newsfromthefield/ricemillrescueoperationfrees22forcedlaborers>

<sup>512</sup> International Justice Mission. “IJM Chennai: Families Now Free from Forced Labor in ‘Deplorable’ Rice Mill.” April 12, 2012. <http://www.ijm.org/news/ijm-chennai-families-now-free-forced-labor-deplorable-rice-mill>

<sup>513</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *FAOSTAT Database: Food and Agricultural Commodities Production /Countries by Commodity*. 2012. [http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries\\_by\\_commodity/E](http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries_by_commodity/E)

<sup>514</sup> U.S. Department of Agriculture. *Grain: World Markets and Trade*. September 2011. <http://www.fas.usda.gov/grain/circular/2011/09-11/grainfull09-11.pdf>



According to the U.S. Department of Agriculture (USDA), rice is the “primary staple for more than half the world's population.”

Approximately 85 percent of rice consumed in the United States is grown domestically.<sup>515</sup> However, India and Brazil are among the top five countries that export rice to the United States and they have documented forced and/or child labor in rice production.<sup>516</sup>

### **Examples of what governments, corporations, and others are doing:**

In 2012, the International Justice Mission and the Indian government rescued 17 people from forced labor in a rice mill in Kancheepuram, India. The government of India is also partnering with the ILO on a project to reduce bonded labor in rice mills in Tamil Nadu by integrating existing government and social welfare programs.<sup>517</sup>

### **Where can I learn more?**

[Read](#) a case study from the International Justice Mission.

[Watch](#) a video on recent changes in the international rice trade.

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<sup>515</sup> U.S. Department of Agriculture. *Grain: World Markets and Trade*. September 2011.

<http://www.fas.usda.gov/grain/circular/2011/09-11/grainfull09-11.pdf>

<sup>516</sup> UN Department of Economic and Social Affairs. *UN Comtrade Database*. 2012. <http://comtrade.un.org/data/>

<sup>517</sup> U.S. Department of Labor. *2013 Findings on the Worst Forms of Child Labor: India*. 2013.

[http://www.dol.gov/ilab/reports/child-labor/india.htm#ENREF\\_112](http://www.dol.gov/ilab/reports/child-labor/india.htm#ENREF_112)

## Rubber



Rubber is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produced rubber worldwide (FAOSTAT 2012):	Top ten countries that export rubber worldwide (UN Comtrade 2012):	Top ten countries from which the US imports rubber (UN Comtrade 2012):
Burma (FL, CL)	1. Thailand	1. China	1. China
Cambodia (CL)	2. Indonesia	2. Germany	2. Canada
Côte d'Ivoire ( FL)	3. Malaysia	3. Thailand	3. Indonesia
Indonesia (CL)	4. Vietnam	4. United States	4. Japan
Liberia (FL, CL)	5. India	5. Japan	5. Thailand
Philippines (CL)	6. China	6. Indonesia	6. South Korea
Malaysia (FL)	7. Côte d'Ivoire	7. Nigeria	7. Mexico
Vietnam (FL)	8. Brazil	8. South Korea	8. Malaysia
	9. Philippines	9. Malaysia	9. Germany
	10. Burma	10. France	10. Other Asia (not elsewhere specified)

### Where is rubber reportedly produced with trafficking and/or child labor?

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, rubber is produced with forced labor or forced child labor in Burma, Côte d'Ivoire and Liberia.<sup>518</sup>

The U.S. Department of Labor's 2014 *List of Goods Produced by Forced Labor and Child Labor* notes that natural rubber is produced with forced labor in Burma and with child labor in Burma, Cambodia,

<sup>518</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

Indonesia, Liberia, and the Philippines.<sup>519</sup> Anecdotal reports have described forced labor in Malaysia and Vietnam.<sup>520</sup>

The U.S. Department of State 2015 *Trafficking in Persons Report* lists Indonesia, Liberia, the Philippines and Vietnam as Tier 2 countries. Burma, Cambodia, and Malaysia are listed as Tier 2 Watch List countries.<sup>521</sup>

### **What does trafficking and/or child labor in rubber production look like?**

The most well-known instances of human trafficking in rubber production are those on the Firestone plantations of Liberia. Rubber tappers responsible for extracting liquid rubber from trees receive low wages and must meet high quotas which require assistance from family members, including children.<sup>522</sup> According to anecdotal reports, conditions have improved somewhat in recent years, in part due to the public campaigns highlighting Firestone and in part due to the end of Liberia's civil war. There have been few studies on conditions outside of Firestone properties.

An ILO study on child labor in Indonesia found that generally children helped parents work on rubber plantations after school, but if parents could not afford school fees, children would drop out of school to work on the rubber plantation full time. Children working on the plantation are responsible for the same tasks as adults, including tapping the trees, cutting grass around the trees, spraying pesticides on weeds and fungus, and planting seedlings. Children working full time worked the same hours as adults. These children are exposed to hazards such as snake attacks, pesticides, long hours, and using sharp tools, with most work performed in isolated locations.<sup>523</sup>

### **Case Study:**

#### *Research on working conditions in the Liberia Rubber Sector*

Verité conducted research on two large, foreign-owned rubber plantations in Liberia (LAC and Cocopa) and found several potential indicators of human trafficking. The majority of workers on the rubber plantations are employed as tappers who manually extract rubber from the trees and transport it to field stations. Tappers are paid by production and have a quota of how many trees they must tap per day. Those who do not reach the quota are subject to financial penalties. Additionally, wages may vary from month to month as paycheck deductions are made for services like compulsory, subsidized bags of rice, school fees and voluntary savings programs. Workers at both plantations are required to work eight hours per day, but twelve hour work days are not uncommon. Researchers found that although the LAC plantation gave out loans to its employees, indebtedness was not a factor in keeping workers on the plantation. Some evidence of menace of penalty was found, such as forced dismissal, but these accounts were

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<sup>519</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TPRA_Report2014.pdf)

<sup>520</sup> Kinetz, Erika, Georeg Wehrfritz, Jonathan Kent. "Bottom of the Barrel." *Newsweek*. March 15, 2008. <http://www.newsweek.com/2008/03/15/bottom-of-the-barrel.html>

International Labor Organization (ILO). *Report on Working Children Situation in Eight Provinces and Cities in Viet Nam*. September 2009. <http://www.ilo.org/ipecinfo/product/viewProduct.do?productId=13014>

<sup>521</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>522</sup> International Labor Rights Forum. *Labor Rights Abuses Continue on Firestone Liberia Rubber Plantation*. July 28, 2009. <http://www.laborrights.org/stop-child-labor/stop-firestone/news/12065>

<sup>523</sup> International Labor Organization (ILO) Indonesia. *Child Labour in Plantations*. April 22, 2010. [http://www.ilo.org/jakarta/areasofwork/WCMS\\_126206/lang--en/index.htm](http://www.ilo.org/jakarta/areasofwork/WCMS_126206/lang--en/index.htm)

unsubstantiated. On both the plantations, child labor was observed. Because of the quota system, many families employ their children in order to reach the daily quota. Additionally, because of the poor quality of education and high school fees, many parents prefer to have their children working on the plantation over attending school. Researchers found that plantation workers, including children, face significant health risks. Working as a tapper requires hard physical labor and back pain is a common complaint. The rate of accident is high as workers have to handle machetes, hot rubber and acid (which is used in the production process). Although protective gear is issued to most workers, not all are educated on its functionality.<sup>524</sup>

### Rubber Production and Supply Chain:



\*Yellow bars signify production and green cones signify consumption. Arrows signify trade flows.

Source: UN Conference on Trade and Development (UNCTAD). *Commodity Atlas: Natural Rubber*. 2004  
[http://www.unctad.org/en/docs/ditccom20041ch17\\_en.pdf](http://www.unctad.org/en/docs/ditccom20041ch17_en.pdf)

In Asia, with the exception of Indonesia and Malaysia, rubber is likely to be grown on large plantations, whereas in Africa it is most likely to be grown on small family farms.

The production of natural rubber revolves around the life cycle of the tree from which the rubber (or latex) originates. This means that the production process for rubber requires three major stages: planting and maintaining the trees, harvesting the rubber from them by tapping, and processing the rubber for trade. As a production process, this is extremely labor intensive. In each stage, several specific tasks are involved, and each relates to the life-cycle of the tree. The rubber tree is fragile, particularly in the period immediately after planting and up to when it reaches maturity at seven or eight years of age. The tree can

<sup>524</sup> Verité. *Rubber Production in Liberia: An Explanatory Assessment of Living and Working Conditions, with Special Attention to Forced Labor*.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector__9.16.pdf)

be tapped carefully from the age of two or three, but its prime years of production, if well-maintained, are from seven to 25 years.<sup>525</sup>

The lifecycle of a rubber field is therefore defined by three distinct phases. First, as seedlings, the trees are in a nursery, while a field is being prepared for them. When the seedlings are ready, these young trees are transplanted to the prepared field. Second, for seven to eight years, apart from periodic gentle tapping, the main activity on the field is pruning and weeding. Third, after this seven to eight year period, the trees are ready for full production. At this stage, they will be tapped all year round. However, the peak periods of the season last from the heavy rains of May to September and the lighter rains of October to January. Production is considerably lower in the dry period lasting from February to April.<sup>526</sup>

The clearing of land, breeding in the nursery, and the weeding and pruning of fields and young trees are integral elements to the production process. The most labor-intensive stage, however, is the tapping of trees. This involves each tree being “tapped” with a cup that is attached to it just below the cut made in the tree’s bark to collect the latex. In a normal working day, tappers will collect “cup-lumps” from the previous day – that is, the latex that has poured into the cup overnight – then clean the cup and return to collect the new latex later that same day. At the end of the day (or alternately after a whole field has been cleared), the tapper will carry both the fresh latex and cup-lumps to the nearest field station for weighing. At the field station, acid is added to the latex as the first step in producing rubber. At this stage, there are safety concerns for workers involved in the collection and production process, with injuries in the field including eye and skin damage from spilling latex; snakebites; back pain and muscle cramps from carrying heavy loads to the field stations; and exposure to the acid that is added to the latex at the field station.<sup>527</sup>

According to a USAID description of the rubber sector in Indonesia, small holders generally sell their rubber to nearby plantations or middlemen, while plantations sell on the open market or through traders. Traders in the value chain finance producers and provide transport. Processors buy material from collectors, plantations or farmer groups. Large plantations may also be processors. Brokers collect rubber from processors and provide it to global rubber manufacturers.<sup>528</sup> The origin of rubber can be obscured, particularly at the broker or manufacturing level.

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<sup>525</sup> Verité. *Rubber Production in Liberia: An Explanatory Assessment of Living and Working Conditions, with Special Attention to Forced Labor*.

[http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector__9.16.pdf)

<sup>526</sup> Verité. *Rubber Production in Liberia: An Explanatory Assessment of Living and Working Conditions, with Special Attention to Forced Labor*.

[http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector__9.16.pdf)

<sup>527</sup> Verité. *Rubber Production in Liberia: An Explanatory Assessment of Living and Working Conditions, with Special Attention to Forced Labor*.

[http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector__9.16.pdf)

<sup>528</sup> U.S. Agency for International Development (USAID). *A Value Chain Assessment of the Rubber Industry in Indonesia*. June 2007. [http://pdf.usaid.gov/pdf\\_docs/PNADL492.pdf](http://pdf.usaid.gov/pdf_docs/PNADL492.pdf)

Approximately 90 percent of rubber production takes place in Asia, with Thailand, Indonesia, Malaysia, India, China and Vietnam accounting for 88 percent of global production.<sup>529</sup> However, Liberia accounts for approximately 64 percent of quantity and 72 percent of value of American rubber imports with Vietnam and Thailand also providing significant sources.<sup>530</sup>

### How do trafficking and/or child labor in rubber production affect me?



Because rubber is elastic, waterproof, and a natural insulator, it has a wide variety of consumer and industrial uses. Nearly half of all natural rubber output is used for tire production; and about 60 percent ends up in the automotive market as a whole, which includes belts, hoses and seals. Natural rubber is also used for gloves, mats, condoms, hot water bottles, and protective clothing.<sup>531</sup>

Demand for synthetic rubber increased drastically during World War II. Today the majority of all rubber used is produced synthetically and not known to involve the use of forced or child labor in its production. While manufactured goods may use either natural or synthetic rubber, approximately 60 percent of all natural rubber use is in tires and other automobile parts.<sup>532</sup>

### Examples of what governments, corporations, and others are doing:

In 2010, USAID developed the "Rubber Industry Master Plan 2010 - 2040: A National Agenda for Rubber Sector Development" in collaboration with the Liberian Ministry of Agriculture. The master plan sets up the Rubber Development Fund Incorporated (RDFI), a joint public-private organization that will implement all master plan strategies. In addition to plans to revitalize development of the Liberian rubber sector, the plan calls for improved standard of living for workers and educational access for children.<sup>533</sup>

<sup>529</sup> UN Conference on Trade and Development (UNCTAD). *Commodity Atlas: Natural Rubber*. [http://www.unctad.org/en/docs/ditccom20041ch17\\_en.pdf](http://www.unctad.org/en/docs/ditccom20041ch17_en.pdf)

<sup>530</sup> Food and Agriculture Organization of the UN (FAO). *Detailed World Agricultural Trade Flows*. <http://faostat.fao.org/DesktopModules/Faostat/WATFDetailed2/watf.aspx?PageID=536>

<sup>531</sup> UN Department of Economic and Social Affairs. *UN Comtrade Database. 2012*. <http://comtrade.un.org/data/>

<sup>532</sup> UN Conference on Trade and Development (UNCTAD). *Commodity Atlas: Natural Rubber*. [http://www.unctad.org/en/docs/ditccom20041ch17\\_en.pdf](http://www.unctad.org/en/docs/ditccom20041ch17_en.pdf)

<sup>533</sup> U.S. Agency for International Development (USAID). *Rubber Industry Master Plan 2010 - 2040: A National Agenda for Rubber Sector Development* [http://www.rpalib.org/page\\_info.php?&7d5f44532cbfc489b8db9e12e44eb820=MTU0](http://www.rpalib.org/page_info.php?&7d5f44532cbfc489b8db9e12e44eb820=MTU0)

U.S. Department of Labor. *2013 Worst Forms of Child Labor Liberia*. <http://www.dol.gov/ilab/reports/child-labor/liberia.htm>  
Verité. *Rubber Production in Liberia: An Explanatory Assessment of Living and Working Conditions, with Special Attention to Forced Labor*.

[http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Working%20Conditions%20in%20the%20Liberia%20Rubber%20Sector__9.16.pdf)

**Where can I learn more?**

[Watch](#) a video about Firestone in Liberia.

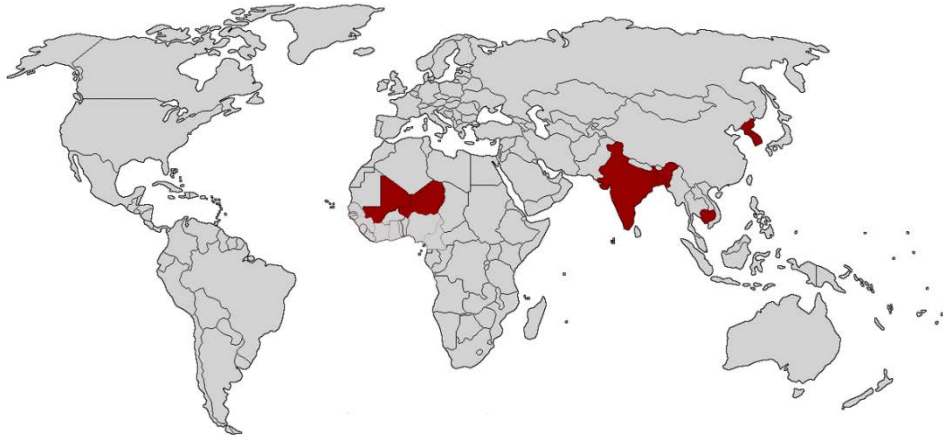
[Read](#) about the international rubber trade.

[Read](#) about Firestone in Liberia.

[Read](#) Verité's full report on working conditions in Liberia's Rubber industry.



## Salt



**Salt is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export salt worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports salt (UN Comtrade 2012):**

Bangladesh (CL)  
Cambodia (CL)  
Niger (CL)  
India (CL)  
Korea (FL)  
Mali ( FL)

1. Mexico  
2. Chile  
3. India  
4. Canada  
5. Netherlands  
6. Germany  
7. Ukraine  
8. Belarus  
9. China  
10. United States

1. Canada  
2. Chile  
3. Mexico  
4. Bahamas  
5. Peru  
6. Netherlands  
7. Egypt  
8. Italy  
9. Vietnam  
10. Colombia

### Where is salt reportedly produced with trafficking and/or child labor?

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, there has been documented forced labor or forced child labor in salt production in Korea and Mali.<sup>534</sup>

The 2014 U.S. Department of Labor *List of Goods Produced by Child Labor or Forced Labor* notes that salt is mined with child labor in Bangladesh, Cambodia, and Niger.<sup>535</sup> There are anecdotal reports that children are involved in salt mining in India.<sup>536</sup>

<sup>534</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>535</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPR\\_A\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPR_A_Report2014.pdf)

<sup>536</sup> Nair, Rupam Jain. "Salt Mining Leaves a Bitter Taste for Indian Workers." *The Telegraph*. February 24, 2010. <http://www.telegraph.co.uk/expat/expatnews/7305988/Salt-mining-leaves-bitter-taste-for-Indian-workers.html>

The 2015 U.S. Department of State *Trafficking in Persons Report* lists Bangladesh, Niger and India as Tier 2 countries. Cambodia and Mali are listed as Tier 2 Watch List countries. Korea is a Tier 1 country.<sup>537</sup>

### **What does trafficking and/or child labor in salt production look like?**

Children who work in salt production face hazardous conditions. They are often subjected to long work days in small, cramped settings with little lighting. Constant exposure to salt can cause health problems for children and can cause skin and vision disorders.<sup>538</sup>

In Cambodia's southern province of Kampot, children work long hours in the salt fields carrying heavy loads in hot weather. Children work in salt production to supplement their family incomes.<sup>539</sup> In Senegal, salt harvesting is a traditional family activity and children participate with their parents. In Niger, children also participate in salt mining with their families, using a traditional process to extract salt. Children reportedly participate in salt extraction, as well as associated activities such as carrying wood to burn in the process used to distill the salt. When participating in extraction, they work an average of eight hour days, which often means they leave school for three to four month periods.<sup>540</sup>

In Korea, there was a case in which disabled men were forced to work on salt farms where they were abused. In response, the government created special investigative teams to inspect over 800 salt farms as well as owners and brokers.<sup>541</sup>

### **Salt Production and Supply Chain:**

There are two main methods of producing salt: solar evaporation and mining. Solar evaporation, done in warm climates, captures salt water in shallow ponds after most of the water has evaporated. Workers harvest the salt by raking it into baskets and carrying it to be drained and purified. In rock salt mining, miners go down in caves and perform an action called "undercutting," where machines cut slots in the salt wall. Then tiny explosive devices are drilled into small holes in the wall and detonated to blast the salt out onto the mine floor into the "slots". Finally the salt is loaded up and sent to stations to be crushed and sized. After the salt is purified and processed, it is sent off to customers for consumption.<sup>542</sup>

### **How do trafficking and/or child labor in salt production affect me?**

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<sup>537</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>538</sup> International Labor Organization (ILO). *Child Labor in Salt Mining: The Problem*. 2006. <http://www.ilo.org/ipecc/areas/Miningandquarrying/MoreaboutCLinmining/lang--en/index.htm>

<sup>539</sup> Redfern, Jerry. "Chien Ri, 11, works with her family in the salt fields...". April 2006

<http://www.gettyimages.com/detail/news-photo/chien-ri-works-with-her-family-in-the-salt-fields-raking-news-photo/167506061>

<sup>540</sup> International Labor Organization (ILO). *Child Labor in Salt Mining: The Problem*. 2006.

<http://www.ilo.org/ipecc/areas/Miningandquarrying/MoreaboutCLinmining/lang--en/index.htm>

<sup>541</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>542</sup> Morton Salt. "Salt Production and Processing." 2013. <http://www.mortonsalt.com/salt-facts/salt-production-and-processing>



Salt is one of the world's most widely used condiments and seasonings. It is also commonly used in highway deicing, water conditioning, and various industrial chemicals.

**Examples of what governments, corporations, and others are doing:**

Cambodia's National Plan of Action (NPA) on the Worst Forms of Child Labor in 2008 identified salt production in the country to be within the parameters of the worst forms of child labor, as outlined by the International Labour Organization (ILO). The NPA is working to reduce the number of children aged five to 17 working in Cambodia to 10.6 percent by 2010 and eight percent by 2015.<sup>543</sup> In certain areas, visible progress has been made by these efforts. From 2008 to 2010, there has been a drop off in the quantity of working children in the Kampot province from 2,000 children to 250 children.<sup>544</sup>

**Where can I learn more?**

[Watch](#) a video of children packing salt in the Rann of Kutch.

[Read](#) the ILO's 2009 report, *Good Practices and Lessons Learnt in Combating Hazardous Work in Child Labour*.

[Experience](#) the world of a young Cambodian salt worker.

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<sup>543</sup>U.S. Department of Labor. *2008 Findings on the Worst Forms of Child Labor: Cambodia*. September 10, 2009. <http://www.refworld.org/docid/4aba3eebc.html>

<sup>544</sup>Human Rights in Ireland. *Child Labor in Cambodia*. June 14, 2011. <http://humanrights.ie/children-and-the-law/child-labour-in-cambodia/>

## Shrimp



**Shrimp is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export shrimp worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports shrimp (UN Comtrade 2012):**

Burma (FL)  
Bangladesh (FL, CL)  
Cambodia (CL)  
Thailand (FL, CL)

1. Malaysia
2. Morocco
3. India
4. Other Asia (not elsewhere specified)
5. The Philippines
6. Mauritania
7. Sri Lanka
8. Belize
9. Mozambique
10. Guyana

*Not Available*

### **Where is shrimp reportedly produced with trafficking and/or child labor?**

The U.S. Department of State 2015 *Trafficking in Persons* report notes that shrimp is produced with forced labor and child labor in Bangladesh.<sup>545</sup>

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, forced labor in shrimp production occurs in Burma and Thailand, and child labor occurs in Bangladesh, Cambodia and Thailand.<sup>546</sup> (For more information on the fish sector in general, click [here](#).)

<sup>545</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>546</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRR_Report2014.pdf)

### **What does trafficking and/or child labor in shrimp production look like?**

Indicators of human trafficking and child labor are found throughout the shrimp supply chain. At the level of shrimp processing facilities, according to reports from the Solidarity Center and the Environmental Justice Foundation (EJF), human trafficking in shrimp processing can occur through debt bondage, non-payment of wages, and/or the suspension of freedom of movement as workers are locked in processing plants.<sup>547</sup> Many of the workers in Thai shrimp processing are migrants from Burma or other countries; they are even more likely to be subject to abusive work conditions and trafficking as a result of broker or employer threats to turn them over to the police. The U.S. Department of Labor has previously reported that children “work off the parents' debts in the factories, where they reportedly are locked inside and sometimes beaten. These children are thus made officially ‘invisible’ through the subcontracting arrangements between their parents and the employers.” In the Bangladesh shrimp sector, Verité research found that workers in the shrimp processing sector, particularly contract workers, experienced indicators of trafficking; they also found that children accompanied their parents to work.<sup>548</sup> The Environmental Justice Foundation found that the un-regulated nature of pre-processing facilities contributes to the “debt bondage, forced labor and abuse” of Burmese migrant workers in the Thai shrimp sector.<sup>549</sup>

In Burma, the EJF reported incidents in which land was confiscated for the establishment of shrimp farms and workers were conscripted to carry out shrimp farm construction, in addition to other incidents in which workers were forced to labor on the farms without compensation.<sup>550</sup>

Fish commonly used as feed for shrimp in Thai-based shrimp farms is caught with forced labor by migrant workers from Burma and Cambodia. These workers paid fees to brokers in Thailand, hoping to find construction or manufacturing work, but were instead sold to boat captains where they were subjected to extreme violence, horrific conditions and up to 20 hours a day of forced work. Some were kept at sea for years.<sup>551</sup> Some fishermen subjected to forced labor have reported that other fishermen were murdered and thrown overboard at sea when they could not meet the demands or were otherwise targeted for abuse by sea captains and crew.<sup>552</sup>

Children are involved in wild fry (larvae) collection in Bangladesh, and are exposed to extreme temperatures and illness from long periods of time standing in water. Fry collectors are also vulnerable to

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<sup>547</sup> Solidarity Center. *The True Cost of Shrimp: How Shrimp Industry Workers in Bangladesh and Thailand Pay the Price for Affordable Shrimp*. January 2008. [http://www.solidaritycenter.org/files/pubs\\_True\\_Cost\\_of\\_Shrimp.pdf](http://www.solidaritycenter.org/files/pubs_True_Cost_of_Shrimp.pdf) Environmental Justice Foundation. *THE HIDDEN COST: Human Rights Abuses in Thailand's Shrimp Industry*. 2013.

[http://ejfoundation.org/sites/default/files/public/shrimp\\_report\\_v44\\_lower\\_resolution.pdf](http://ejfoundation.org/sites/default/files/public/shrimp_report_v44_lower_resolution.pdf)

<sup>548</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Shrimp in Bangladesh*.

[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector_9.16.pdf)

<sup>549</sup> Environmental Justice Foundation. *THE HIDDEN COST: Human Rights Abuses in Thailand's Shrimp Industry*. 2013.

[http://ejfoundation.org/sites/default/files/public/shrimp\\_report\\_v44\\_lower\\_resolution.pdf](http://ejfoundation.org/sites/default/files/public/shrimp_report_v44_lower_resolution.pdf)

<sup>550</sup> Environmental Justice Foundation and WildAid. *Smash and Grab: Conflict, Corruption and Human Rights Abuses in the Shrimp Farming Industry*. 2003. [http://ejfoundation.org/sites/default/files/public/smash\\_and\\_grab.pdf](http://ejfoundation.org/sites/default/files/public/smash_and_grab.pdf)

<sup>551</sup> Hodal, Kate, Chris Kelly and Felicity Lawrence. “Revealed: Asian Slave Labour Producing Prawns for Supermarkets in US, UK.” *The Guardian*. June 10, 2014. <http://www.theguardian.com/global-development/2014/jun/10/supermarket-prawns-thailand-produced-slave-labour>

<sup>552</sup> BBC. *Forced to Fish: Slavery on Thailand's Trawlers*. <http://www.bbc.com/news/magazine-25814718>

cycles of debt as they take loans to purchase inputs and are required to sell their catch back to middlemen at low rates.<sup>553</sup>

### **Case Study:**

#### *Research on Indicators of Forced Labor in the Supply Chain of Shrimp in Bangladesh*

Verité performed research in the Bangladesh shrimp industry and found indicators of forced labor in the three major stages of shrimp production: shrimp fry collection, shrimp farming and shrimp processing. Shrimp fry collection, the first stage in shrimp production, involves catching or harvesting fry and selling them to a middleman. This system forces shrimp fry collectors into debt as they must take out loans from the middleman to pay for fry collecting equipment. In order to pay back these loans, they must sell their fry to the same middleman, who now has the leverage to buy the fry at lower than market prices. Women are particularly vulnerable to indebtedness because they have more difficulty negotiating the price. Some women are subjected to threats of sexual violence by the middlemen in order to intimidate them into accepting lower prices. Additionally, the government recently made wild fry catching illegal, putting many fry collectors at risk of extortion by local authorities and paramilitary groups. In order to make enough money, fry collectors must work long hours in dangerous conditions. Constant submersion in water for six to ten hours per day is very hazardous especially to the many children that work alongside their parents in this industry.<sup>554</sup>

Once the fry are harvested and sold to a middleman, they are then sent to a shrimp farm, where researchers also found indicators of forced labor. On the shrimp farms, laborers are required to work long hours including week long stretches of 11 hour work days during peak season. Overtime pay is rarely honored. Workers have limited freedom of movement as some have reported that they are only allowed to leave the farm for two days each month. Shrimp farm laborers are dependent on their employer as many are provided housing on the farm and some claim that if they leave before the end of the agreed upon time period they will not receive their wages. Wages are low, which drives many workers to take out loans from their employers. When they are unable to pay back the loans, they end up performing household chores in order to repay. The U.S. Department of State reports that entire families involved in shrimp farming may face debt bondage.<sup>555</sup> Conditions are generally worse for the women and children who work on the farms. Women are subject to sexual violence and are more vulnerable to indebtedness because they are paid less than men. Children, who come to the farms to work with their parents because education is not available and the family needs extra income, are paid less than the adult workers and are more susceptible to injuries from the dangerous working conditions. In some cases, such as on shrimp farms visited by Verité researchers in Bangladesh, where feeding and other tasks are not mechanized, workers

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<sup>553</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Shrimp in Bangladesh*. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector__9.16.pdf)

Environmental Justice Foundation. *Impossibly Cheap: Abuse and Injustice in Bangladesh's Shrimp Industry*. January 2014. [http://ejfoundation.org/sites/default/files/public/Impossibly\\_Cheap\\_Web.pdf](http://ejfoundation.org/sites/default/files/public/Impossibly_Cheap_Web.pdf)

<sup>554</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Shrimp in Bangladesh*. [http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector__9.16.pdf)

<sup>555</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

stood for hours in water, leading to a variety of health issues including fever, rash, infections and snake bites.<sup>556</sup>

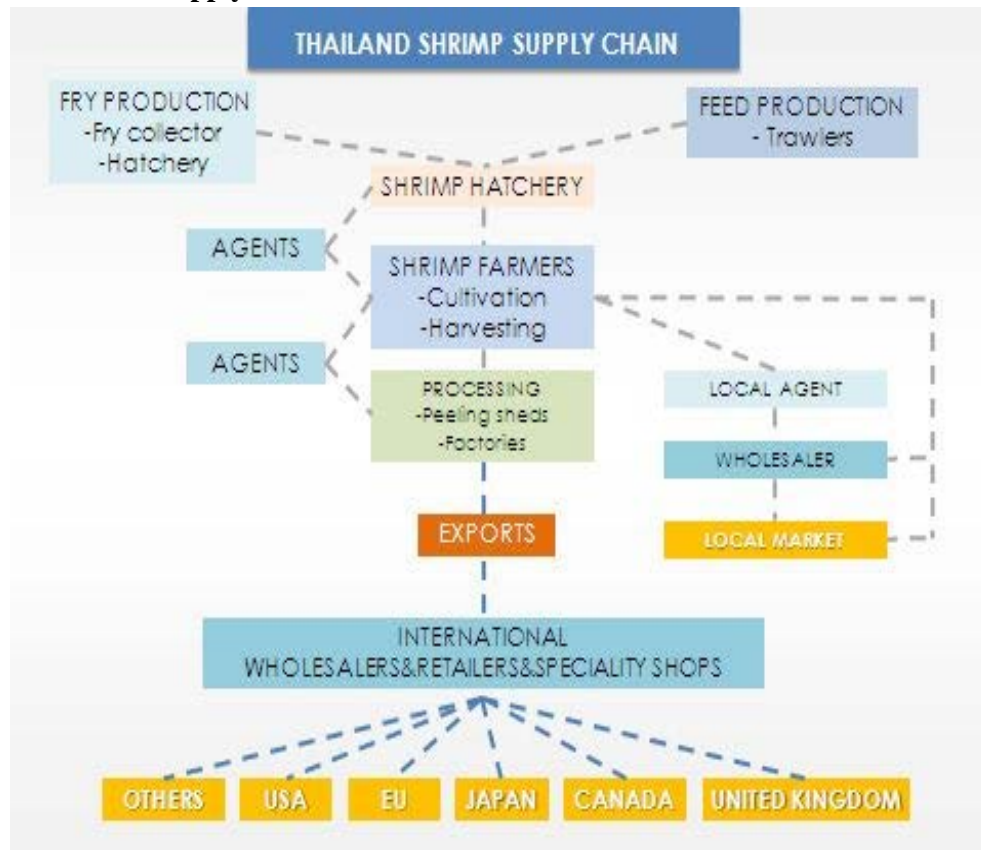
In the final step before export, harvested shrimp are sent to processing facilities. In some plants, workers are subject to long hours, verbal abuse, low pay and other indicators of forced labor. Shrimp processing follows the cycle of the tides and approximately twice a month after high tidal periods, workers are required to work shifts of up to 24 hours. Verbal abuse is common, including threats that workers will lose their job if they complain. In the processing plants, workers are either hired permanently or on a piece-rate basis. For those hired piece-rate, there is a risk of wage deception as employers can dishonestly weigh their production. As in the other steps of shrimp production, women in the processing plants are more vulnerable. Women are more likely to be contract workers rather than permanent workers and they are consistently given the lowest paying jobs. Child labor is also a problem in the plants in Bangladesh as children come to work with their parents.<sup>557</sup>

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<sup>556</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Shrimp in Bangladesh*.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector__9.16.pdf)

<sup>557</sup> Verité. *Research on Indicators of Forced Labor in the Supply Chain of Shrimp in Bangladesh*.  
[http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector\\_\\_9.16.pdf](http://www.verite.org/sites/default/files/images/Research%20on%20Indicators%20of%20Forced%20Labor%20in%20the%20Bangladesh%20Shrimp%20Sector__9.16.pdf)

## Shrimp Production and Supply Chain:



Source: International Labor Organization (ILO). *The Shrimp Supply Chain*. April 9, 2014. [http://www.ilo.org/asia/WCMS\\_240724/lang--en/index.htm](http://www.ilo.org/asia/WCMS_240724/lang--en/index.htm)

Shrimp production takes place in one of two forms: aquaculture farming or trawling. In aquaculture, shrimp grow under controlled environments, either in tanks or ponds. In trawling, vessels catch shrimp and fish in the open water by dragging nets behind the boat. Due to trawling's high environmental costs, the U.S. Food and Agriculture Organization (FAO) compares fish trawling to forest clear-cutting and states that the "discard rates account for over 27 percent of total estimated discards in all the marine fisheries of the world."<sup>558</sup> While both methods are used in South East Asia, the majority of shrimp production takes place through aquaculture, though the fish are often fed with disposable fish collected through trawling.

Farming shrimp requires the collection of shrimp fry. Fry can either be caught in coastal waters or ponds (more common in Bangladesh), or produced in hatcheries (more common in Thailand). Fry from wild collection or hatcheries are generally collected by middlemen and sold to aquaculture shrimp farms for maturation.

<sup>558</sup> Gillett, R. *FAO Fisheries Technical Paper No. 475: Global Study of Shrimp Fisheries*. Food and Agricultural Organization of the UN. 2008. <http://www.fao.org/docrep/011/i0300e/i0300e00.HTM>



Most shrimp farms in Bangladesh and Thailand are relatively small and are owned by families or businesses with few employees. At shrimp farms in Thailand, the shrimp may be fed fish meal originating from trawlers with forced labor.

When the shrimp are grown, they are then sold either directly to processors, exporting companies or retailers, or via local middlemen.<sup>559</sup> In some cases, processing companies subcontract work to “pre-processing” facilities known as ‘peeling sheds.’ Workers at the highly unregulated peeling sheds “remove the heads, veins and hard shell of shrimp and prepare it for secondary or value added processing.”<sup>560</sup>

Depending on whether “pre-processing” facilities are used, processing factories may be required to remove the heads, veins and shells, before freezing, cooking, breading, packaging or otherwise processing the fish product. Many workers at shrimp processing facilities in Asia are contracted workers.

After processing, most shrimp is exported. In the United States, most shrimp is imported via wholesalers and then purchased by manufacturers and retailers who provide it to customers.<sup>561</sup>

### **How do trafficking and/or child labor in shrimp production affect me?**



Shrimp is the most consumed seafood in the United States.<sup>562</sup> America is the world’s largest consumer of shrimp, and over 80 percent is imported from countries including China, Thailand, Vietnam, Indonesia, Ecuador, India, and Bangladesh.<sup>563</sup> Thailand, where human trafficking has been documented, is the world’s largest exporter of shrimp as of 2013 – although Early Mortality Syndrome, a bacteria-causing disease affecting shrimp, has severely affected supply.<sup>564</sup> Globally, shrimp is a commodity in high demand, particularly in developed countries such as European countries and Japan (Accenture).

<sup>559</sup> International Labor Organization (ILO). *The Shrimp Supply Chain*. April 9, 2014. [http://www.ilo.org/asia/WCMS\\_240724/lang--en/index.htm](http://www.ilo.org/asia/WCMS_240724/lang--en/index.htm)

<sup>560</sup> Environmental Justice Foundation. *Impossibly Cheap: Abuse and Injustice in Bangladesh’s Shrimp Industry*. January 2014. [http://ejfoundation.org/sites/default/files/public/Impossibly\\_Cheap\\_Web.pdf](http://ejfoundation.org/sites/default/files/public/Impossibly_Cheap_Web.pdf)

<sup>561</sup> Accenture. *Exploitative Labor Practices in the Global Shrimp Industry*. [https://www.motherjones.com/files/accenture\\_shrimp\\_report.pdf](https://www.motherjones.com/files/accenture_shrimp_report.pdf)

<sup>562</sup> National Oceanic and Atmospheric Fisheries (NOAA). Surprising Facts About Your Favorite Seafoods. [http://www.nmfs.noaa.gov/aquaculture/homepage\\_stories/09\\_13\\_12\\_top\\_seafood\\_consumed.html](http://www.nmfs.noaa.gov/aquaculture/homepage_stories/09_13_12_top_seafood_consumed.html)

<sup>563</sup> U.S. Department of Agriculture. “Aquaculture Data US Shrimp Imports, Volume by Selected Sources (1,000 pounds).” 2011. <http://www.ers.usda.gov/data/aquaculture/ShrimpImportsVolume.htm>

<sup>564</sup> Kurtz, Annalyn. “Shrimp Shortage Leads to Record High Prices.” *CNN*. August 16, 2013. <http://money.cnn.com/2013/08/16/news/economy/shrimp-prices/>

### **Examples of what governments, corporations, and others are doing:**

The International Labor Organization’s International Program on the Elimination of Child Labor (IPEC) and the U.S. Department of Labor’s Bureau of International Labor Affairs (ILAB) are currently working to eliminate the worst forms of child labor in Thailand’s shrimp industry. This partnership project addresses “the need for effective implementation of policy applying to labor protection, migration, education and social protection.” There is a focus on “governance, working conditions and regulation of the shrimp industry supply chain.” The project fills “gaps in the provision of education and social services for vulnerable Thai and migrant communities in the shrimp and seafood production and processing areas” as well. In a project ending in December 2014, IPEC and the ILAB worked with the Government of Thailand’s Ministries of Labor and Agriculture, the Thai Frozen Foods Association (TFFA), and worker’s organizations.

ILAB has also provided a number of grants to the ILO and other organizations in Thailand and other parts of South East Asia to fund projects to combat forced labor, including projects focused on the shrimp industry. In addition, the U.S. State Department’s Office to Monitor and Combat Trafficking in Persons has a standing award with the International Organization for Migration under which the State Department has assisted in the return of victims of forced labor in the seafood industry back to their homes and reintegrate in their communities – including victims found in Thailand and those abandoned on Indonesian islands.

Concern centered on health and safety in global shrimp suppliers has driven demand for increased visibility in shrimp supply chains. Several groups have developed voluntary, third-party certification schemes for shrimp including the GlobalGAP Integrated Farm Assurance Standards, the ASC Shrimp Standards and the Best Aquacultural Practices (BAP) Standards. In a review of these standards, Accenture noted that while all met quality and food safety standards set by the United Nations Food and Agriculture Organization, the GlobalGAP and BAP systems “include standards on health and safety, but they largely fail to address other key labor issues.” In terms of applicability to the length of the shrimp supply chain, Accenture notes that while the “BAP standards have modules that target hatcheries, shrimp aquaculture operations, and processing facilities, with processing facilities standards most heavily adopted, GlobalGAP and ASC standards focus specifically on aquaculture operations.”<sup>565</sup>

U.S. and U.K. retailers also created a task force and teamed up with Thai shrimp producers to address weaknesses in the shrimp supply chain management in several of Thailand’s biggest shrimp production and export companies. In addition to examining documentation systems and installing new standards and practices, they are also trying to address issues in fishing management at ports and on trawlers with the hope that improvements will shed light on forced labor and restrict purchases from employers using forced labor at any stage in the supply chain. The task force is also liaising with the Thai government on needed reforms in the fishing industry.

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<sup>565</sup> Accenture. *Exploitative Labor Practices in the Global Shrimp Industry*.  
[https://www.motherjones.com/files/accenture\\_shrimp\\_report.pdf](https://www.motherjones.com/files/accenture_shrimp_report.pdf)

**Where can I learn more?**

[Watch](#) a video or [read](#) a report by the Solidarity Center on labor abuses in shrimp and seafood processing in Thailand.

[Read](#) a report by the Environmental Justice Foundation on human rights abuses throughout South East Asia.

[Read](#) a detailed report on shrimp catching and associated environmental issues by the FAO.

[Read](#) Verité's full report on forced labor indicators in Bangladesh's Shrimp industry.

## Silk



**Silk is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export silk worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports silk (UN Comtrade 2012):**

India (CL)  
Uzbekistan (CL)

1. China
2. Italy
3. India
4. Japan
5. Germany
6. South Korea
7. France
8. Hong Kong
9. Romania
10. Vietnam

1. China
2. India
3. South Korea
4. Italy
5. United Kingdom
6. Thailand
7. France
8. Japan
9. Germany
10. Switzerland

### Where is silk reportedly produced with trafficking and/or child labor?

According to the U.S. Department of Labor *2014 List of Goods Produced by Child Labor or Forced Labor*, silk is produced using child labor in India. Media and other reports note that silk may be produced in Uzbekistan using child labor.<sup>566</sup>

The U.S. Department of State *Trafficking in Persons Report* lists India as a Tier 2 country. Uzbekistan is listed as a Tier 2 Watch List country.<sup>567</sup>

### What does trafficking and/or child labor in silk production look like?

<sup>566</sup>Central Asia Economy Newswire. "Uzbek Children Breed Silkworms Despite Child Labor Ban." September 6, 2010. <http://centralasianewswire.com/Business/Uzbek-children-breed-silkworms-despite-child-labor-ban/viewstory.aspx?id=1614>.

<sup>567</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

In India, silk thread and fabric, particularly saris, may be produced using bonded child labor. Bonded child labor occurs when the labor of a child is pledged to an employer in exchange for a payment, or loan.<sup>568</sup> Once these children are bonded to employers they are obliged to remain working for an uncertain amount of time.<sup>569</sup> Dalits and low-caste Hindus are also especially vulnerable to this practice.<sup>570</sup> Nallanayaki, a thirteen year old in the Indian state of Tamil Nadu is an example of a child in bonded labor in the silk industry. At age nine, her parents took a loan from an employer at a silk weaving factory and since then, Nallanayaki has been working seven days a week to pay it back. However, she is only paid seventeen cents a day and thus will not make enough money to buy her freedom in her lifetime. The debt will most likely be passed on to her children. In Uzbekistan, children are still employed in silkworm cultivation despite an official ban against child labor.<sup>571</sup> However, according to the U.S. Department of Labor, the extent of this problem is unknown due to lack of data collection and law enforcement by the government.<sup>572</sup> Children in Uzbekistan tasked with cultivating silkworms may work from 4 a.m. until midnight, picking mulberry leaves and caring for the silkworms. This can lead to sleep deprivation and interfere with childhood education. The U.S. Department of Labor report states that these conditions may constitute forced labor, as farmers must meet strict government quotas for silk production or incur fines or even violence from local officials.<sup>573</sup>

### **Silk Production and Supply Chain:**

Cultivating silkworms is a long process, which takes place during the entire month of May. During this time, the silkworms must be painstakingly cared for and need to be fed every few hours or they may starve. The area in which they are held must also be kept at a certain temperature. After the silkworms have eaten mulberry leaves for about 25 days, they enclose themselves in cocoons for two to three hours. When they are placed in hot water, “the silkworm pupae dies and approximately 1000 yards of silk filament per cocoon are obtained.”<sup>574</sup>

Thailand, the United Arab Emirates, Italy, and India all purchase silk, and, especially in India where silk is necessary for traditional clothing, the demand for silk often exceeds the supply. The United States has a smaller market for raw silk, but a higher demand for finished silk products. Twenty percent of the global silk supply is produced in India.<sup>575</sup>

### **How do trafficking and/or child labor in silk production affect me?**

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<sup>568</sup> U.S. Department of Labor. *Forced and Bonded Child Labor*. <http://www.dol.gov/ILAB/media/reports/iclp/sweat2/bonded.htm>

<sup>569</sup> U.S. Department of Labor. *Forced and Bonded Child Labor*. <http://www.dol.gov/ILAB/media/reports/iclp/sweat2/bonded.htm>

<sup>570</sup> Human Rights Watch. *Small Change: Bonded Child Labor in India's Silk Industry*. 2003.

<http://www.hrw.org/reports/2003/india/india0103.pdf>

<sup>571</sup> Universal Newswires. “Uzbek Children Breed Silkworms Despite Child Labor Ban.” September 6, 2010.

<http://www.universalnewswires.com/centralasia/viewstory.aspx?id=1614>

<sup>572</sup> U.S. Department of Labor, Bureau of International Labor Affairs. *2012 Findings on the Worst Forms of Child Labor: Uzbekistan*. 2012. <http://www.dol.gov/ilab/reports/child-labor/uzbekistan.htm>

<sup>573</sup> U.S. Department of Labor, Bureau of International Labor Affairs. *2012 Findings on the Worst Forms of Child Labor: Uzbekistan*. 2012. <http://www.dol.gov/ilab/reports/child-labor/uzbekistan.htm>

<sup>574</sup> Haksöz, Çağrı, Sridhar Seshadri and Ananth V. Iyer. *Managing Supply Chains on the Silk Road: Strategy, Performance, and Risk*. Boca Raton, FL: CRC, 2012. Print.

<sup>575</sup> Miles, Robert. Mintec Ltd. “The Silk Road: Are People Seeking Luxury Goods Again?” *Spend Matters*. August 6, 2012. <http://spendmatters.com/2012/08/06/the-silk-road-are-people-seeking-luxury-goods-again/>



Raw silk is made into silk thread, which is then used to make silk fabric. Silk fabric is used in a variety of products including clothing, accessories, and many other commodities. Although silk currently represents only 0.2 percent by volume of global textiles trade, there are signs that the demand for such luxury goods is increasing.<sup>576</sup>

**Examples of what governments, corporations, and others are doing:**

In partnership with Karnataka state, the ILO has implemented the Self Help Group program, which trains the mothers of child laborers in the silk industry. The mothers are taught about saving and managing money, as well as how to avoid worst forms of child labor. Mothers are also taught how to seek microloans to invest in their own businesses, providing them with livelihood opportunities.<sup>577</sup>

**Where can I learn more?**

[Read](#) an article by The Washington Times about child labor in Uzbekistan.

[See](#) how an NGO has created self-help groups for child laborers in the silk industry.

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<sup>576</sup> Miles, Robert. Mintec Ltd. "The Silk Road: Are People Seeking Luxury Goods Again?" *Spend Matters*. August 6, 2012. <http://spendmatters.com/2012/08/06/the-silk-road-are-people-seeking-luxury-goods-again/>

<sup>577</sup> International Labour Organization (ILO) TV. "India: Finding a Voice in the Silk Industry." *YouTube*. September 22, 2009. <http://www.youtube.com/watch?v=NpMBY1ZRAa4>

## Silver



**Silver is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export silver worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports silver (UN Comtrade 2012):**

Bolivia (CL)  
Peru (CL)  
Philippines (CL)

1. Japan
2. Mexico
3. Hong Kong
4. South Korea
5. Germany
6. United States
7. Canada
8. Other Asia (not elsewhere specified)
9. United Kingdom
10. Belgium

1. Mexico
2. Canada
3. Japan
4. Peru
5. Italy
6. Chile
7. South Korea
8. Guatemala
9. Switzerland
10. Poland

### **Where is silver reportedly produced with trafficking and/or child labor?**

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, silver is mined using child labor in Bolivia.<sup>578</sup> According to the Global March International Secretariat, child labor is used in silver production in Peru and the Philippines as well.<sup>579</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Peru and the Philippines as Tier 2 countries. Bolivia is listed as a Tier 2 Watch List country.<sup>580</sup>

<sup>578</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>579</sup> Global March International Secretariat. "Children Engaged in Unsafe Mining." 2011. <http://www.globalmarch.org/content/children-engaged-unsafe-mining>

### **What does trafficking and/or child labor in silver production look like?**

Children mine silver in Bolivia in artisanal mines or mines abandoned by commercial mining companies. Children, known as ‘*jucus*,’ are engaged in pushing carts, drilling, and extracting and cleaning ore. Children and adults working in clandestine mines work without adequate safety equipment, ventilation or proper lighting. They are vulnerable to illness, lung damage from dust, repetitive motion stress injuries, and injuries from falls and carrying heavy loads. They work long hours as well.<sup>581</sup> Many mining sites are hundreds of years old and poorly maintained, so workers are also at risk of death in collapsing mine shafts.<sup>582</sup> In 2008, at least 60 children died from mine collapse. An estimated 3,000 children, some as young as six, work in mining in Bolivia.<sup>583</sup>

Child labor in silver production in Bolivia is specifically linked to mines in Potosí, where children toil for extremely low wages.<sup>584 585</sup>

In Peru, the world’s second-largest silver producer, 20 to 50 percent of all mine workers are juveniles and children, sometimes as young as eleven.<sup>586</sup> Child miners in Peru are often unpaid. Instead, of being paid regularly, the children work for free for a certain amount of time and are then allowed to mine for themselves as a reward.<sup>587</sup>

### **Silver Production and Supply Chain:**

Most silver that is on the market does not come from silver mines, but as byproducts of industrial copper, zinc, and gold mining (See Gold, Zinc, and Copper Commodity Reports). In 2005, 30 percent of silver on the market came directly from silver mines. In 2008, over 20 percent of new silver came from recycled sources.<sup>588</sup>

### **How do trafficking and/or child labor in silver production affect me?**

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<sup>580</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>581</sup> World Vision. *[Bolivia] If You Fall, No One’s Gonna Carry You Out: Children Who Work in Tin Mines*. 2007.

[http://www.worldvision.org/resources.nsf/main/work\\_bolivia\\_200706.pdf/\\$file/work\\_bolivia\\_200706.pdf](http://www.worldvision.org/resources.nsf/main/work_bolivia_200706.pdf/$file/work_bolivia_200706.pdf)

<sup>582</sup> Forrero, Juan. “As Bolivian Miners Die, Boys Are Left to Toil.” *New York Times*. March 24, 2003.

<http://www.nytimes.com/2003/03/24/world/as-bolivian-miners-die-boys-are-left-to-toil.html>

<sup>583</sup> National Public Radio (NPR). “Thousands Of Children As Young As 6 Work In Bolivia’s Mines.” November 30, 2013

<http://www.npr.org/2013/11/30/247967228/thousands-of-children-as-young-as-6-work-in-bolivias-mines>

<sup>584</sup> Schipani, Andres. “Plight of Bolivia’s Child Miners.” *BBC*. June 14, 2008. <http://news.bbc.co.uk/2/hi/americas/7448032.stm>

<sup>585</sup> Davison,Dir Kief and Ladkani, Richard. *The Devil’s Miner*. 2005. Film.

<http://www.pbs.org/independentlens/devilsminer/mountain.html>

<sup>586</sup> Global March International Secretariat. “Children Engaged in Unsafe Mining.” 2011.

<http://www.globalmarch.org/content/children-engaged-unsafe-mining>

<sup>587</sup> Hastings, Deborah. “Held as Slaves, Children in Peru Forced to Work in Mines that Produce Much of World’s Gold.” *NY Daily News*. 2014. <http://www.nydailynews.com/news/world/child-labor-sex-slaves-peru-gold-mines-article-1.1610110>

<sup>588</sup> Lee, Matilda. “Can Silver Ever be Ethical?” *Green Living | Fashion. Ecologist*. March 1, 2009.

[http://www.theecologist.org/green\\_green\\_living/clothing/270580/can\\_silver\\_ever\\_be\\_ethical.html](http://www.theecologist.org/green_green_living/clothing/270580/can_silver_ever_be_ethical.html)





Silver has a wide variety of applications including in coins, electrical switches and fuses, car defrosters, jewelry, tableware, musical instruments, mirrors, health industry, and in photography.<sup>589</sup>

In 2010, the United States imported USD 73.3 million in alloyed bars of silver from Bolivia. The United States also imported USD 75.6 million in alloyed and pure bars of silver from Peru in 2010. This accounts for more than four percent of the U.S.'s total silver imports.<sup>590</sup>

### **Examples of what governments, corporations, and others are doing:**

The Initiative for Responsible Mining Assurance (IRMA) is a multi-stakeholder initiative that is working to establish standards for socially and environmentally ethical mining operations, including silver. As of May 2015, IRMA was actively developing its standards. IRMA expects to launch its certification process in 2016.<sup>591</sup>

### **Where can I learn more?**

**Take a look** at this photo essay about children working in mines at Potosí, Bolivia.

**Watch** this video of the Potosí silver mines.

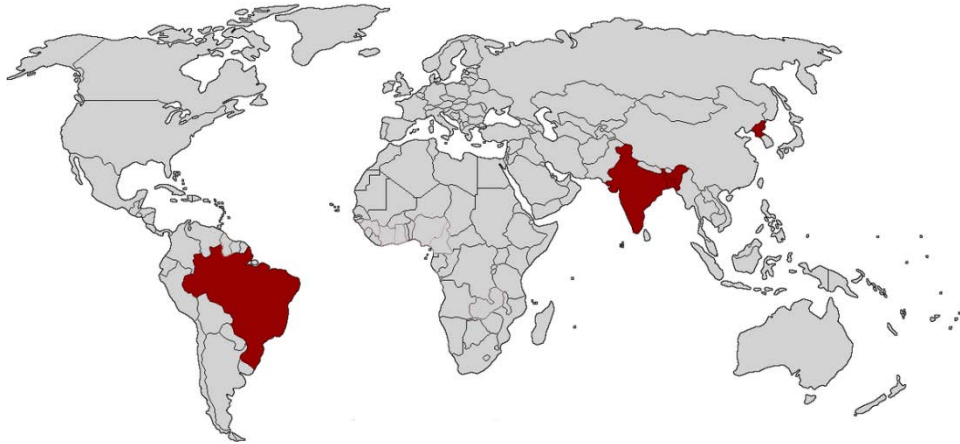
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<sup>589</sup> Australian Mines Atlas. "Uses of Silver." [http://www.australianminesatlas.gov.au/education/down\\_under/silver/used.html](http://www.australianminesatlas.gov.au/education/down_under/silver/used.html)

<sup>590</sup> Index Mundi. "US Imports for Consumption of Silver, by Country." 2011. [http://www.indexmundi.com/en/commodities/minerals/silver/silver\\_t6.html](http://www.indexmundi.com/en/commodities/minerals/silver/silver_t6.html)

<sup>591</sup> Initiative for Responsible Mining Assurance. *Frequently Asked Questions*. <http://www.responsiblemining.net/the-irma-process/faqs/>

# Steel



**Steel and/or iron is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export steel and iron worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports steel and iron (UN Comtrade 2012):**

<i>Steel</i>	<i>Steel and Iron:</i>	<i>Steel and Iron:</i>
India (FL)	1. Japan	1. Canada
	2. China	2. Brazil
<i>Iron:</i>	3. Germany	3. Russia
North Korea (FL)	4. South Korea	4. Mexico
	5. United States	5. Japan
<i>Furniture (Steel):</i>	6. Russia	6. South Korea
Bangladesh (CL)	7. Belgium	7. China
	8. France	8. Germany
<i>Iron:</i>	9. Italy	9. Italy
India (CL)	10. Ukraine	10. Other Asia (not elsewhere specified)
<i>Charcoal production for Pig Iron Brazil (CL, FL)</i>		

## Where is steel reportedly produced with trafficking and/or child labor?

The U.S. Department of State 2015 *Trafficking in Persons Report* notes that steel is produced with forced labor or forced child labor in India.<sup>592</sup>

The key ingredient in steel is iron.<sup>593</sup> According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, iron is mined with forced labor in North Korea.<sup>594</sup> There is

<sup>592</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>593</sup> World Steel Association. *About Steel*. <http://www.worldsteel.org/faq/about-steel.html>

<sup>594</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

limited information of child labor in iron mines in India as well.<sup>595</sup> In Mexico, much of the iron ore trade is reportedly controlled by the drug cartel, the Knights Templar. Iron mined in Mexico is traded or smuggled into Chinese steel production.<sup>596</sup>

Coal is commonly used in the process of converting iron to steel – about 70 percent of steel made today uses coal in production.<sup>597</sup> According to the U.S. Department of Labor, coal is produced with forced labor in China and North Korea; with forced labor and child labor in Pakistan; and with child labor in Afghanistan, Colombia, Mongolia, and Ukraine.<sup>598</sup>

Pig iron, a form of iron that has been smelted with a highly carbonized heat fuel such as charcoal, is commonly turned into steel and used by car companies. In Brazil, the charcoal used to smelt iron into pig iron is produced with forced labor.<sup>599</sup> Please see the [Charcoal](#) commodity report for more information.

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, children are involved in steel furniture production in Bangladesh.<sup>600</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Bangladesh, India and Zambia as Tier 2 countries. Guyana is listed as a Tier 2 Watch List country. North Korea is listed as a Tier 3 country.<sup>601</sup>

### **What does trafficking and/or child labor in steel production look like?**

Workers producing charcoal for pig iron production in Brazil are reportedly recruited with promises of well-paid jobs, but once on the ranches that produce charcoal, they may be held on site by armed guards.<sup>602</sup> Workers are also subjected to the health risks associated with pig iron production, particularly when producing charcoal. One such risk is Silicosis, a disease that can be caused by charcoal dust continuously entering the lungs.<sup>603</sup> Silicosis can lead to shortness of breath, fits of coughing, and fever. The Centers for Disease control report that silicosis can also lead to death.<sup>604</sup>

In some regions of Mexico where drug cartels control much of the iron ore mining operations, labor protections are significantly degraded. According to David Franco, Principal Latin America Analyst at

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<sup>595</sup> Sinha, Shantha et al. *Our Mining Children: A Report of the Fact Finding Team on the Child Labourers in the Iron Ore and Granite Mines in Bellary District of Karnataka*. April 2005. [http://www.stopdetskepraci.cz/download/pdf/documents\\_9.pdf](http://www.stopdetskepraci.cz/download/pdf/documents_9.pdf)

<sup>596</sup> Graham, Dave. “Chinese Iron Trade Fuels Port Clash with Mexican Drug Cartel.” *Reuters*. January 1, 2014. <http://www.reuters.com/article/2014/01/01/us-mexico-drugs-port-idUSBREA000EG20140101>

<sup>597</sup> World Coal Association. *World Steel Statistics*. 2013. <http://www.worldcoal.org/resources/coal-statistics/coal-steel-statistics/>

<sup>598</sup> U.S. Department of Labor. *2013 Findings on the Worst Forms of Child Labor*. <http://www.dol.gov/ilab/reports/child-labor/findings/2013tda/2013tda.pdf>

<sup>599</sup> Smith, Michael and David Voreacos. “Slaves in Amazon Forced to Make Material Used in Cars.” *Bloomberg*. 2006. <http://www.bloomberg.com/apps/news?pid=newsarchive&sid=a4j1VKZq34TM>

<sup>600</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>601</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>602</sup> Osava, Mario. “Rights-Brazil: Fighting Slave Labour in Charcoal Industry.” *Inter Press Service*. August 17, 2004. <http://www.ipsnews.net/2004/08/rights-brazil-fighting-slave-labour-in-charcoal-industry/>

<sup>603</sup> Jaffe, Maureen E., Monica Mills, Sonia A. Rosen and Robert B. Shepard. *By the Sweat and Toil of Children: The Use of Child Labor in US Agricultural Imports and Forced and Bonded Child Labor*. 1995. US Department of Labor, Bureau of International Labor Affairs. <http://books.google.com/books?id=qVGhAXPwg-MC&pg=PA118&lpg=PA118&dq=silicosis+charcoal&source=bl&ots=Mle8AJIARg&sig=tWNHXslceey5XibBp7TB2GpS-S4&hl=en&sa=X&ei=cTVhU6e9M6LjsASFmoCgAw&ved=0CE4Q6AEwBg#v=onepage&q=silicosis%20charcoal&f=false>

<sup>604</sup> Centers for Disease Control. Preventing Silicosis Death from Sandblasting. 1992. <http://www.cdc.gov/niosh/docs/92-102/>

Maplecroft, legitimate mining operations “are being forced to compete in an uneven playing field against rogue groups that do not abide by labor or other laws.”<sup>605</sup> Verité’s experience in other regions suggests that when sectors are dominated by organized crime, there is a high likelihood of violence, human trafficking, and other human rights abuses.

The southern Indian state of Karnataka produces about 45 million tons of iron ore a year, much of which is a product of illegal mining. A 2012 report from Human Rights Watch (HRW) noted that the mining sector in India has very low levels of government oversight and regulatory mechanisms, allowing the mining companies to operate with high degrees of criminality, leading to human and labor rights abuses, including reported child labor.<sup>606</sup>

Forced labor in coal mining in China occurs in prison or “re-education camps.” Up to 100,000 prisoners – many of whom are convicted of minor crimes – are reported to work in coal mines in China in extremely hazardous conditions for no compensation. Fatal accidents such as mine flooding and gas explosions have drawn attention to the practice.<sup>607</sup>

Children reportedly work in forced labor in coal mining in Pakistan, generally under bonded labor schemes. The U.S. Department of Labor reports that “children bonded in coal mining often use donkeys to haul coal to the surface and are vulnerable to multiple dangers, including sexual abuse by miners.”<sup>608</sup>

### **Steel Production and Supply Chain:**

Steel is an alloy made mostly of iron. Mined iron ore must be converted or reduced using carbon. The carbon used in this process is usually in the form of coking coal. Coking coal is converted to carbon through a cooking process.<sup>609</sup>

Another common method of producing steel is through the use of pig iron. In order to produce pig iron, iron ore, a carbon fuel, and usually limestone as a flux must be put into a furnace and heated at very high temperatures. The pig iron is then exposed to a strong current of air that oxidizes the dissolved impurities, resulting in steel.<sup>610</sup>

### **How do trafficking and/or child labor in steel production affect me?**

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<sup>605</sup> Vella, Heidi. *Cartel Culture – Mexico’s War Against Illegal Mining*. May 27, 2014. *Mining-Technology.com*.

<http://www.mining-technology.com/features/featurecartel-culture-mexicos-war-against-illegal-mining-4276223/>

<sup>606</sup> Human Rights Watch. *Out of Control: Mining, Regulatory Failure and Human Rights in India*. 2012.

[http://www.hrw.org/sites/default/files/reports/india0612ForUpload\\_0.pdf](http://www.hrw.org/sites/default/files/reports/india0612ForUpload_0.pdf)

Iron Metallics Association. *Pig Iron: An Overview*. <http://metallics.org.uk/pigiron/>

<sup>607</sup> China Labour Bulletin. “Forced-Labour Prisoners Die in Coal Mine Accident.” October 18, 2006.

<http://www.clb.org.hk/en/content/forced-labour-prisoners-die-coal-mine-accident>

<sup>608</sup> U.S. Department of Labor. *2013 Findings on the Worst Forms of Child Labor: Pakistan*.

<http://www.dol.gov/ilab/reports/child-labor/findings/2013TDA/pakistan.pdf>

<sup>609</sup> World Coal Association. *World Steel Statistics*. 2013. <http://www.worldcoal.org/resources/coal-statistics/coal-steel-statistics/>

<sup>610</sup> Interstahl. *Pig Iron Production*. <http://www.interstahl.com/en/info-about-steel-a-iron/pig-iron-production.html>



According to the World Coal Association, the United States is the second largest user of steel in the world, using 97 metric tons in 2012.<sup>611</sup>

Steel is used in a wide variety of sectors such as aerospace, household appliances, road and railway construction, building construction in the form of steel skeletons or reinforcements, automobiles, and construction materials such as bolts, nails and screws. Other uses include shipbuilding, mining, heavy equipment, office furniture, tools, and personal and vehicle armor.

### **Examples of what governments, corporations, and others are doing:**

One of the most successful steps taken in limiting human trafficking in pig iron production in Brazil has been the establishment of the Citizen's Charcoal Institute (ICC). The ICC is responsible for organizing and conducting site visits in several areas in Brazil and reporting any abnormal findings that they come across. They attempt to work with the suppliers to bring them into compliance with the rules that the ICC has laid out for suppliers to follow.<sup>612</sup>

In 2014, fifteen Brazilian companies entered into a stakeholder program that required the companies to commit to taking the necessary steps to combat human trafficking in their supply chains.<sup>613</sup>

In 2006, Ford discovered that charcoal made with human trafficking was being used to make the pig iron in its supply chain. The pig iron was being produced in remote areas in Brazil near the Amazon, where it was difficult to regulate the work practices occurring at the site. Upon learning that human trafficking was present in the supply chain of their steel, Ford immediately stopped sourcing from the site that was identified in the investigation. Ford then contacted all of their suppliers and assisted them in developing management systems that would help them avoid purchasing pig iron tainted with trafficking. Ford also identified all potential points of entry for pig iron, a process which included mapping up to six levels of suppliers, such as importers, exporters, and trading companies. First tier suppliers were asked to clarify details on human rights processes throughout their operations.<sup>614</sup>

### **Where can I learn more?**

<sup>611</sup> World Coal Association. *World Steel Statistics*. 2013. <http://www.worldcoal.org/resources/coal-statistics/coal-steel-statistics/>

<sup>612</sup> Human Rights and Business Dilemmas Forum. *Combating Slave Labor in the Brazilian Charcoal and Steel Sector*. [http://human-rights.unglobalcompact.org/case\\_studies/forced-labour/forced\\_labour/combating\\_slave\\_labour\\_in\\_the\\_brazilian\\_charcoal\\_and\\_steel\\_sector.html#.U2EzPfldX1w](http://human-rights.unglobalcompact.org/case_studies/forced-labour/forced_labour/combating_slave_labour_in_the_brazilian_charcoal_and_steel_sector.html#.U2EzPfldX1w)

<sup>613</sup> Human Rights and Business Dilemmas Forum. *Combating Slave Labor in the Brazilian Charcoal and Steel Sector*. [http://human-rights.unglobalcompact.org/case\\_studies/forced-labour/forced\\_labour/combating\\_slave\\_labour\\_in\\_the\\_brazilian\\_charcoal\\_and\\_steel\\_sector.html#.U2EzPfldX1w](http://human-rights.unglobalcompact.org/case_studies/forced-labour/forced_labour/combating_slave_labour_in_the_brazilian_charcoal_and_steel_sector.html#.U2EzPfldX1w)

<sup>614</sup> *Ford Sustainability Report*. 2010-2011. [http://www.socialfunds.com/shared/reports/1308487118\\_Ford\\_2010-11\\_Sustainability\\_Report.pdf](http://www.socialfunds.com/shared/reports/1308487118_Ford_2010-11_Sustainability_Report.pdf)

[Read more](#) on pig iron in Brazil.

## Strawberries



**Strawberries are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that produce strawberries worldwide (FAOSTAT 2012):**

**Top ten countries that export strawberries worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports strawberries (UN Comtrade 2012):**

Argentina (CL)  
United States (CL)

1. United States
2. Mexico
3. Turkey
4. Spain
5. Egypt
6. South Korea
7. Japan
8. Russia
9. Germany
10. Poland

1. Spain
2. United States
3. Mexico
4. Netherlands
5. Belgium
6. Greece
7. Egypt
8. Morocco
9. Turkey
10. France

1. Mexico
2. Canada
3. Peru
4. Chile
5. Netherlands
6. Spain
7. Belgium
8. Italy

### **Where are strawberries reportedly produced with trafficking and/or child labor?**

The U.S. Department of State 2015 *Trafficking in Persons Report* notes an incidence of migrant workers on a strawberry farm in Greece denied pay for six months, although the broader scope of exploitation in the country is unknown.<sup>615</sup>

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, strawberries are harvested with child labor in Argentina.<sup>616</sup>

There are accounts of child labor and exploitation, as well as indicators of forced labor, in strawberry harvesting in the United States.<sup>617</sup>

<sup>615</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>616</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014 [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

Mexico, which accounts for 95 percent of United States imports of strawberries, has high rates of child labor in agriculture.<sup>618</sup> There is limited evidence linking child labor directly to strawberries, however.<sup>619</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Argentina, Greece, and Mexico as Tier 2 countries. The United States is listed as a Tier 1 country.<sup>620</sup>

### **What does trafficking and/or child labor in strawberry production look like?**

Child laborers who work in the agricultural sector of Argentina harvest tobacco, tomatoes, strawberries, tea, and garlic, among other crops.<sup>621</sup> Children working in the agricultural sector may be exposed to harmful pesticides and long work days. According to Lucrecia Teixidó at the University of Buenos Aires, children are preferred as harvesters because their small hands don't leave marks on the fruit. This preference is well known as there is even a prize for "best small harvester of the year." Teixidó reports that a five year old girl won the award in 2007.<sup>622</sup> In the Bajío Valley of Mexico, children picking strawberries work long hours barefoot in wet mud. While most of the harvesting is done in the summertime, children continue to work in the fields in the afternoons during the school year.

Many of the child workers in Argentina are undocumented migrants from Bolivia and Paraguay.<sup>623</sup>

Although few studies link child labor specifically to strawberry harvesting in Mexico, child labor is reportedly rampant across Mexican agricultural sectors. In 2012, it was reported that over 711,600 children and adolescents were working in agriculture in Mexico, 86 percent of whom did not attend school and 72 percent of whom worked for no pay.<sup>624</sup> In 2009, a Mexican senator reported that approximately 30 percent of Mexico's five million agricultural day laborers were children and

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<sup>617</sup> Patel, Avni. "Who's Picking Your Berries: Feds Find Young Children on Strawberry Farms." *ABC News*. August 11, 2011. <http://abcnews.go.com/Blotter/feds-find-young-children-working-strawberry-farms/story?id=14281166>  
Gonzales, John Moreno. "FBI Probes Treatment of Mexican Workers in LA." *The San Francisco Chronicle*. 10 December 2008. As cited in Verité. Help Wanted. *Immigrant Workers in US Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor*. June 2010.

[https://www.verite.org/sites/default/files/images/HELP%20WANTED\\_A%20Verite%CC%81%20Report\\_Migrant%20Workers%20in%20the%20United%20States.pdf](https://www.verite.org/sites/default/files/images/HELP%20WANTED_A%20Verite%CC%81%20Report_Migrant%20Workers%20in%20the%20United%20States.pdf)

<sup>618</sup> NorteSur, Frontera. "UN Official Slams Child Labor in Mexico." *Media Watch*. May 3, 2007.

<http://www.mexidata.info/id1281.html>

Boriss, Hayley, Henrich Brunke and Marcia Kreith. *Commodity Strawberry Profile*. Agricultural Issues Center, University of California. March 2006 (Updated in 2014 by Naeve,

Linda). [http://www.agmrc.org/commodities\\_\\_products/fruits/strawberries/commodity-strawberry-profile/](http://www.agmrc.org/commodities__products/fruits/strawberries/commodity-strawberry-profile/)

<sup>619</sup> Marosi, Richard. "In Mexico's Fields, Children Toil to Harvest Crops that Make it to America's Tables." *Los Angeles Times*. December 14, 2014.

<sup>620</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>621</sup> U.S. Department of Labor. *2011 Findings on the Worst Forms of Child Labor*. 2011.

<http://www.dol.gov/ilab/reports/pdf/2011TDA.pdf>

U.S. Department of Labor. *2004 Findings on the Worst Forms of Child Labor. Argentina*. 2004.

<http://www.dol.gov/ilab/media/reports/iclp/tda2004/argentina.htm>

<sup>622</sup> Lombana, Jahir. "Argentina: More Efficient Policies to Fight against Child Labour." *Fresh Plaza*. July 17, 2007.

[http://www.freshplaza.com/news\\_detail.asp?id=4769](http://www.freshplaza.com/news_detail.asp?id=4769)

<sup>623</sup> U.S. Department of Labor. *2004 Findings on the Worst Forms of Child Labor. Argentina*. 2004.

<http://www.dol.gov/ilab/media/reports/iclp/tda2004/argentina.htm>

<sup>624</sup> Muñoz Ríos, Patricia. "Trabajo Infantil Agrícola, una Suerte de Esclavitud Moderna: Especialistas [Agricultural Child Labor, a Kind of Modern Slavery, Say Experts]." *La Jornada*. March 27, 2012.

<http://www.jornada.unam.mx/2012/03/27/sociedad/041n2soc>



adolescents from indigenous or peasant families.<sup>625</sup> The United Nations' Special Rapporteur on the human rights of migrants reported that there were 12 documented deaths of migrant children working in agricultural harvests in northern Mexico in 2006, and criticized the Mexican government for being indifferent to child labor in the agricultural sector.<sup>626</sup>

In the United States, strawberry harvesting is highly dependent on migrant workers due to the time sensitive nature of the harvest.<sup>627</sup> Children of migrant workers may accompany their parents to the fields, particularly when they are not enrolled in school. Further, strawberry harvesters are often paid a piece-rate wage, which means that slower workers may struggle to make minimum wage. Children may work in strawberry harvesting to augment family income.<sup>628</sup>

In a case of Mexican workers in Louisiana strawberry fields (owned by Bimbo's Best Produce), the FBI reported that workers had their passports confiscated, and that supervisors carried shotguns to keep workers fearful.<sup>629</sup>

### **Strawberry Production and Supply Chain:**

After harvesting, strawberries are either frozen or shipped directly to companies, who further process the berries or deliver them as-is to retailers, restaurants, institutions, or other organizations. If the strawberries are processed, they are made into syrups, jams, and juices.<sup>630</sup>

### **How do trafficking and/or child labor in strawberry production affect me?**

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<sup>625</sup> Gobierno de México. Senado de la República. *De la Comisión de Atención a Grupos Vulnerables, el que contiene punto de acuerdo: Por el que se exhorta a la Secretaría del Trabajo y Previsión Social a informar sobre su actuación en torno a los percances donde han sido víctimas niños jornaleros.* Abril, 2009.

<http://www.senado.gob.mx/gace61.php?ver=gaceta&sm=1001&id=13161&lg=60>

<sup>626</sup> NorteSur, Frontera. "UN Official Slams Child Labor in Mexico." *Media Watch.* May 3, 2007.

<http://www.mexidata.info/id1281.html>

Whitaker, Bill. "Farmer Says His Strawberry Harvest Depends on Immigration Bill." *CBS News.* April 11, 2013.

<http://www.cbsnews.com/news/farmer-says-his-strawberry-harvest-depends-on-immigration-bill/>

<sup>627</sup> Whitaker, Bill. "Farmer Says His Strawberry Harvest Depends on Immigration Bill." *CBS News.* April 11, 2013.

<http://www.cbsnews.com/news/farmer-says-his-strawberry-harvest-depends-on-immigration-bill/>

<sup>628</sup> Patel, Avni. "Who's Picking Your Berries: Feds Find Young Children on Strawberry Farms." *ABC News.* August 11, 2011.

<http://abcnews.go.com/Blotter/feds-find-young-children-working-strawberry-farms/story?id=14281166>

<sup>629</sup> Gonzales, John Moreno. "FBI Probes Treatment of Mexican Workers in LA." *The San Francisco Chronicle.* 10 December 2008. As cited in Verité. Help Wanted. *Immigrant Workers in US Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor.* June 2010.

[https://www.verite.org/sites/default/files/images/HELP%20WANTED\\_A%20Verite%CC%81%20Report\\_Migrant%20Workers%20in%20the%20United%20States.pdf](https://www.verite.org/sites/default/files/images/HELP%20WANTED_A%20Verite%CC%81%20Report_Migrant%20Workers%20in%20the%20United%20States.pdf)

<sup>630</sup> Community Food Security Coalition. *Leveraging Institutional Dollars for a Just and Healthy Food System - Strawberry Supply Chain.* June 28, 2013.

<http://www.slideshare.net/cfsc/strawberry-supply-chain-1-pager>



Strawberries are the fifth most consumed fresh fruit in the United States.<sup>631</sup> In 2012, the United States was one of the largest importers of fresh strawberries, importing 351.27 million pounds.<sup>632</sup>

**Examples of what governments, corporations, and others are doing:**

In Argentina, a network of businesses and NGOs coordinates to reduce child labor in agricultural sectors, particularly in cases where children are working alongside their families. Identified child laborers are provided with educational and recreational opportunities.<sup>633</sup>

**Where can I learn more?**

[Watch](#) this video on child labor in strawberry fields in Washington (U.S.).

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<sup>631</sup> Boriss, Hayley, Henrich Brunke and Marcia Kreith. *Commodity Strawberry Profile*. Agricultural Issues Center, University of California. March 2006 (Updated in 2014 by Naeve, Linda).

[http://www.agmrc.org/commodities\\_\\_products/fruits/strawberries/commodity-strawberry-profile/](http://www.agmrc.org/commodities__products/fruits/strawberries/commodity-strawberry-profile/)

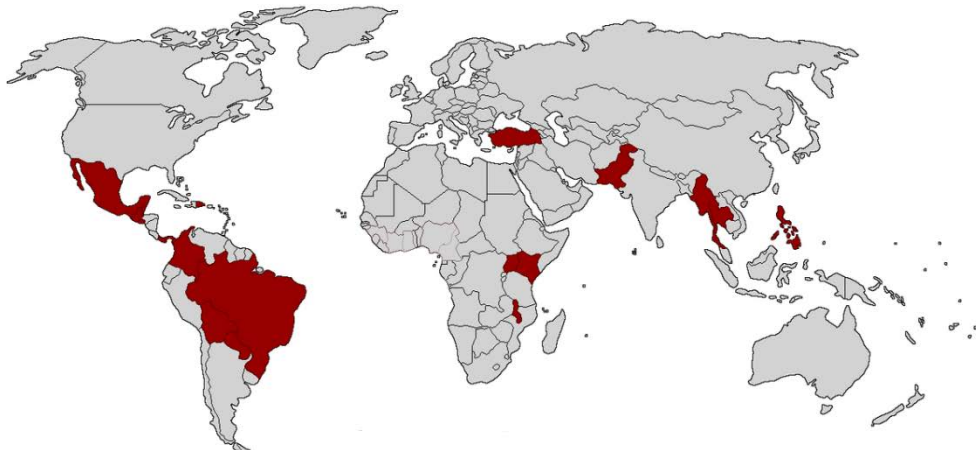
<sup>632</sup> U.S. Department of Agriculture. *Monthly US Imports of Fresh Strawberries, 1989–2012*. 2012.

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1381>

<sup>633</sup> U.S. Department of Labor. *2013 Findings on the Worst Forms of Child Labor. Argentina*. 2013.

<http://www.dol.gov/ilab/reports/child-labor/argentina.htm>

## Sugar



**Sugar is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that produce sugar worldwide (FAOSTAT 2012):**

**Top ten countries that export sugar worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports sugar (UN Comtrade 2012):**

Belize (CL)	1. Brazil	1. Brazil	1. Mexico
Bolivia (FL, CL)	2. India	2. Thailand	2. Canada
Brazil (FL, CL)	3. China	3. France	3. Brazil
Colombia (CL)	4. Thailand	4. United States	4. Guatemala
Dominican Republic (FL, CL)	5. Pakistan	5. Germany	5. El Salvador
El Salvador (CL)	6. Mexico	6. India	6. Dominican Republic
Guatemala (CL)	7. Colombia	7. Mexico	7. China
Kenya (CL)	8. The Philippines	8. Belgium	8. Australia
Malawi (FL)	9. United States	9. Netherlands	9. The Philippines
Mexico (CL)	10. Indonesia	10. China	10. Colombia
Burma (FL, CL)			
Pakistan (FL)			
Panama (CL)			
Paraguay (CL)			
The Philippines (CL)			
Thailand (CL)			
Uganda (CL)			
<i>Sugar Beets:</i>			
Turkey (CL)			

### **Where is sugar reportedly produced with trafficking and/or child labor?**

The U.S. Department of State 2015 *Trafficking in Persons Report* notes forced child labor in the sugar sector in Malawi.<sup>634</sup>

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, sugar is produced with forced labor in Bolivia, Brazil, Burma, the Dominican Republic, and Pakistan. Child labor is noted in Belize, Bolivia, Burma, Colombia, the Dominican Republic, El Salvador, Guatemala, Kenya, Mexico, Panama, Paraguay, the Philippines, Thailand, and Uganda.<sup>635</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Brazil, Panama, the Dominican Republic, El Salvador, Guatemala, Malawi Mexico, Paraguay, Philippines, and Uganda and Turkey as Tier 2 countries. Bolivia, Burma, and Pakistan, are listed as Tier 2 Watch List countries. Thailand and Belize are listed as Tier 3 countries.<sup>636</sup>

### **What does trafficking and/or child labor in sugar production look like?**

The nature of human trafficking in sugar varies widely. In Brazil, trafficking is often a result of domestic trafficking through local labor brokers. In Bolivia and Pakistan, families reside on large plantations with a history of debt bondage and slavery. In the sugar-producing regions of India, communities of migrant workers participate annually in the harvest of sugar, sometimes remaining in debt to labor brokers.

Children as well as adults working in sugarcane production are exposed to long hours in the sun, often causing heat exhaustion and skin damage, high levels of pesticides, and potential injuries from machetes, which are used to cut the cane.<sup>637</sup> In early 2014, several sources reported an epidemic of severe kidney disease and death among men in Latin America who worked in sugar production, although the exact cause is unknown.<sup>638</sup>

### **Case Study:**

#### *Sugar Production in India: Forced Labor?*

Some indicators of debt bondage are reportedly present in the sugarcane sector in India. According to a study by Guerin et al., migrant workers in the State of Tamil Nadu are recruited by labor brokers who provide advances for transportation and living expenses, to be repaid at the end of the harvest season.<sup>639</sup> However, due to high quotas as well as the disparity in power and information between brokers and workers, workers often end the season in debt. According to this research, many of the workers end a

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<sup>634</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>635</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPR\\_A\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPR_A_Report2014.pdf)

<sup>636</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>637</sup> U.S. Department of Labor. *2011 List of Goods Produced By Child Labor or Forced Labor*. December 2011. [http://www.dol.gov/ilab/reports/pdf/2011TVPR\\_A.pdf](http://www.dol.gov/ilab/reports/pdf/2011TVPR_A.pdf)

<sup>638</sup> Beaubien, Jason. "Mysterious Kidney Disease Slays Farmworkers In Central America." *National Public Radio (NPR)*. April 30, 2014. <http://www.npr.org/blogs/health/2014/04/30/306907097/mysterious-kidney-disease-slays-farmworkers-in-central-america>

<sup>639</sup> Guerin, Isabelle, Augendra Bhukut, Kamala Marius-Gnanou and G. Venkatasubramanian. "Neo-bondage, Seasonal Migration, and Job Brokers: Cane Cutters in Tamil Nadu." *India's Unfree Workforce: Of Bondage, Old and New*. Ed. Breman, Jan, Isabelle Guerin and Aseem Prakash. New Delhi: Oxford University Press, 2009.

season indebted for the next season. However, the vast majority interviewed in the study reported that they had changed brokers at least once, indicating that the state of bondage is not permanent.<sup>640</sup>

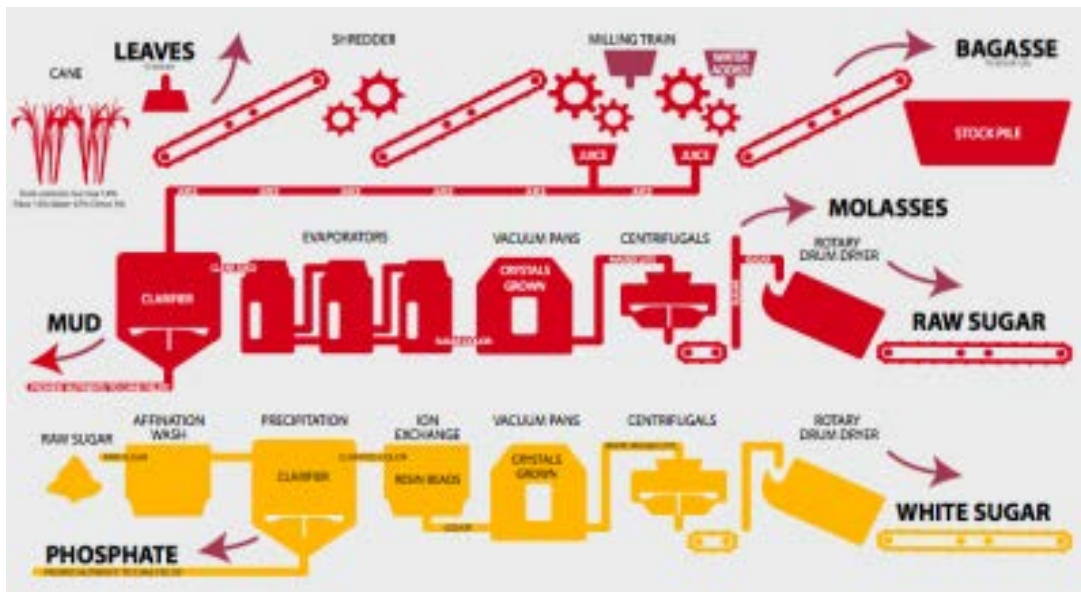
#### *Research on Indicators of Forced Labor in the Supply Chain of Sugar in the Dominican Republic*

Verité research on the sugar industry in the Dominican Republic found indicators of forced labor. Worker interviews indicated that some workers were physically confined to sugar plantations due to isolation, limited access to information, and the laws on migrant worker identity cards. In the Dominican Republic, migrant workers from Haiti were required to carry an identity card called a carnet. The carnet only authorized foreign workers to operate in a certain area and tied the worker to a specific employer. Leaving that employer put the worker at risk of deportation. Some employers did not issue their workers carnets meaning that the workers could not leave the plantation at all or they could be deported. At the plantations, physical and verbal abuse was reportedly common and in the first few months of employment, workers were kept under guard in some cases. A worker who misses work or leaves the job can face punishment including loss of food, housing and future employment. Debt also keeps workers tied to their employers. Because most workers are illegal immigrants, they have to pay fees to *buscones* (agents who bring them across the border) and Dominican or Haitian officials. Food must be bought at grocery stores on the plantations or through a voucher system. The combination of fees and inflated costs for necessities contributes to a cycle of indebtedness. Additionally, workers are paid by weight of sugarcane they harvest. This makes them vulnerable to deception and contributes to their debt. Researchers found that many *buscones* deceived the migrants about the system of payment. Although most workers were aware of the wage they would be paid, other information on the bonus system, food vouchers and deductions was not given in some cases. Plantation workers were required to put in long hours cutting sugar cane. Workers experience many hazardous conditions, including heat exhaustion, dehydration and injuries from machetes. The practice of burning the cane before cutting also creates health problems due to burns and the inhalation of toxic fumes.

### **Sugar Production and Supply Chain:**

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<sup>640</sup> Guerin, Isabelle, Augendra Bhukut, Kamala Marius-Gnanou and G. Venkatasubramanian. "Neo-bondage, Seasonal Migration, and Job Brokers: Cane Cutters in Tamil Nadu." *India's Unfree Workforce: Of Bondage, Old and New*. Ed. Breman, Jan, Isabelle Guerin and Aseem Prakash. New Delhi: Oxford University Press, 2009.



Sugarcane is most frequently harvested by hand using machetes rather than by machine in order to avoid damaging the crop. After harvest, it must be processed quickly. At sugar mills, processing creates raw sugar, which is generally refined into white sugar. Molasses and sugarcane fiber are produced as by-products of this process.<sup>641</sup>

According to the Food and Agricultural Organization of the United Nations, the largest producers of sugarcane as of 2008 were Brazil, India, Thailand, China and Pakistan, two of which – Brazil and Pakistan – are reported to produce sugar cane using forced labor. The largest importers are China, the European Union, the United States, Indonesia, and Malaysia. Globally, 173 million tons of sugar is produced annually and production is projected to reach almost 207 million tons by 2021-22.<sup>642</sup>

### How do trafficking and/or child labor in sugar production affect me?



While most American products use sugar beet rather than sugarcane, globally sugarcane is used in a wide variety of confectionery products as well as in soft drinks and alcoholic beverages. Sugar may also be used in ethanol or as an ingredient in industrial products such as cement or glue.

<sup>641</sup> UN Conference on Trade and Development (UNCTAD). *Commodity Atlas: Sugar*. 2004. [http://www.unctad.org/en/docs/ditccom20041ch19\\_en.pdf](http://www.unctad.org/en/docs/ditccom20041ch19_en.pdf)

<sup>642</sup> Chang, Kaison. *Overview of Sugar Policies and Market Outlook*. Food and Agriculture Organization of the UN (FAO). 2012. [http://www.fao.org/fileadmin/templates/est/meetings/sugar\\_fiji\\_2012/Kaison\\_Chang\\_-\\_FAO\\_Policy\\_Overview.pdf](http://www.fao.org/fileadmin/templates/est/meetings/sugar_fiji_2012/Kaison_Chang_-_FAO_Policy_Overview.pdf)

While the United States uses ethanol produced from corn, sugarcane ethanol is a major world energy source. Brazil is the world's largest producer of sugar-based ethanol, which it uses domestically and also exports, with most exports going to Europe.

Despite its benefits when compared with oil, sugarcane ethanol production is not without environmental impacts; most notably, it is among the most water-heavy crops. According to the World Wildlife Fund, it takes “one million liters of water to produce 12.5 tons of commercial cane.”<sup>643</sup> The United Nations Environmental Program has warned that demand for water to due to ethanol use could compromise its value.<sup>644</sup>

### **Examples of what governments, corporations, and others are doing:**

Formerly known as the Better Sugarcane Initiative (BSI), Bonsucro is a multi-stakeholder group in Brazil which seeks to improve social and environmental standards in sugar production. The required standards for membership include prohibition of forced and child labor. As of 2013, about 2.92 percent of sugarcane growing land is Bonsucro certified. Purchasing companies include Coca Cola, British Sugar, and Cargill.<sup>645</sup>

The Government of the Philippines and Filipino sugar producers' and millers' associations are currently engaged in a project aimed at eliminating child labor in sugarcane production, specifically in Bukidnon province in the Philippines. The project was started in 2010; it was funded by the U.S. Bureau of International Labor Affairs' (ILAB) Office of Child Labor, Forced Labor, and Human Trafficking (OCFT), and implemented by the International Labor Organizations' (ILO) International Program on the Elimination of Child Labor (IPEC). The project requires sugar farms to sign a voluntary code of conduct; the tripartite group is currently developing a child labor policy. The project also facilitated the signing of “an agreement of intent to collaborate to reduce child labor through education and livelihood programs for vulnerable families” between government agencies, sugar industry representatives, and Coca-Cola.<sup>646</sup>

### **Where can I learn more?**

[Watch](#) a video about human trafficking in the Dominican Republic.

[Learn](#) about Bonsucro and sustainable sugar.

[Read](#) about the global sugar trade.

[Read](#) Verité's full report on forced labor indicators in the Dominican Republic's Sugar industry.

[Read the report in Spanish.](#)

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<sup>643</sup> Ecoworld. *Biofuel's Mixed Blessings*. <http://www.ecoworld.com/energy-fuels/biofuels-mixed-blessings.html>

<sup>644</sup> UN Environmental programme. *Nagoya 2010: Weighing up the Risks and Benefits of Biofuels Development*. October 25, 2010. <http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=649&ArticleID=6796&l=en&t=long>

<sup>645</sup> Bonsucro. *Bonsucro at a Glance*. 2013.

[http://www.bonsucro.com/assets/bonsucro\\_at\\_a\\_glance.pdf](http://www.bonsucro.com/assets/bonsucro_at_a_glance.pdf)

<sup>646</sup> U.S. Department of Labor. Toolkit for Responsible Business. Multi-Stakeholder Groups. [http://www.dol.gov/ilab/child-forced-labor/step1/step1\\_4.htm](http://www.dol.gov/ilab/child-forced-labor/step1/step1_4.htm)

## Sunflowers



Sunflowers are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce sunflowers worldwide (FAOSTAT 2012):	Top ten countries that export sunflowers worldwide (UN Comtrade 2012):	Top ten countries from which the US imports sunflowers (UN Comtrade 2012):
Burma (FL) Ethiopia (FL)	<i>Sunflower Seeds:</i> 1. Ukraine 2. Russia 3. Argentina 4. China 5. France 6. Romania 7. Bulgaria 8. Turkey 9. Hungary 10. United States	<i>Sunflower Seeds:</i> 1. Bulgaria 2. Hungary 3. Romania 4. France 5. Ukraine 6. Russia 7. Slovakia 8. China 9. United States 10. Moldova	<i>Sunflower Seeds:</i> 1. Canada 2. China 3. Argentina 4. Bulgaria 5. Ukraine 6. Chile 7. Turkey 8. Israel 9. Uruguay 10. France

### Where are sunflowers reportedly produced with trafficking and/or child labor?

According to the U.S. Department of Labor *List of Goods Produced by Forced Labor or Child Labor*, sunflowers are produced using forced labor in Burma.<sup>647</sup> According to an Ethiopian newspaper, The Horn Times, forced labor has also been used in sunflower production in Ethiopia.<sup>648</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Burma as a Tier 2 Watch List country. Ethiopia is listed as a Tier 2 country.<sup>649</sup>

<sup>647</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>648</sup> Bekele, Getahune. "Ethiopia's Genocidal Minority Junta Verging on Madness?" *The Horn Times*. Zehabesha. April 21, 2013. <http://www.zehabesha.com/ethiopia-genocidal-minority-junta-verging-on-madness/>

<sup>649</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>



### **What does trafficking and/or labor in sunflower production look like?**

In Burma, laborers are often required to walk to the sunflower fields. According to one report, some workers were required to walk two hours to work every day, leaving their homes at six in the morning in order to arrive at the fields by eight. Cultivating and harvesting sunflowers is labor intensive and exposes workers to herbicides that are detrimental to workers' health.<sup>650</sup>

One account tells of how laborers on a particular sunflower field worked from 8 am to 5 pm weeding and harvesting sunflowers. They were not given food and were watched by armed soldiers; one laborer described the soldiers' treatment, saying, "If [they] saw you drifting off, they would beat you with a machete that is encased in a bamboo sheath. They hit you right on the head!"<sup>651</sup>

### **Sunflower Production and Supply Chain:**

There are two major types of sunflowers. The first is the confection sunflowers, which are grown for the nutmeat, for human consumption or birdfeed, and are frequently sold in the shell to global markets. The second, oil sunflowers, are grown so that the seeds can be pressed for oil. The cake that is left over after the oil is pressed is used for animal feed.

Sunflower cultivation is a labor-intensive activity; tilling, harrowing, and weed control are very important to achieve high-yielding crops. The use of herbicides is recommended to improve yields as well.<sup>652</sup> Sunflowers have a deep tap root and can grow during the night when transpiration is low and thus are drought-resistant.<sup>653</sup>

### **How do trafficking and/or child labor in sunflower production affect me?**



Sunflowers are used as decoration, cooking oil, food, and as bird and livestock feed. According to FAOSTAT, Burma is a top twenty producer of sunflower seeds while the United States is a top twenty global importer.<sup>654</sup>

<sup>650</sup> Schmidt, Walter H. "Single Crop Sunflower Production." *Agronomy Facts*. The Ohio State University Extension. <http://ohioline.osu.edu/agf-fact/0107.html>

<sup>651</sup> EarthRights International. *More of the Same: Forced Labor Continues in Burma*. October 11, 2001. <http://www.earthrights.org/sites/default/files/publications/more-of-the-same2.pdf>

<sup>652</sup> Schmidt, Walter H. "Single Crop Sunflower Production." *Agronomy Facts*. The Ohio State University Extension. <http://ohioline.osu.edu/agf-fact/0107.html>

<sup>653</sup> Manitoba Agriculture, Food and Rural Initiatives. *Sunflowers*. <http://www.gov.mb.ca/agriculture/crops/production/sunflowers.html>

<sup>654</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *Production*. 2011. <http://faostat.fao.org/site/339/default.aspx>

Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *Trade*. 2010. <http://faostat.fao.org/site/342/default.aspx>

### **Examples of what governments, corporations, and others are doing**

EarthRights International has launched a campaign against trafficking in Burma that specifically targets sunflower production.<sup>655</sup>

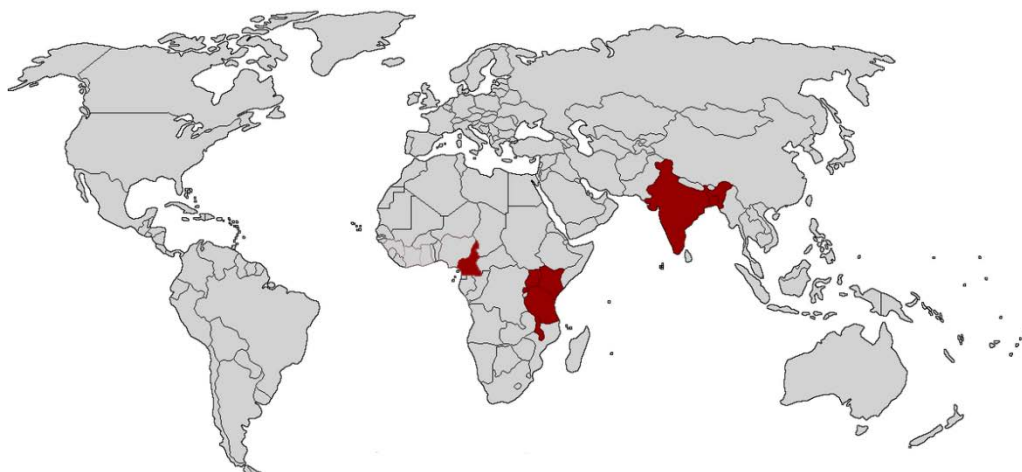
### **Where can I learn more?**

[Read](#) this article about a boy in Tanzania who, with the help of the Food and Agriculture Organization of the United Nations and the ILO, started a worker-friendly sunflower plantation.

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<sup>655</sup> EarthRights International. *More of the Same: Forced Labor Continues in Burma*. October 11, 2001.  
<http://www.earthrights.org/sites/default/files/publications/more-of-the-same2.pdf>

## Tea



Tea is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce tea worldwide (FAOSTAT 2012):	Top ten countries that export tea worldwide (UN Comtrade 2012):	Top ten countries from which the US imports tea (UN Comtrade 2012):
Bangladesh (FL)	1. China	1. Sri Lanka	1. Argentina
Cameroon (FL)	2. India	2. China	2. China
Kenya (CL)	3. Kenya	3. India	3. India
Malawi (CL, FL)	4. Sri Lanka	4. Vietnam	4. Vietnam
Rwanda (CL)	5. Turkey	5. Argentina	5. Germany
Tanzania (CL)	6. Vietnam	6. Indonesia	6. Indonesia
Uganda (CL)	7. Iran	7. Uganda	7. Sri Lanka
India (FL)	8. Indonesia	8. Tanzania	8. Malawi
	9. Argentina	9. Germany	9. Kenya
	10. Japan	10. Rwanda	10. Zimbabwe

### Where is tea reportedly produced with trafficking and/or child labor?

The U.S. Department of State 2015 *Trafficking in Persons Report* notes that forced labor or forced child labor is present in tea production in Bangladesh, Cameroon, and Malawi.<sup>656</sup>

According to the U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, tea is produced using child labor in Kenya, Malawi, Rwanda, Tanzania, and Uganda.<sup>657</sup>

<sup>656</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>657</sup> U.S. Department of Labor. *2014 List of Goods Produced by Child Labor or Forced Labor*. 2014 [http://www.dol.gov/ilab/reports/pdf/TVPRR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRR_Report2014.pdf)

There is some evidence that workers on Indian tea plantations face indicators of forced labor.<sup>658</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Bangladesh, Cameroon, Malawi, Uganda, Kenya, Tanzania and India as Tier 2 countries. Tanzania is listed as a Tier 2 Watch List country.<sup>659</sup>

### **What does trafficking and/or child labor in tea production look like?**

Siddharth Kara, in *Bonded Labor: Tackling the System of Slavery in South Asia*, describes victims of human trafficking in the tea industry as typically poor and indebted to their employers.<sup>660</sup> These bonded laborers are often women and their children who have no choice but to accompany their parents in the fields. Aging parents are incentivized to put their children to work in order to meet strictly enforced tea picking quotas and to make use of their children's dexterity, which is necessary for weeding fields and picking tea leaves.<sup>661</sup> In tea production, children are usually employed in the fields to weed, hoe, or to work in nurseries.<sup>662</sup>

A 2014 report from the Columbia Law School Human Rights Institute noted significant indicators of forced labor on Indian tea plantations such as punitively high quotas and wage deductions. Workers reported the necessity of subcontracting work to meet quotas and facing substantial wage deductions.<sup>663</sup>

### **Tea Production and Supply Chain:**

Many of the activities involved in tea production are labor intensive. These activities might include preparing land, transplanting seedlings, applying mulch, applying fertilizer, manual weeding and leaf plucking.<sup>664</sup> Leaf harvesting generally represents a peak in manual labor, leading many plantations to hire temporary workers.<sup>665</sup> Tea is harvested year round, but high season depends on the exact region and type of tea.<sup>666</sup>

Tea is usually processed in the countries of origin because processing must begin relatively quickly after harvest. Tea is processed at processing plants, which may be part of medium and large scale plantations. After processing, tea is sold to tea companies through brokers.<sup>667 668</sup>

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<sup>658</sup> Columbia Law School Human Rights Institute. "The More Things Change ..." *The World Bank, Tata and Enduring Abuses on India's Tea Plantations*. January 2014. [http://web.law.columbia.edu/sites/default/files/microsites/human-rights-institute/files/tea\\_report\\_final\\_draft-smallpdf.pdf](http://web.law.columbia.edu/sites/default/files/microsites/human-rights-institute/files/tea_report_final_draft-smallpdf.pdf)

<sup>659</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>660</sup> Kara, Siddharth. *Bonded labor: Tackling the System of Slavery in South Asia*. Columbia University Press, 2012.

<sup>661</sup> Kara, Siddharth. *Bonded labor: Tackling the System of Slavery in South Asia*. Columbia University Press, 2012.

<sup>662</sup> ActionAid. For the Rights of Tea Workers in Assam. <http://www.actionaid.org/india/what-we-do/assam/rights-tea-garden-workers-assam>

<sup>663</sup> Columbia Law School Human Rights Institute. "The More Things Change ..." *The World Bank, Tata and Enduring Abuses on India's Tea Plantations*. January 2014. [http://web.law.columbia.edu/sites/default/files/microsites/human-rights-institute/files/tea\\_report\\_final\\_draft-smallpdf.pdf](http://web.law.columbia.edu/sites/default/files/microsites/human-rights-institute/files/tea_report_final_draft-smallpdf.pdf)

<sup>664</sup> International Labor Organization - IPEC. *Hazardous Labor in Agriculture: Tea*. [http://www.ilo.org/public/english/standards/ipecc/publ/download/factsheets/fs\\_tea\\_0304.pdf](http://www.ilo.org/public/english/standards/ipecc/publ/download/factsheets/fs_tea_0304.pdf)

<sup>665</sup> International Labor Organization - IPEC. *Hazardous Labor in Agriculture: Tea*. [http://www.ilo.org/public/english/standards/ipecc/publ/download/factsheets/fs\\_tea\\_0304.pdf](http://www.ilo.org/public/english/standards/ipecc/publ/download/factsheets/fs_tea_0304.pdf)

<sup>666</sup> Sustainable Trade Initiative. *Sector Overview: Tea*. 2012. <http://www.idhsustainabletrade.com/site/getfile.php?id=184>

<sup>667</sup> Sustainable Trade Initiative. *Sector Overview: Tea*. 2012. <http://www.idhsustainabletrade.com/site/getfile.php?id=184>

<sup>668</sup> Eldrig, Line. Fafo. *Child Labor in the Tea Sector in Malawi*. 2003. [http://www.fafo.no/~fafo/media/com\\_netsukii/714.pdf](http://www.fafo.no/~fafo/media/com_netsukii/714.pdf)

## How do trafficking and/or child labor in tea production affect me?



According to the U.S. Department of Labor, tea is the second most consumed beverage in the world, trailing only water. In the United States, per person tea consumption was nine gallons in 2009.<sup>669</sup>

### Examples of what governments, corporations, and others are doing:

The Tea Association of the United States encourages its member companies to pressure their tea sources to require enforcement of International Labor Organization standards as well as local labor laws in order to reduce the prevalence of child labor in the tea industry.

### Where can I learn more?

[Read](#) a United Nations Conference on Trade and Development summary of the global tea trade.

[Watch](#) a CNN Freedom Project video about child labor, debt bondage, and human trafficking in tea production.

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<sup>669</sup> Ungar, Laura. "Tea's Health Benefits Boost its Popularity." *The Washington Post*. April 1, 2013. [http://www.washingtonpost.com/national/health-science/teas-health-benefits-boost-its-popularity/2013/04/01/be818cfe-6ef5-11e2-aa58-243de81040ba\\_story.html](http://www.washingtonpost.com/national/health-science/teas-health-benefits-boost-its-popularity/2013/04/01/be818cfe-6ef5-11e2-aa58-243de81040ba_story.html)

## Tobacco



<b>Tobacco is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:</b>	<b>Top ten countries that produce tobacco worldwide (FAOSTAT 2012):</b>	<b>Top ten countries that export tobacco worldwide (UN Comtrade 2012):</b>	<b>Top ten countries from which the US imports tobacco (UN Comtrade 2012):</b>
Argentina (CL)	1. China	1. Germany	1. Dominican Republic
Brazil (CL)	2. India	2. Netherlands	2. Brazil
Cambodia (CL)	3. Brazil	3. Brazil	3. Turkey
Indonesia (CL)	4. United States	4. Poland	4. Canada
Kenya (FL, CL)	5. Indonesia	5. United States	5. Nicaragua
Kyrgyz Republic (FL, CL)	6. Malawi	6. Belgium	6. Honduras
Lebanon (CL)	7. Argentina	7. China	7. India
Malawi (FL, CL)	8. Tanzania	8. Hong Kong	8. Malawi
Mexico (CL)	9. Zimbabwe	9. India	9. Indonesia
Mozambique (CL)	10. Pakistan	10. Turkey	10. Argentina
Nicaragua (CL)			
The Philippines (CL)			
Tanzania (CL)			
Uganda (CL)			
Zambia (CL)			
United States (CL)			

### Where is tobacco reportedly produced with trafficking and/or child labor?

The U.S. Department of State 2015 *Trafficking in Persons Report* notes the presence of forced labor or forced child labor in Kenya, the Kyrgyz Republic, and Malawi.<sup>670</sup>

<sup>670</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

The U.S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, lists tobacco as being produced with forced labor in Malawi and with child labor in Argentina, Brazil, Cambodia, Indonesia, Kenya, Kyrgyz Republic, Lebanon, Malawi, Mexico, Mozambique, Nicaragua, the Philippines, Tanzania, Uganda, and Zambia.

Human Rights Watch (HRW) also notes that tobacco is grown with hazardous child labor in the United States.<sup>671</sup>

The U.S. Department of State *Trafficking in Persons Report* lists Argentina, Kenya, Nicaragua, Brazil, Indonesia, Kyrgyz Republic, Malawi, Mexico, Mozambique, Philippines, Uganda and Zambia as Tier 2 countries. Cambodia, Lebanon and Tanzania are listed as Tier 2 Watch List countries. The United States is listed as a Tier 1 country.<sup>672</sup>

### **What does trafficking and/or child labor in tobacco harvesting look like?**

Human trafficking is most likely to take place at the harvest stage. The nature of trafficking in tobacco growing, however, varies from region to region. In Kazakhstan, for example, HRW has identified instances of trafficking “in which employers confiscated migrant workers’ passports and in some cases required them to perform other work without pay or compensation in addition to tobacco farming.” Workers are paid at the end of the harvest season, meaning that workers must tolerate working conditions employers provide or forfeit their compensation. While the study by HRW was not a sector-wide survey and the full scope of trafficking remains unclear, it does indicate wide-spread abuses among tobacco farmers.<sup>673</sup>

In Malawi, human trafficking occurs in the context of tenant farming. Families make agreements with landowners whereby they receive a portion of the profit from the tobacco harvest in exchange for labor in growing and harvesting the crop.<sup>674</sup> Tenants are generally expected to pay for seeds and other expenses. Because this system rarely results in profit for the tenants, they remain in a situation of debt bondage.<sup>675</sup> Additionally, families are expected to have their children participate in the harvest from a young age, exposing them to dangerous levels of nicotine. The International Labor Rights Forum (ILRF) reports that 70 percent of Malawi’s foreign exchange earnings come from tobacco and 78 percent of children between the ages of ten to fourteen and 55 percent of children between seven and nine years old work in tobacco production.<sup>676</sup>

In the United States, Human Rights Watch (HRW) found children as young as seven working in tobacco fields. Many of the children interviewed by HRW were children of migrant farmworkers. While they

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<sup>671</sup> Human Rights Watch (HRW). *Tobacco’s Hidden Children: Hazardous Child Labor in United States Tobacco Farming*. May 2014. <http://www.hrw.org/node/125316>

<sup>672</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>673</sup> Human Rights Watch (HRW). *Hellish Work*. July 14, 2010. <http://www.hrw.org/en/node/91458/section/2>

<sup>674</sup> Eldring, Line, Sabata Nakanyane and Malehoko Tshoamedi, *Child Labour in the Tobacco Growing Sector in Africa*. Fafo. October 2000. <http://www.fafo.no/pub/rapp/654/654.pdf>

<sup>675</sup> International Trade Union Confederation (ITUC). *Internationally Recognised Core Labour Standards in Malawi: Report for the WTO General Council Review of the Trade Policies of Malawi*. June 2010.

[http://www.ituc-csi.org/IMG/pdf/Microsoft\\_Word\\_-\\_28\\_May\\_-\\_Malawi\\_CLS\\_FINAL\\_\\_2\\_-\\_20100531120125.pdf](http://www.ituc-csi.org/IMG/pdf/Microsoft_Word_-_28_May_-_Malawi_CLS_FINAL__2_-_20100531120125.pdf)

<sup>676</sup> International Labor Rights Forum. “Child labor, unfair prices and poverty earnings characterize the tobacco growing sector.” <http://www.laborrights.org/industries/tobacco>

attended school during the academic year, in the summer, they worked in tobacco fields to supplement their family income. Under U.S. law, children can begin working on farms at age 12 outside of school hours. Juveniles between ages 16-18 can be engaged in hazardous agricultural tasks.<sup>677</sup>

Work in tobacco production is hazardous for both adults and children. Workers use dangerous tools and machinery, lift heavy loads, are exposed to intense heat and work at height hanging tobacco in barns. Workers may also be exposed to pesticides, including known neurotoxins. Workers harvesting tobacco leaves without adequate protective equipment are vulnerable to Green Tobacco Sickness, or GTS. GTS, caused by absorption of nicotine through the skin, can cause nausea, vomiting, weakness, headaches, and respiratory symptoms.<sup>678</sup> Children are most vulnerable to these risks, including GTS, as their bodies are still developing. Vomiting can lead to exacerbation of dehydration and heat illness.<sup>679</sup>

Forced and child labor may occur in the cigarette or beedis (hand-rolled cigars) production process as well. The World Health Organization (WHO) reported that there are some 325,000 children in India working in rolling tobacco, and estimated that 50 percent are bonded laborers.<sup>680</sup> The U.S. Department of Labor's Bureau for International Labor Affairs explains that children become bonded when "parents pledge their labor as security on an advance taken from contractors or middlemen who run small, illegal manufacturing units." The interest rates on these advances range from 10 to 25 percent and employers often take advantage of people by tricking them and working them even after their debt is paid off. "Children are sometimes required to roll 1,000 beedis per day and are generally paid six to seven rupees (20 to 22 cents) per batch of 1,000 - about one-fourth of adult wages. If they fail to meet the quota, or if the quality of the beedis are found to be poor, their wages are cut or they are required to make up the loss by performing extra work the following Sunday."<sup>681</sup>

### Case Study:

American tobacco giant Philip Morris International's Agricultural Labor Practices (ALP) Program, launched in May 2011, represents a profound effort by the company to improve their tobacco sourcing policies, especially in regards to eliminating child labor, human trafficking, and other labor abuses. The program is compulsory for all farmers who have contractual arrangements with PMI affiliates or with "third-party leaf suppliers" who purchase tobacco for PMI; this affects over 500,000 farmers in more than 30 countries. The first ALP progress report, published in September 2012, reported that PMI had so far trained over 2,900 locals from supplier countries as field technicians, 300 of whom are now qualified field technician trainers themselves. The field technicians are in charge of putting together Farm Profiles for each farm, building relationships with farmers, communicating the ALP Code, providing technical support, and helping farmers implement changes. They also monitor progress and report back to PMI

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<sup>677</sup> Human Rights Watch (HRW). *Tobacco's Hidden Children: Hazardous Child Labor in United States Tobacco Farming*. May 2014. <http://www.hrw.org/node/125316>

<sup>678</sup> Human Rights Watch (HRW). *Hellish Work*. July 14, 2010. <http://www.hrw.org/en/node/91458/section/2>  
Occupational Safety and Health Administration. *Recommended Practices Bulletin*.  
<https://www.osha.gov/Publications/OSHA3765.pdf>

<sup>679</sup> Occupational Safety and Health Administration. *Recommended Practices Bulletin*.  
<https://www.osha.gov/Publications/OSHA3765.pdf>

<sup>680</sup> World Health Organization (WHO). *Tobacco and the Rights of the Child*. 2001.  
[http://whqlibdoc.who.int/hq/2001/WHO\\_NMH\\_TFI\\_01.3\\_Rev.1.pdf](http://whqlibdoc.who.int/hq/2001/WHO_NMH_TFI_01.3_Rev.1.pdf)

<sup>681</sup> U.S. Department of Labor: Bureau of International Labor Affairs. *Forced and Bonded Child Labor*.  
<http://www.dol.gov/ILAB/media/reports/iclp/sweat2/bonded.htm#.UIFjsBiAFD0>



management. Local management of PMI and supplier organizations support and oversee the field technicians. Since the beginning of the program, these technicians have provided information about the Code to 335,000 farmers in 28 countries.<sup>682</sup>

### **Tobacco Production and Supply Chain:**

Tobacco production encompasses the cultivation of several different varieties of tobacco leaves, grown for different purposes. Flue-cured, burley and oriental tobaccos are used in blended cigarettes, with flue-cured the most commonly produced.

Tobacco production and harvesting is labor intensive. Seedlings are hand sown into beds and then removed for transplanting. Seedlings are clipped for weeks before transplanting. Fertilizers are applied to fields and in many developing markets, they are applied by hand. Flowers are manually or mechanically removed to encourage leaf development. Some types (flue-cured, Oriental, and cigar wrapper) are harvested as individual leaves ripen. Other types (Burley, Maryland) are cut near ground level when most leaves are ripe. Harvesting is generally manual. Curing requires leaves to be hung in barns.<sup>683</sup> At factories, leaves are cleaned, de-stemmed and aged, after which flavor may be added. Tobacco is then rolled into cigarettes, which may have filters added.

Many tobacco producers are small-holder farmers.<sup>684</sup> Tobacco companies (or their supplier affiliates) either purchase tobacco directly from growers, or procure it in an auction system. Generally, in a direct buying, or “contract” system, companies purchase grower’s entire crops. Tobacco purchases in most countries, including most U.S. purchases, are made in a contract system. In some countries, such as Zimbabwe, tobacco is sold at auction.<sup>685</sup> Until the 2012 season, tobacco in Malawi was sold through an auction system; this caused high levels of price instability and led to livelihood concerns for farmers, potentially encouraging child labor. The auction system also prevented buyers from using leverage to discourage child labor.<sup>686</sup>

Tobacco is produced and consumed world-wide. The major producers are China, India, Brazil, the United States, Malawi, Indonesia, and Argentina, which together produce over 80 percent of the world’s tobacco. China alone accounts for over 42 percent of world production.<sup>687</sup> The largest importers are Russia and the United States, with the United States importing approximately the same amount of tobacco that it exports.<sup>688</sup>

### **How do trafficking and/or child labor in tobacco production affect me?**

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<sup>682</sup> Philip Morris International (PMI). *Agricultural Labor Practices (ALP) Program Progress Report*. September 2012. [http://www.pmi.com/eng/media\\_center/company\\_statements/documents/pmi\\_alp\\_progress\\_report\\_2012.pdf](http://www.pmi.com/eng/media_center/company_statements/documents/pmi_alp_progress_report_2012.pdf)

<sup>683</sup> International Labor Organization (ILO). *Tobacco Cultivation*. <http://www.ilo.org/oshenc/part-x/agriculture-and-natural-resources-based-industries/specialty-crops/item/551-tobacco-cultivation>

<sup>684</sup> British American Tobacco. *Supply Chain*. <http://www.bat.com/supplychain>

<sup>685</sup> Alliance One. *Corporate Profile*. <http://www.aointl.com/au/>

<sup>686</sup> Philip Morris International (PMI). *Agricultural Labor Practices (ALP) Program Progress Report 2013*. March 30, 2014. [http://www.pmi.com/eng/media\\_center/documents/pmi\\_progress\\_report\\_final\\_not\\_watermarked\\_low\\_res\\_0328.pdf](http://www.pmi.com/eng/media_center/documents/pmi_progress_report_final_not_watermarked_low_res_0328.pdf)

<sup>687</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *Crop Production Statistics*.

<http://faostat.fao.org/site/567/DesktopDefault.aspx?PageID=567#ancor> [Accessed July 6, 2012].

<sup>688</sup> World Trade Organization (WHO). *Tobacco Free Initiative (TFI)*. <http://www.who.int/tobacco/publications/en/>



The most common uses of tobacco are for cigarettes, cigars, pipe tobacco, chewing tobacco, and snuff. Over a quarter of Americans consume tobacco products.<sup>689</sup>

### **Examples of what governments, corporations, and others are doing:**

Philip Morris International (PMI) engaged Verité, a labor rights NGO, in a strategic partnership to improve conditions for tobacco workers and to eliminate child labor in its global supply chain. To meet this objective, PMI communicated its Agricultural Labor Practices to over 500,000 smallholder farms. Employees and suppliers have also been trained on a large scale. Further, PMI gathers information on who lives and works on each farm and has implemented third-party monitoring in three global markets. Where issues have been identified through third-party monitoring, PMI has worked to develop corrective action plans.<sup>690</sup>

The Eliminating Child Labour in Tobacco Growing Foundation (ECLT) is a multi-brand funded non-profit organization that works to withdraw children from child labor in the tobacco sector, provide educational opportunities, raise awareness about child labor and provide livelihood opportunities for tobacco growing communities. The ECLT runs programs in Kyrgyzstan, Mozambique, Malawi, Philippines, Uganda, Zambia and Guatemala.<sup>691</sup>

### **Where can I learn more?**

[Watch](#) a video by Plan International on child labor in Malawi.

[Watch](#) a video by Human Rights Watch on tobacco growing in Kazakhstan.

[Read](#) about tobacco growing and trade.

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<sup>689</sup> Agaku, Israel T. et al. *Tobacco Product Use Among Adults – United States, 2012- 2013*. Centers for Disease Control (CDC). July 27, 2014. <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6325a3.htm>

<sup>690</sup> Philip Morris International. *Agricultural Labor Practices. 2013 Progress Update*. [http://www.pmi.com/eng/media\\_center/Documents/PMI\\_Progress\\_Report\\_FINAL\\_not\\_watermarked\\_low\\_res\\_0328.pdf](http://www.pmi.com/eng/media_center/Documents/PMI_Progress_Report_FINAL_not_watermarked_low_res_0328.pdf)

<sup>691</sup> Eliminating Child Labour in Tobacco Growing Foundation (ECLT). *Project Countries*. <http://www.eclt.org/>

## Tomatoes



Tomatoes are reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce tomatoes worldwide (FAOSTAT 2012):	Top ten countries that export tomatoes worldwide (UN Comtrade 2012):	Top ten countries from which the US imports tomatoes (UN Comtrade 2012):
Argentina (CL)	1. China	1. Mexico	1. Canada
Dominican Republic (CL)	2. India	2. Netherlands	2. Chile
Mexico (CL)	3. United States	3. Spain	3. Israel
Italy (FL)	4. Turkey	4. Turkey	4. Mexico
Spain (FL)	5. Egypt	5. Morocco	
United States (FL)	6. Iran	6. Jordan	
	7. Italy	7. France	
	8. Spain	8. Belgium	
	9. Brazil	9. United States	
	10. Mexico	10. China	

### Where are tomatoes reportedly produced with trafficking and/or child labor?

According to the U. S. Department of Labor 2014 *List of Goods Produced by Child Labor or Forced Labor*, tomatoes are produced with child labor in Argentina, the Dominican Republic, and Mexico.<sup>692</sup> The 2015 *Trafficking in Persons Report* lists Argentina, the Dominican Republic, and Mexico all as Tier 2 countries.<sup>693</sup>

According to Amnesty International's 2012 report on labor practices, tomatoes are produced with forced labor in Italy.<sup>694</sup> The Guardian reported that migrant workers are subjected to conditions of trafficking

<sup>692</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>693</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>694</sup> Amnesty International. *Exploited Labor: Migrant Workers in Italy's Agricultural Sector*. December 2012. <http://www.amnesty.org/en/library/asset/EUR30/021/2012/en/f0ce53e6-5cf6-45f6-86bbe00de71c9a3c/eur300212012en.pdf>

while harvesting tomatoes in Spain.<sup>695</sup> The Coalition of Immokalee Workers (CIW) and CNN's Freedom Project have publicized trafficking in tomato production in the United States as well.<sup>696</sup>

The U.S. Department of State 2015 *Trafficking in Persons Report* noted that 54 children were intercepted, allegedly for exploitive labor on tomato farms in Angola, although the scope of the problem is unknown.<sup>697</sup>

According to the U.S. Department of State 2015 *Trafficking in Persons Report*, Argentina, the Dominican Republic and Mexico and Tier 2 countries. Italy, Spain and the U.S. are Tier 1 countries.<sup>698</sup>

### **What does trafficking and/or child labor in tomato production look like?**

Working in tomato fields is very dangerous and difficult work for children, as they are often exposed to pesticides and other chemicals without proper protective gear.<sup>699</sup> In the Dominican Republic, child labor may occur when children work alongside their families.<sup>700</sup> In Argentina, a 2004 government survey approximated that 450,000 children living in rural areas work on family or neighboring farms, picking tomatoes and various other crops.<sup>701</sup> In Mexico, migrants are the most at risk for human trafficking, particularly in the agricultural sector where 29.5 percent of Mexico's working children are employed.<sup>702</sup> According to Amnesty International, human trafficking in tomato production occurs in southern Italy, largely among sub-Saharan African immigrants looking for seasonal or temporary work.<sup>703</sup> *The Guardian* has reported trafficking among African migrants in Spain.<sup>704</sup> In the United States, Mexican and Guatemalan immigrants, including children, work in the tomato fields of Immokalee, Florida. They are often indebted to their traffickers and must continually work towards the payment of their debt bondage.<sup>705</sup>

### **Case Study:**

#### *Tomato Production in the United States: Forced Labor?*

Verité published a report on immigrant workers in U.S. agriculture that explores the role of labor brokers and their tie to forced labor. In this report, Verité exposes the vulnerabilities of the guest worker system and the use of labor brokers. In the guest worker system, workers are vulnerable to forced labor because

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<sup>695</sup> Lawrence, Felicity. "Spain's Salad Growers are Modern Day Slaves, Say Charities." *The Guardian*. February 7, 2011.

<sup>696</sup> Coalition of Immokalee Workers. "About CIW." <http://www.ciw-online.org/about.html>

Kloer, A. "Your Tomato's Possible Ties to Slavery." *The CNN Freedom Project: Ending Modern-Day Slavery*. April 2011.

<http://thecnnfreedomproject.blogs.cnn.com/2011/04/21/your-tomato-possible-ties-to-slavery/>

<sup>697</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>698</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>699</sup> U.S. Department of Labor. *2013 Findings on the Worst Forms of Child Labor: Argentina*. 2013.

<http://www.dol.gov/ilab/reports/child-labor/findings/2013TDA/argentina.pdf>

<sup>700</sup> U.S. Department of State. *2012 Country Reports on Human Rights Practices: Dominican Republic*. 2012.

<http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?year=2012&dclid=204446>

<sup>701</sup> U.S. Department of State. *2012 Country Reports on Human Rights Practices: Argentina*. 2012.

<http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?year=2012&dclid=204421>

<sup>702</sup> U.S. Department of State. *2013 Country Reports on Human Rights Practices: Mexico*. 2013.

<http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/index.htm?year=2013&dclid=220457>

<sup>703</sup> Amnesty International. *Exploited Labor: Migrant Workers in Italy's Agricultural Sector*. December 2012.

<http://www.amnesty.org/en/library/asset/EUR30/021/2012/en/f0ce53e6-5cf6-45f6-86bbe00de71c9a3c/eur300212012en.pdf>

<sup>704</sup> Lawrence, Felicity. "Spain's Salad Growers are Modern Day Slaves, Say Charities." *The Guardian*. February 7, 2011.

<sup>705</sup> Kloer, A. "Your Tomato's Possible Ties to Slavery." *The CNN Freedom Project: Ending Modern-Day Slavery*. April 2011.

<http://thecnnfreedomproject.blogs.cnn.com/2011/04/21/your-tomato-possible-ties-to-slavery/>

they are tied to their employer, which means that, despite protections that exist for H-2A workers, they often endure low wages, physical isolation, language barriers, fear of deportation, and idle periods of no work. The use of labor brokers also has inherent risks, including illegal recruitment fees, human trafficking and loan sharking. Farm work, such as harvesting tomatoes, can also be dangerous work and workers are rarely given adequate safety equipment. Verité cites a specific case in Florida where a group of workers hired to pick tomatoes were not allowed to leave the farm; they were locked in their sleeping quarters and threatened by employers with guns. Verité profiles another case where a group of women traveled from Mexico to Florida on H-2A visas in order to work harvesting tomatoes. These employees also reported being locked up at night and threatened by their employers.<sup>706</sup>

In 2007, a federal grand jury indicted the Navarrete family in Immokalee, Florida for enslaving workers in the tomato picking industry. The group allegedly beat any workers that attempted to leave and locked workers in a U-Haul style truck: “at night, the cargo door was locked shut with the most troublesome workers inside. If they needed to relieve themselves, the only option was a designated corner.”<sup>707</sup>

Investigative journalist Barry Estabrook has also been looking into the conditions that immigrant tomato workers in Florida endure. He reports expensive room and board, inedible food, no regular wages, and severe beatings for deserting.<sup>708</sup>

### **Tomato Production and Supply Chain:**

The most labor-intensive part of the tomato supply chain is the harvesting stage. After harvesting, fresh tomatoes are sent to a packinghouse, where they are distributed to various retail food sellers, food preparation outlets, and processing operations.<sup>709</sup>

Over the past decade, tomato production has increased globally, with Mexico, the United States, and Italy among some of the top producing countries. According to the United Nations Conference on Trade and Development (UNCTAD), Mexico exports the majority of its fresh tomato supply to the United States, and the United States is one of the biggest global importers of tomatoes.<sup>710</sup>

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<sup>706</sup> Verité. “Immigrant Workers in US Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor.” June 2010. [http://www.verite.org/sites/default/files/images/HELP%20WANTED\\_A%20Verite%CC%81%20Report\\_Migrant%20Workers%20in%20the%20United%20States.pdf](http://www.verite.org/sites/default/files/images/HELP%20WANTED_A%20Verite%CC%81%20Report_Migrant%20Workers%20in%20the%20United%20States.pdf)

<sup>707</sup> Grimm, Fred. “How About a Side Order of Human Rights?” *The Miami Herald*. December 16, 2007. [http://ciw-online.org/blog/2007/12/fred\\_grimm\\_side\\_order\\_rights/](http://ciw-online.org/blog/2007/12/fred_grimm_side_order_rights/)

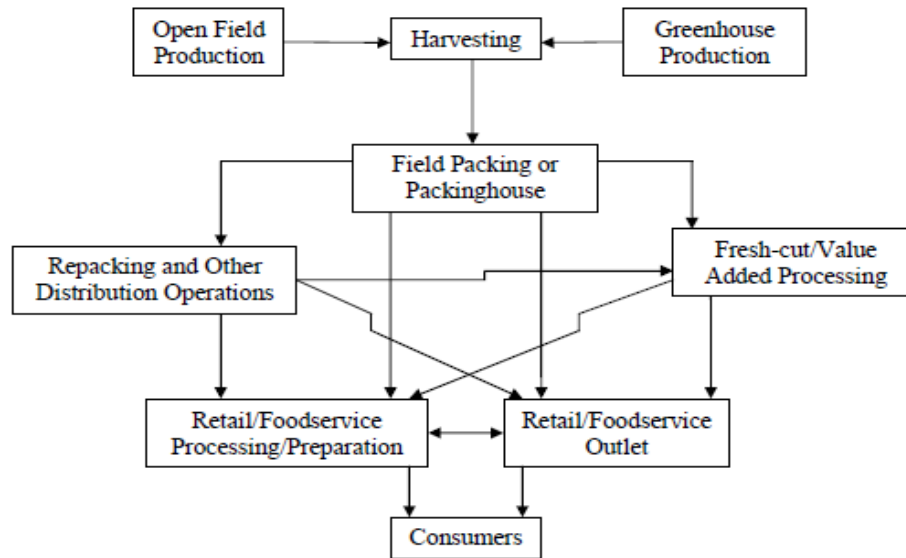
<sup>708</sup> National Public Radio (NPR). “The Unsavory Story of Industrially-Grown Tomatoes.” August 26, 2011. <http://www.npr.org/2011/08/26/139972669/the-unsavory-story-of-industrially-grown-tomatoes>

<sup>709</sup> North American Tomato Trade Work Group (NATTWG), United Fresh Produce Association. *Commodity Specific Food Safety Guidelines for the Fresh Tomato Supply Chain*. July 2008.

<http://www.unitedfresh.org/assets/files/Tomato%20Guidelines%20July08%20FINAL.pdf>

<sup>710</sup> United Nations Conference on Trade and Development (UNCTAD). *Commodity Profile. Tomatoes*. <http://www.unctad.info/en/Infocomm/AACP-Products/COMMODITY-PROFILE---Tomato/>

Figure 1. General Supply Chain Flow for Fresh Tomatoes



Source: North American Tomato Trade Work Group (NATTWG), United Fresh Produce Association. *Commodity Specific Food Safety Guidelines for the Fresh Tomato Supply Chain*. July 2008.  
<http://www.unitedfresh.org/assets/files/Tomato%20Guidelines%20July08%20FINAL.pdf>

**How do trafficking and/or child labor in tomato production affect me?**



According to the U.S. Department of Agriculture, fresh tomatoes are America’s fourth most consumed type of fresh-market produce.<sup>711</sup> Americans primarily consume domestic tomatoes, mainly from California and Florida, as well as tomatoes imported from Canada and Mexico.

**Examples of what governments, corporations, and others are doing:**

The activism and advocacy of the Coalition of Immokalee Workers (CIW) over the past twenty years has brought national and international attention to abuses of tomato-pickers in Immokalee, Florida. The CIW has helped with multiple federal prosecutions of traffickers in Florida, and has freed over one thousand enslaved Florida farmworkers.<sup>712</sup> In 2001 the CIW launched their Fair Food Campaign, targeting Taco Bell and other large fast food conglomerates for purchasing tomatoes from agribusinesses harvested using

<sup>711</sup> U.S. Department of Agriculture. *Tomatoes*. October 2012.  
<http://www.ers.usda.gov/topics/crops/vegetables/pulses/tomatoes.aspx#.UXL2qfU61EI>  
<sup>712</sup> Coalition of Immokalee Workers. “About CIW.” <http://www.ciw-online.org/about.html>

human trafficking.<sup>713</sup> “Yum Brands (2005), McDonald’s (2007), Burger King (2008), Subway (2008), Whole Foods Market (2008), Bon Appetit Management Company (2009), Compass Group (2009), Aramark (2010), Sodexo (2010), Trader Joe’s (2012), and Chipotle (2012) are participating in the Fair Food Program. All ten companies have agreed to pay a premium price for more fairly produced tomatoes, and to shift their Florida tomato purchases to growers who comply with the Fair Food Code of Conduct.” In 2010, then Secretary of State Hilary Clinton gave Laura Gemino, coordinator for the Anti-Slavery Campaign for CIW, a TIP Report Hero Award for her work towards eradicating forced labor in the tomato industry.<sup>714</sup>

### **Where can I learn more?**

**[Listen](#)** to an interview with investigative journalist Barry Estabrook on NPR about his work researching the working conditions of today’s tomato workers.

**[Watch](#)** a short video about one woman’s struggle to make ends meet as a tomato-picker in Immokalee, Florida.

**[Read](#)** Verité’s full report on Immigrant Workers in US Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor.

## **Wheat**

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<sup>713</sup> Kloer, A. “Your Tomato’s Possible Ties to Slavery.” *The CNN Freedom Project: Ending Modern-Day Slavery*. April 2011. <http://thecnnfreedomproject.blogs.cnn.com/2011/04/21/your-tomato-possible-ties-to-slavery/>

<sup>714</sup> Coalition of Immokalee Workers. “About CIW.” <http://www.ciw-online.org/about.html>



Wheat is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:	Top ten countries that produce wheat worldwide (FAOSTAT 2012):	Top ten countries that export wheat worldwide (UN Comtrade 2012):	Top ten countries from which the US imports wheat (UN Comtrade 2012):
Pakistan (FL) Paraguay (CL)	<ol style="list-style-type: none"> <li>1. China</li> <li>2. India</li> <li>3. United States</li> <li>4. France</li> <li>5. Russia</li> <li>6. Australia</li> <li>7. Canada</li> <li>8. Pakistan</li> <li>9. Germany</li> <li>10. Turkey</li> </ol>	<ol style="list-style-type: none"> <li>1. United States</li> <li>2. Australia</li> <li>3. Canada</li> <li>4. France</li> <li>5. Russia</li> <li>6. Argentina</li> <li>7. Ukraine</li> <li>8. Kazakhstan</li> <li>9. Germany</li> <li>10. India</li> </ol>	<ol style="list-style-type: none"> <li>1. Canada</li> <li>2. United Kingdom</li> <li>3. Mexico</li> <li>4. Argentina</li> <li>5. Uruguay</li> <li>6. United Arab Emirates</li> <li>7. China</li> <li>8. Turkey</li> <li>9. Germany</li> <li>10. Italy</li> </ol>

**Where is wheat reportedly produced with trafficking and/or child labor?**

According to the 2014 U.S. Department of Labor *List of Goods Produced by Child Labor or Forced Labor*, wheat is harvested with forced labor in Pakistan.<sup>715</sup>

The 2015 U.S. Department of State *Trafficking in Persons Report* lists Pakistan as a Tier 2 Watch List country.<sup>716</sup>

<sup>715</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPRA_Report2014.pdf)

<sup>716</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>



### **What does trafficking and/or child labor in wheat production look like?**

The International Labor Organization (ILO) noted the presence of forced labor in the agricultural sector of Pakistan. This forced labor is mostly concentrated in the production of wheat, sugar, and tobacco. The predominant indicator of forced labor in the wheat sector in Pakistan is debt bondage; farmers take out loans from the landowner, and if the profits from the harvest are not adequate, the farmer may end up deeply indebted. Children of bonded labor may also be engaged in agricultural work.<sup>717</sup>

Children involved in wheat harvesting may be exposed to harsh conditions, hazardous machinery and pesticides.

### **Case Study:**

#### *Wheat Fields in Daska, Pakistan*

In 2011, a story surfaced concerning forced labor in wheat fields in Daska, Pakistan. An influential landlord, with the cooperation of high school management, forced students to work in the wheat fields near the school in “sizzling hot and humid weather for several hours.” The landlord was reportedly a close relative of the headmaster of the school.<sup>718</sup>

### **Wheat Production and Supply Chain:**

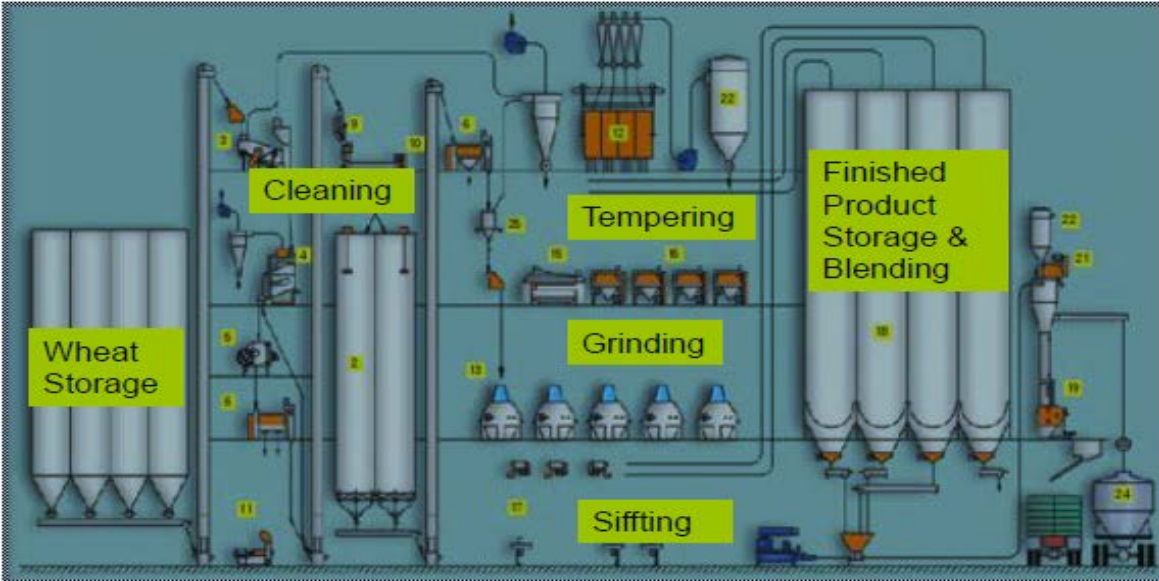
After harvesting the stalks, the wheat is separated from other grains or foreign material and passed through machines to rid the wheat of any impurities. After that, the kernels enter a machine called a scourer to remove the husks and polish the seed. The kernels are then either moistened or dried, depending on the type of wheat, and stored for a number of hours in order to prepare the seed for milling. The mill grinds up the particles to the desired size and then they are sifted through and purified.<sup>719</sup>

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<sup>717</sup> International Labor Organization. Hussein, Maliha, et al. *Bonded Labour in Agriculture: A Rapid Assessment in Sindh and Baluchistan*, Pakistan. 2004;

<sup>718</sup> The Nation. "Students Forced to Labour in Wheat Fields." May 12, 2011. <http://www.nation.com.pk/pakistan-news-newspaper-daily-english-online/lahore/12-May-2011/Students-forced-to-labour-in-wheat-fields>

<sup>719</sup> Hashmi, Dr. Irfan. *Step by Step: Wheat Farming, Milling & Quality Requirements*. GrainCorp Storage & Handling. June 25, 2013. <http://www.iaom-mea.com/images/file/Tech-03-%20Grain%20Corp-IAOM%20Jordan-2011.pdf>



Source: Hashmi, Dr. Irfan. *Step by Step: Wheat Farming, Milling & Quality Requirements. GrainCorp Storage & Handling*. June 25, 2013. <http://www.iaom-mea.com/images/file/Tech-03-%20Grain%20Corp-IAOM%20Jordan-2011.pdf>

### How do trafficking and/or child labor in wheat production affect me?



Wheat is the most ubiquitous staple food grain in the world and an important internationally traded commodity.<sup>720</sup> Wheat is found in food products and is often made into flour. It also has several industrial uses in the production of paper, plastic, and various adhesive agents.<sup>721</sup>

Wheat is the third largest agricultural industry in Pakistan, where most wheat is consumed domestically.<sup>722</sup> In 2013, Pakistan produced 24 million tons of wheat and exported about 1.1 million tons.<sup>723</sup>

<sup>720</sup> Khan, Naheed Zia, Munir Ahmad and Asia Rasheed. *Wheat Production in Pakistan: Saga of Policy Disincentives*. Pakistan Institute of Developmental Economics. June 25, 2013. <http://www.pide.org.pk/pdf/psde%2019AGM/Naheed%20Zia%20Khan,%20Munir%20Ahmed%20and%20Asia%20Rasheed.pdf>

<sup>721</sup> Kansas Wheat Commission. *Alternative and Industrial Uses of Wheat*. June 25, 2013.

[http://www.kswheat.com/consumerspageid261\\_UsesofWheat.shtml](http://www.kswheat.com/consumerspageid261_UsesofWheat.shtml)

<sup>722</sup> Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *FAOSTAT Database: Food and Agricultural Commodities Production /Countries by Commodity*. 2012. [http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries\\_by\\_commodity/E](http://faostat3.fao.org/faostat-gateway/go/to/browse/rankings/countries_by_commodity/E)

Food and Agriculture Organization of the UN, Statistics Division (FAOSTAT). *Food and Agricultural Commodities Production*. 2011. <http://faostat.fao.org/DesktopDefault.aspx?PageID=339>

<sup>723</sup> IndexMundi. *Pakistan Wheat Production by Year*. 2013.

<http://www.indexmundi.com/agriculture/?country=pk&commodity=wheat&graph=production>

Hasan, Munawar. "Sizeable wheat exports unlikely in FY 2014." *The International News*. June 11, 2013.

<http://www.thenews.com.pk/Todays-News-3-182957-Sizeable-wheat-exports-unlikely-in-FY14>

**Examples of what governments, corporations, and others are doing:**

Stora Enso, a pulp and paper manufacturer in Finland, conducted a review of child labor in its wheat and recycled paper supply chains in Pakistan. The investigation found that child labor was the most significant risk among their smallest vendors. The report also laid out recommendations for a proposed multi-stakeholder initiative aimed at child labor avoidance.<sup>724</sup>

**Where can I learn more?**

[Explore](#) the agricultural sector of Pakistan through the Food and Agriculture Organization.

[Watch](#) a video on wheat processing.

[Learn](#) in detail about step-by-step wheat processing.

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<sup>724</sup> Socio-Economic and Business Consultants Islamabad-Pakistan as submitted to Stora Enso. *Child Labour in Wheat Straw and Recycled Paper Supply Chains*.  
[http://assets.storaenso.com/se/com/DownloadCenterDocuments/SEBCON\\_Stora\\_Enso\\_Pakistan\\_report.pdf](http://assets.storaenso.com/se/com/DownloadCenterDocuments/SEBCON_Stora_Enso_Pakistan_report.pdf)

## Wool



**Wool is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

Mongolia (CL)  
United States (FL indicators)

**Top ten countries that export wool worldwide (UN Comtrade 2012):**

1. Australia
2. China
3. Italy
4. Germany
5. New Zealand
6. United Kingdom
7. Hong Kong
8. Czech Republic
9. South Africa
10. Japan

**Top ten countries from which the US imports wool (UN Comtrade 2012):**

1. Italy
2. United Kingdom
3. China
4. Mexico
5. Canada
6. New Zealand
7. Peru
8. Australia
9. India
10. Germany

### Where is wool reportedly produced with trafficking and/or child labor?

Wool was not listed as a good produced with forced or child labor in any country in the U.S. Department of Labor’s 2014 or 2013 *List of Goods Produced by Child Labor or Forced Labor*. In Mongolia, child labor was reportedly used for shearing wool in addition to the sheep herding.<sup>725</sup> Child labor is likely to be used for herding sheep where children are also involved in herding cattle, but there appears to be little information on sheep herding specifically. Verité research found that sheep herders in the United States, including in Colorado and California, may experience indicators of forced labor.<sup>726</sup>

<sup>725</sup> Kane, J. *Helping Hands or Shackled Lives: Understanding Child Domestic Labor and Responses to it*. 2004. International Labor Organization. International Program on the Elimination of Child Labor (ILO-IPEC). [http://www.unicef.org/violencestudy/pdf/2004\\_domestic\\_helpinghands\\_en.pdf](http://www.unicef.org/violencestudy/pdf/2004_domestic_helpinghands_en.pdf)

<sup>726</sup> Verité. *Immigrant Workers in U.S. Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor*. 2010. [http://www.verite.org/sites/default/files/images/HELP%20WANTED\\_A%20Verite%CC%81%20Report\\_Migrant%20Workers%20in%20the%20United%20States.pdf](http://www.verite.org/sites/default/files/images/HELP%20WANTED_A%20Verite%CC%81%20Report_Migrant%20Workers%20in%20the%20United%20States.pdf)

According to the U.S. Department of State *Trafficking in Persons Report*, Mongolia is a Tier 2 country. The United States is listed as Tier 1.<sup>727</sup>

There are products which are made out of wool that also involve child and forced labor, such as reported forced child labor in Nepal in the production of woven wool carpets.<sup>728</sup> For more information, see the *Apparel and Textiles Sector Report*.

### **What does trafficking and/or child labor in wool production look like?**

According to Verité research, indicators of human trafficking involving migrant workers can be found in the sheep herding industry in the United States.<sup>729</sup> Shepherds, primarily Chilean and Peruvian, enter the United States on H2-A visas. There are special labor certification procedures for employers who employ foreign shepherders who enter the country on H-2A visas. These procedures were developed without notice and comment rulemaking, and the U.S. Department of Labor is currently under court order to issue new regulations pertaining to labor certification of H-2A shepherders using notice and comment procedures. Shepherders are vulnerable because they are required to be on call 24 hours per day, seven days per week, and work largely in isolation on the open range. Because shepherds are extremely geographically and socially isolated on the ranch, they have little chance of escape should their employers use abusive practices. Workers interviewed by Verité reported that employers used threats of deportation, violence, blacklisting, and retention of workers' pay, identity documents, and return tickets to keep workers enslaved. Despite regulatory prohibitions against employers charging H-2A workers recruitment fees, shepherds may take out loans to pay recruitment fees to recruiters in their home countries, and they would have no means of paying back loans if they were deported or dismissed, thus risking further impoverishment.<sup>730</sup>

Child labor in sheep herding most often takes place in familial or informal labor arrangements, particularly within rural agricultural or nomadic communities.<sup>731</sup> Children may be involved with guiding animals, watching over their safety (both from other animals and thieves), cleaning animals and their housing, caring for sick animals, or fetching water for animals. Children may care for their own family's animals or for the animals of an employer.<sup>732</sup>

In Mongolia, children are involved in caring for livestock, which may include shearing wool and tending to sheep.<sup>733</sup>

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<sup>727</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

<sup>728</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Forced and Child Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPPRA\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPPRA_Report2014.pdf)

<sup>729</sup> Verité. *Immigrant Workers in U.S. Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor*. 2010. [http://www.verite.org/sites/default/files/images/HELP%20WANTED\\_A%20Verite%CC%81%20Report\\_Migrant%20Workers%20in%20the%20United%20States.pdf](http://www.verite.org/sites/default/files/images/HELP%20WANTED_A%20Verite%CC%81%20Report_Migrant%20Workers%20in%20the%20United%20States.pdf)

<sup>730</sup> Verité. *Immigrant Workers in U.S. Agriculture: The Role of Labor Brokers in Vulnerability to Forced Labor*. 2010. [http://www.verite.org/sites/default/files/images/HELP%20WANTED\\_A%20Verite%CC%81%20Report\\_Migrant%20Workers%20in%20the%20United%20States.pdf](http://www.verite.org/sites/default/files/images/HELP%20WANTED_A%20Verite%CC%81%20Report_Migrant%20Workers%20in%20the%20United%20States.pdf)

<sup>731</sup> Food and Agriculture Organization of the United Nations (FAO). *Children's Work in the Livestock Sector: Herding and Beyond*. 2013. <http://www.fao.org/docrep/017/i3098e/i3098e.pdf>

<sup>732</sup> Food and Agriculture Organization of the United Nations (FAO). *Children's Work in the Livestock Sector: Herding and Beyond*. 2013. <http://www.fao.org/docrep/017/i3098e/i3098e.pdf>

<sup>733</sup> Kane, J. *Helping Hands or Shackled Lives: Understanding Child Domestic Labor and Responses to it*. 2004. International Labor Organization. International Program on the Elimination of Child Labor (ILO-IPEC). [http://www.unicef.org/violencestudy/pdf/2004\\_domestic\\_Helpinghands\\_en.pdf](http://www.unicef.org/violencestudy/pdf/2004_domestic_Helpinghands_en.pdf)

### **Wool production and supply chain:**

Wool is a natural protein fiber which comes from sheep. The acts of herding, tending to, and shearing the sheep are all labor intensive steps in the production of wool. After the sheep hair is sheared it must be cleaned, carded, dyed, and made into yarn.

### **How do trafficking and/or child labor in wool production affect me?**



Wool products are turned into consumer goods, such as blankets, clothing, and artisan products, which are sold throughout the world.

Wool is used in military apparel and uniforms. The U.S. military uses 20 to 25 percent of all U.S. wool.<sup>734</sup>

### **Examples of what governments, corporations, and others are doing:**

A 2013 report from the Food and Agriculture Administration of the UN (FAO) makes recommendations to civil society, governments, and the private sector on addressing child labor in the livestock sector, including shepherding. The report notes that more extensive study of the livestock and herding sectors is necessary, including research on working conditions, contractual agreements, and gender aspects of work in the sector.<sup>735</sup>

### **Where can I learn more?**

[Read](#) Verité's report on forced labor in the sheep herding industry of the United States.

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<sup>734</sup> American Sheep Industry Association. *Wool Trust Report*. 2013. <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5108519>

<sup>735</sup> Food and Agriculture Organization of the United Nations (FAO). *Children's Work in the Livestock Sector: Herding and Beyond*. 2013. <http://www.fao.org/docrep/017/i3098e/i3098e.pdf>

## Zinc



**Zinc is reportedly produced with forced labor (FL) and/or child labor (CL) in the following countries:**

**Top ten countries that export zinc worldwide (UN Comtrade 2012):**

**Top ten countries from which the US imports zinc (UN Comtrade 2012):**

Bolivia (CL)

1. Canada
2. Belgium
3. South Korea
4. Kazakhstan
5. Australia
6. Spain
7. Germany
8. Netherlands
9. Finland
10. Peru

1. Canada
2. Mexico
3. China
4. Peru
5. Australia
6. Belgium
7. Germany
8. Other Asia (not elsewhere specified)
9. India
10. Brazil

### **Where is zinc reportedly produced with trafficking and/or child labor?**

According to the 2014 U.S. Department of Labor *List of Goods Produced by Child Labor or Forced Labor*, zinc is mined with child labor in Bolivia.<sup>736</sup> The U.S. Department of State 2015 *Trafficking in Persons Report* lists Bolivia as a Tier 2 Watch List country.<sup>737</sup>

### **What does trafficking and/or child labor in zinc production look like?**

Children generally mine zinc in Bolivia in artisanal mines or in mines abandoned by commercial mining companies. Children, known as ‘*jucus*’ are engaged in pushing carts, drilling, and extracting and cleaning ore. Children and adults working in clandestine mines work without adequate safety equipment, ventilation or proper lighting and are vulnerable to illness and injuries from falls, lung damage from dust,

<sup>736</sup> U.S. Department of Labor. 2014 *List of Goods Produced by Child Labor or Forced Labor*. 2014. [http://www.dol.gov/ilab/reports/pdf/TVPR\\_Report2014.pdf](http://www.dol.gov/ilab/reports/pdf/TVPR_Report2014.pdf)

<sup>737</sup> U.S. Department of State. *Trafficking in Persons Report*. 2015. <http://www.state.gov/documents/organization/245365.pdf>

repetitive motion stress injuries, working long hours and carrying heavy loads.<sup>738</sup> Because mining sites are hundreds of years old and poorly maintained, workers are also at risk of being killed in collapsing mine shafts.<sup>739</sup> In 2008, at least 60 children died from mine collapses. An estimated 3,000 children, some as young as six, work in mining in Bolivia.<sup>740</sup> Poverty is the primary driver of child mining. In western Bolivia, where most illicit mining is found, entire families are dependent on earnings from children's work in the mines.<sup>741</sup>

### **Zinc Production and Supply Chain:**

Most zinc mines are underground, although some are "open pit" formations. Most zinc is mined by large mining companies. Zinc ore contains less than 85 percent zinc, so it is concentrated before it can be smelted. Zinc is concentrated through a process of grinding and separating. The zinc concentrate is then roasted to remove sulfur. The zinc then goes through a process of hydrometallurgy<sup>742</sup> (International Zinc Association).

Zinc ore mined by *jucus* is sold to intermediaries known as 'rescastistas.' Rescastistas sell larger quantities of ore to mining companies.<sup>743</sup>

### **How do trafficking and/or child labor in zinc production affect me?**



About half of the 12 million tons of zinc produced annually are used to protect steel from corrosion. Zinc is also used in the production of zinc alloys in the die casting industry and to produce brass and bronze. Zinc is used in construction applications such as roofing, gutters, and pipes; consumer goods and electrical appliances; transport; and engineering.<sup>744</sup>

<sup>738</sup> World Vision. [Bolivia] *If You Fall, No One's Gonna Carry You Out: Children Who Work in Tin Mines*. 2007.

[http://www.worldvision.org/resources.nsf/main/work\\_bolivia\\_200706.pdf/\\$file/work\\_bolivia\\_200706.pdf](http://www.worldvision.org/resources.nsf/main/work_bolivia_200706.pdf/$file/work_bolivia_200706.pdf)

World Vision. [Bolivia] *If You Fall, No One's Gonna Carry You Out: Children Who Work in Tin Mines*. 2007.

[http://www.worldvision.org/resources.nsf/main/work\\_bolivia\\_200706.pdf/\\$file/work\\_bolivia\\_200706.pdf](http://www.worldvision.org/resources.nsf/main/work_bolivia_200706.pdf/$file/work_bolivia_200706.pdf)

<sup>739</sup> Forero, Juan. "As Bolivian Miners Die, Boys are Left to Toil." *The New York Times*. March 24, 2003

<sup>740</sup> National Public Radio (NPR). "Thousands of Children as Young as 6 Work in Bolivia's Mines." November 30, 2013.

<http://www.npr.org/2013/11/30/247967228/thousands-of-children-as-young-as-6-work-in-bolivias-mines>

<sup>741</sup> Schipani, Andres. "Plight of Bolivia's Child Miners." *British Broadcasting Corporation (BBC)*. June 14, 2008.

<http://news.bbc.co.uk/2/hi/americas/7448032.stm>

<sup>742</sup> International Zinc Association. "Zinc Production – From Ore to Metal." *Zinc Basics*.

[http://www.zinc.org/basics/zinc\\_production](http://www.zinc.org/basics/zinc_production)

<sup>743</sup> World Vision. [Bolivia] *If You Fall, No One's Gonna Carry You Out: Children Who Work in Tin Mines*. 2007.

[http://www.worldvision.org/resources.nsf/main/work\\_bolivia\\_200706.pdf/\\$file/work\\_bolivia\\_200706.pdf](http://www.worldvision.org/resources.nsf/main/work_bolivia_200706.pdf/$file/work_bolivia_200706.pdf)

<sup>744</sup> International Zinc Association. "Zinc Production – From Ore to Metal." *Zinc Basics*.

[http://www.zinc.org/basics/zinc\\_production](http://www.zinc.org/basics/zinc_production)



**Examples of what governments, corporations, and others are doing:**

Bolivia recently legalized child labor for workers as young as ten years old, provided they attend school.<sup>745</sup> However, mining remains a worst form of child labor under Bolivian law, and it is therefore illegal for any child.<sup>746</sup> According to a 2014 NPR report, mining remains attractive to juvenile Bolivian workers because of the possibility of higher levels of income, as compared to other jobs that are open to children.

**Where can I learn more?**

[Read](#) this report on child labor in Bolivian mines.

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<sup>745</sup> Aljazeera America. “Bolivia Makes Child Labor Legal from Age 10.” July 18, 2014.  
<http://america.aljazeera.com/articles/2014/7/18/bolivia-child-labor.html>

<sup>746</sup> National Public Radio (NPR). “Bolivia makes Child Labor Legal in an Attempt to Make it Safer.” July 30, 2014.  
<http://www.npr.org/2014/07/30/336361778/bolivia-makes-child-labor-legal-in-an-attempt-to-make-it-safer>.