



FEBRUARY 4, 2015

ENDING MODERN SLAVERY: WHAT IS THE BEST WAY FORWARD?

U.S. SENATE COMMITTEE ON FOREIGN RELATIONS

ONE HUNDRED FOURTEENTH CONGRESS, FIRST SESSION

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Trafficking and Modern Day Slavery
Testimony of Gary Haugen, International Justice Mission
Before the
Senate Foreign Relations Committee
Wednesday, February 4, 2015

Thank you for this opportunity to testify, Chairman Corker. My name is Gary Haugen, and I am the President of International Justice Mission (IJM). We are grateful that you have chosen to make the issue of global slavery one of your top priorities.

As you know, slavery is a crime that inflicts great suffering on tens of millions of victims every year. It takes many forms, including forced sexual exploitation, exploitative labor, domestic servitude, and debt bondage. But all forms of slavery, past and present, share certain characteristics.

First, slavery is unspeakably violent. Over the past fifteen years, International Justice Mission has investigated thousands of cases of slavery and worked with local authorities to rescue tens of thousands of children, men and women. In virtually every case, perpetrators use violence and the threat of violence to terrorize victims into submission and servitude. IJM's clients have experienced kidnapping, brutal beatings, sexual assault and gang rape, mutilation, humiliation, and starvation. Many of our clients report that slave owners and managers will go to great lengths to track down escaped slaves and bring them back to the facility to be beaten or whipped in front of the other slaves to sow terror and docility.

Second, slavery is an economically-motivated crime. This orgy of violence and abuse that factory managers, labor recruiters, brothel owners, and crew bosses inflict on the vulnerable is for a very specific purpose. It is for the purpose of generating profits for the abusers. The simple economic model of reducing labor costs to virtually nothing by coercing labor generates upwards of \$150 billion in profits.

A conversation between my staff and a Ghanaian slave owner illustrates this simple calculation. IJM's team was conducting a prevalence study of child labor slavery on Lake Volta in Ghana recently. The team asked a fisherman who had several young child slaves on his boat why he didn't use older children for the dangerous and back-breaking work. He answered without hesitation: "Older kids eat too much. And they start to have their own ideas. The young kids are much easier to control."

A third common characteristic of present day and historic slavery is that in all cases there is a perpetrator. Human beings do not naturally or willingly offer up their bodies and their labor for the abusive enrichment of another. In all cases, slavery occurs when vulnerable people are

preyed upon by others possessing slightly more power than they do. Vulnerability alone does not enslave; it requires an enslaver.

One characteristic that modern day slavery does *not* share with historic slavery is its legal status. During the 400 years of the trans-Atlantic slave trade, slavery was legal. It was legal in the U.S. from earliest Colonial days to its legal abolition in 1865. Today, in contrast, slavery is legal virtually nowhere in the world. Yet there are more human beings in slavery today than at any previous time in history.

The first half of the abolition agenda -- outlawing the crime of slavery has been accomplished. The second half of the abolition agenda – making these laws meaningful to slavery’s victims – has barely been attempted.

According to the latest State Department Trafficking in Persons Report, the governments of the 3 countries reported to have the most number of slaves (totaling over 19.5 million, or over half the world’s slaves) reported zero convictions in anti-trafficking cases in 2013. Zero.

The obvious question for the Committee is this: Why are laws against slavery so seldom enforced?

In our work, IJM has found that anti-slavery or anti-trafficking laws are not enforced because the victims are poor and powerless and have little access to judicial institutions. Perpetrators, in contrast, frequently have ties to local authorities. In some cases, local police are paid by local traffickers to look the other way or are actively complicit in the crime. The overwhelming failure of effective law enforcement against trafficking and slavery has persuaded many policy makers that it is simply impossible for police to change. They have simply given up on the dream of making the protection of law real for poor people. Thus the bulk of U.S. anti-trafficking assistance is for programs to prevent the crime by making the victim less vulnerable. Tens of millions of dollars have been spent in public education programs to teach poor communities about the risks of trafficking and slavery. Hundreds of millions of dollars are spent on education, health and job creation in hopes of insulating potential victims from exploitation and abuse.

Education, health and income generation programs are valuable in their own right. But these funds have not had a measurable impact on slavery. Why? Because they do not affect the behavior of the central player in every situation of enslavement and exploitation: the perpetrator. Perpetrators of trafficking, slavery, and debt bondage, whether they are unscrupulous labor recruiters in Qatar, brothel owners in Southeast Asia, or pimps in the U.S. have one thing in common. They are making money from the subjugation of others. If they are not at risk for going to jail for their crime, they will go to whatever village, slum, city or state in the world to find the poor and the vulnerable. But they will stop even trying to enslave the poor if they are afraid of going to jail.

Consider Ghana, a lower-middle income, democratic nation that has had robust economic growth for the past five years. Ghana is a favored partner of the World Bank, whose current grants, loans, and credits total \$3.49 billion. The U.S. Government is a generous donor, as well, providing \$154 million for health and development last year.

But a third of Ghana's children work, and neither economic growth nor foreign assistance protects thousands of them from actual enslavement in fishing, domestic servitude, artisanal gold mining, begging, and prostitution. Prevalence studies conducted by International Justice Mission (IJM) on Lake Volta over the past 18 months revealed that 60 percent of the children fishing on the lake were clearly slaves, bearing tell-tale signs of violence, depredation, and terror. Ghanaian law prohibits slavery, but slave owners and traffickers told IJM undercover investigators that they had no fear whatsoever of Ghana's anti-trafficking police, a force of 150 officers. They have little reason to: the unit does not own a boat and does not patrol Lake Volta. Fortunately, the Government of Ghana is committed to ending this scourge. With training and assistance, the anti-trafficking police unit is an excellent candidate for funding and technical assistance from the U.S. and other donors. Once it begins to rescue kids and apprehend perpetrators, child slavery prevalence will go down -- not because Ghana is less economically disadvantaged but because traffickers will respond to increasing prospects of apprehension, conviction and stiff jail terms. Fishing and other enterprises will have to hire -- and pay -- adult workers.

We've seen and measured the impact of professional law enforcement on the crime of child trafficking elsewhere. In 2007, IJM received a grant from the Bill and Melinda Gates Foundation to begin operations to reduce child sex trafficking in the Philippines second largest city of Cebu. With that support, IJM initiated collaboration with the Philippines National Police in the country's second largest city, Cebu, to rescue minor girls from sexual exploitation and apprehend perpetrators. IJM contracted with an independent criminal data collection firm to execute a baseline prevalence of commercial exploitation of minors in Cebu's substantial sex industry. Over the next three years, IJM and its PNP partners investigated hundreds of establishments, rescued over 225 victims of trafficking, and apprehended 77 suspected perpetrators. Because trafficking is a non-bail offense under Philippines law, those suspects remained in jail, many of their businesses shuttered. The independent investigators conducted a mid-term study and a final study at the end of the 4-year period. They found that the availability of minor girls had plummeted by 79 percent in Cebu.

International Justice Mission has also seen dramatic reduction in the prevalence of child prostitution elsewhere in Southeast Asia as a consequence of professional policing. In Cambodia, very young, prepubescent children were commonly available for sexual exploitation in the early 2000's. A Cambodian government study at the time estimated that 30 percent of those in prostitution were minor children. A decade later, professional policing by a well-trained and well-led anti-trafficking unit had transformed the sex industry in Cambodia. A prevalence study by IJM in late 2012 revealed no children under fifteen being sold for sex and very few minors age 15-17 in commercial sex venues.

Cambodia's transformation with regard to commercial sexual exploitation of children is noteworthy because broader human rights standards did not improve. Cambodia's government was not comprehensively transformed, and it is still a poor country. Change occurred because the government made a conscious political decision to enforce its own laws against child prostitution and proceeded to equip and empower the police anti-trafficking unit to do its job. Over 100 perpetrators of child trafficking were convicted and jailed. And Cambodia's criminal class responded with alacrity: they got out of the business of selling children.

IJM's experience working with local law enforcement has shown us that police *can* improve quite dramatically and are equal to the task of changing the calculations of those profiting from the sale of others. As we've seen in Southeast Asia, it is not necessary for police to apprehend every brothel owner, madam, pimp, or trafficker. A relatively small number of arrests, prosecutions, and convictions have a disproportionate impact on criminals who buy, sell, and exploit children.

The United States has led in the world wide fight against slavery, and is fortunate to have some excellent tools with which to do it. The Trafficking Victims Protection Act of 2000 and the establishment of the State Department Office to Monitor and Combat Trafficking in Persons have helped make the issue of slavery a top U.S. foreign policy concern. The annual Trafficking in Persons Report has been the catalyst for positive changes by governments on every continent, as has the leadership of many very fine American diplomats around the world.

We are grateful for Congress authorizing and funding an anti-trafficking innovation: Child Protection Compacts. We have seen what is possible in our own work when we partnered with local law enforcement in a collaborative casework model, and stayed in the fight with them. The Child Protection Compacts reflects this approach, and offers an opportunity to see real change in the prevalence of child trafficking in selected focus countries.

But even with the substantial diplomatic and financial resources the United States has offered over the past fifteen years, the global scourge of slavery requires a global response. IJM is very encouraged by discussions between the Senate, the executive branch, and representatives of the private sector about the creation of a new funding mechanism that would bring new resources to the fight. We look forward to working with you on this historic initiative.



**Testimony of Shawna Bader-Blau
Executive Director
Solidarity Center**

**Before the United States Senate Committee on Foreign Relations
February 4, 2015**

**Presented at the hearing titled:
*Ending Modern Slavery: What is the Best Way Forward***

Chairman Corker, Ranking Member Menendez and members of the Senate Foreign Relations Committee, thank you for the opportunity to present the Solidarity Center's perspective on effective policy responses to end modern slavery. We appreciate the Committee's continued leadership in combating all forms of human trafficking globally, including trafficking for forced labor.

The Solidarity Center is an international non-governmental organization (NGO) that promotes and protects worker rights globally, with programs in more than 60 countries. The Solidarity Center is an allied organization of the AFL-CIO and a member of the Alliance to End Slavery and Trafficking (ATEST). Building upon more than 20 years of experience in the areas of child labor, migrant worker exploitation and supply chain accountability, the Solidarity Center raises awareness about the prevalence and underlying causes of forced labor and other forms of trafficking for labor exploitation, and implements programs with partners from myriad sectors to combat the problem. These programs include initiatives that address each of the four "Ps" that have become part of the anti-trafficking toolkit: prevention, protection of victims, prosecution (or as we prefer to describe it, "rule of law") and partnerships. The Solidarity Center has the unique ability to work across borders, in both countries of origin and destination for trafficked workers, as we have long-term, on-the-ground relationships with local partners. Our anti-human trafficking programs span the globe from Africa (Kenya, Sierra Leone), the Americas (Dominican Republic, Mexico), Asia (India, Indonesia, Malaysia, Nepal, Pakistan, the Philippines, Sri Lanka, Thailand), Europe (Moldova) and the Middle East (Jordan, Kuwait, Qatar).

Because I know the leadership of this committee has the desire to take an aggressive approach to ending modern slavery around the world, and because I know that this committee can help us make great strides toward this objective, I will focus my testimony on the aspect of modern slavery that is the most prevalent—and that is forced labor. Most modern slavery today is, in fact, forced labor. That includes government-compelled labor in Uzbekistan during the annual cotton harvest; women enslaved as domestic workers in countries as diverse as Lebanon and Singapore; low-wage migrant construction workers trapped in a cycle of debt bondage in Saudi Arabia; and garment workers locked in factories forced to work for hours on end in Cambodia.

While each country we work in has its own unique context, we have uncovered a common theme. Labor trafficking has, at its core, violations of worker rights and depends on poor labor standards and weak protections it to persist. Human trafficking is a worker rights issue because it is linked to various forms of labor exploitation. It is one of the worst forms of worker abuse. Even when the end result of trafficking is sexual exploitation, there are more often than not worker rights issues involved. For example, the Solidarity Center has assisted victims of sex trafficking in Indonesia who were initially recruited by unscrupulous labor brokers who deceived them into leaving their homes by promising them work in the service-sector and then forced them into prostitution—often charging them exorbitant sums for the privilege. Indeed, the inspiring trafficking survivor who will speak on the next panel, Ms. Shandra Woworuntu, was by her own account tricked by a labor recruiter promising a real job, only to be forced into prostitution. Around the world, unsafe migration processes, lack of jobs, minimal economic opportunities for women at home and other forms of economic coercion increase the vulnerability of women to sexual exploitation.

Understanding this link between worker rights violations and human trafficking is key to eradicating this horrific human rights abuse globally. To end forced labor, we must address the underlying vulnerability of workers to exploitation, expand and enforce labor laws, and allow workers to organize to monitor their workplaces and improve their wages and working conditions.

In other words, end worker exploitation to end human trafficking.

We increasingly hear the term “modern slavery” used to describe the exploitation or compelled service of children, women and men that results from the myriad forms of coercion and deceptive practices traffickers use. Forced labor, debt bondage and involuntary servitude are severe forms of labor exploitation that continue today in our modern world, though under a different guise. Instead of shackles and chains, workers are now enslaved through threats, debt and other forms of economic coercion. And it is a seemingly intractable, growing problem.

More than two decades ago, during a visit to the women’s dormitory at Kuwait University, I met a cleaning woman stocking rooms with fresh towels. Originally from India, she asked me what I had seen in downtown Kuwait City: Was it beautiful? She told me she had not been allowed to leave the dormitory courtyard—itsself fully encircled by high concrete walls—in two years. And even though her husband also lived in Kuwait and drove a taxi in the city, she had not seen him in that same period—men were not permitted on the grounds of the dormitory. I learned that she had paid a lot of money to a recruiter to get the job in Kuwait, and could not leave because of her debt.

Senators, it is beyond outrageous that two decades after she and I met, indentured servitude is still more the norm than the exception for millions of migrant women and men like her working as domestic workers, fishermen, tomato pickers and garment workers. Today our staff regularly report heartbreaking stories of modern slavery from the more than 60 countries we work in

around the world. As we will explore in this hearing, the United States can play an even greater leadership role in helping to combat such egregious abuse around the world.

While governments used to be the primary perpetrators of forced labor, today the vast majority of the almost 21 million people in forced labor globally are exploited in the private economy.¹ Illegal profits made from the use of forced labor worldwide amount to \$150 billion per year, exceeding the GDP of many countries.”² Moreover, trafficking for labor exploitation is far more prevalent than sex trafficking globally, with 68 percent of the almost 21 million being “victims of forced labor exploitation, in economic activities such as agriculture, construction, domestic work and manufacturing.”³

Modern slavery thrives in a context of private actors and economic coercion. Our response, therefore, must address this context, recognizing human trafficking as more than just sexual exploitation and more than just organized crime. We must move beyond the notion that modern “slavery is all about bad individuals doing bad things to good people.”⁴ We must address what one leading global expert on the international law of human trafficking,⁵ calls the “underlying structures that perpetuate and reward exploitation, including a global economy that relies heavily on exploitation of poor people’s labor to maintain growth and a global migration system that entrenches vulnerability and contributes directly to trafficking.”⁶ We must exert economic pressure as a response and recognize the protection of worker rights as key to trafficking prevention. We must also reject policies and practices that institutionalize harmful economic and business models that increase workers’ vulnerability to human trafficking. We cannot eliminate modern slavery without fundamentally changing how labor migration is managed around the world, how companies do business and how governments monitor and enforce human and labor rights.

It is within this context that I present our recommendations for the most effective policy responses to address gaps in U.S. and global efforts to end human trafficking for labor exploitation.

1. Reform Unsafe Migration Practices

Unsafe migration processes and the lack of labor law and other legal protections for migrant workers⁷ make them particularly vulnerable to forced labor. And governments clearly lack

¹ *International Labor Organization (ILO) Global Estimate of Forced Labor*,

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_182004.pdf

² *Profits and Poverty: The Economics of Forced Labor*, International Labor Organization, 2014,

(http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf)

³ The ILO estimates that out of the 21 million, 4.5 million (22% total) are victims of forced sexual exploitation. *ILO*

Global Estimate of Forced Labor, http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_182004.pdf

⁴ Gallagher, Anne T., *The Global Slavery Index—Seduction and Obfuscation*, November 28, 2014, available at: http://works.bepress.com/anne_gallagher/31.

⁵ Anne Gallagher was named a “TIP Report Hero” in the 2012 Department of State *Trafficking in Persons Report*. <http://www.state.gov/j/tip/rls/tiprpt/2012/192362.htm>

⁶ *Id.*

⁷ The term “migrant worker” is the internationally accepted term for a person who migrates for employment, whether temporary, seasonally or permanently. In the United States, in everyday language, “migrant worker” may

political will to do much about it. The potential profits to be made from the global labor migration business—by government officials, employers, employment agencies and labor recruiters—seem to trump initiatives to combat the vulnerability of this at-risk population.

It is common business practice for employers to subcontract hiring and human resources management to labor brokers or employment agencies. All too often, labor recruiters compel workers—who have no other viable opportunities for employment in their home village or country—to pay exorbitant recruitment fees for the privilege of laboring under harsh and often inhumane conditions. Many of these migrant workers—seeking only to work toward a better life for themselves and their families—end up trafficked into forced labor and debt bondage, a situation nearly impossible to escape.

While stationed in Doha, Qatar, for the Solidarity Center a few years back, I met a young man from Nepal who told me he paid a recruiter \$6,000 to get a construction job in Qatar. Promised a \$400 monthly salary, he was paid only \$250, a portion of which was docked for food and accommodation. Due to the *kafala* system, his visa was tied to his employer and he had no choice but to stay. Despite the proven connection between recruitment fees and vulnerability to forced labor,⁸ governments and businesses are institutionalizing these practices through increased temporary migration programs and the under- or non-regulation of labor recruiters. Moreover, many governments around the world are complicit in trafficking by labor recruiters by (at best) failing to regulate them or monitor their practices, or (at worst) accepting bribes to turn a blind eye or actually becoming involved in the recruitment of workers for profit themselves.

From poor Bangladeshi women providing household services in Jordanian homes to Nepali construction workers building soccer stadiums for the World Cup in Qatar, and from Cambodian men on Thai boats working to put fish on American grocery store shelves to Mexican workers processing seafood under H-2B visas along the U.S. Gulf Coast,⁹ migrant workers around the world are vulnerable to trafficking through the unregulated and unmonitored practices of labor recruiters, even when they migrate through legal channels, with valid visas.

Anti-trafficking activists around the world, and in the United States, point to reform of labor recruitment processes and the regulation of labor recruiters as one of the most important initiatives to prevent human trafficking around the world. To this end, the Solidarity Center is working with a coalition of NGOs, trade unions, academics/researchers and other migrant rights activists to call for global labor recruitment reform, and a commitment from international labor migration policymakers (like at the Global Forum on Migration and Development), governments

refer to a seasonal or temporary worker, and “immigrant worker” refers to someone who migrates for work on a more permanent basis or who has residency rights. I will use the term “migrant worker” in my testimony to refer to all workers who migrate for work, regardless of their status or length of stay in the destination country.

⁸ In its *Profits and Poverty* report, the ILO found “the payment of recruitment fees, even to relatives or friends, leads to a higher probability of ending up in forced labor.” http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf at p. 44.

⁹ See for example “Summary of Preliminary Audit of U.S. Walmart Suppliers that Employ Guestworkers.” National Guestworker Alliance <http://www.guestworkeralliance.org/wp-content/uploads/2012/06/Preliminary-Evidence-of-Forced-Labor-on-WalMart-Supply-Chain.pdf>

and businesses to implement a global “no fees” policy for migrant workers. We need a global effort to permanently ban recruitment fees.

We are seeing progress, including the Federal Acquisition Regulations on Ending Trafficking in Persons (for federal contracts) released just last week; the International Labor Organization (ILO) Protocol and Recommendation on Forced Labor adopted after tripartite negotiations in June 2014; and California’s law, SB 477, which requires foreign labor contractors to register with the Labor Commissioner.¹⁰ The notion that migrant workers should not have to pay recruitment fees to find a job is increasingly accepted in policy circles. Even a few multinational corporations have adopted “no fees to workers” policies.

Congress can continue to play an important leadership role in ending forced labor by passing a comprehensive law to regulate foreign labor recruiters who hire workers through U.S. nonimmigrant visa programs, such as H1, H2 and J1. The Senate’s passage of *Subtitle F: Prevention of Trafficking in Persons and Abuses Involving Workers Recruited Abroad* and similar provisions in *Subtitle I* as part of S. 744 (Immigration Reform) in 2013 is a significant step forward in addressing this issue. In the House of Representatives, H.R. 3344, introduced last year by House Committee on Foreign Affairs Chairman Ed Royce, is modeled after *Subtitle F* and has bipartisan support, with over 70 co-sponsors. Unfortunately, a few large sponsoring companies are opposing these bills, sacrificing poor workers for the bottom line. Still Congress has a real opportunity to enact legislation that could end fraud in our nonimmigrant visa programs and prevent trafficking in the labor recruitment system. Not only will such a law help protect migrant workers in the United States, but it also will serve as a powerful model for other countries, and may influence international labor migration policy.

2. End Impunity for Labor Traffickers

Systematic abuse of migrant workers, rising to the level of forced labor and human trafficking, goes virtually unpunished throughout world. The State Department’s *2014 Trafficking in Persons Report* provides numerous examples of governments’ reluctance to hold employers accountable for trafficking in their workplaces. And the *Los Angeles Times*,¹¹ in a December 2014 series on working conditions at Mexican farms that ship produce to U.S. supermarkets, found that one of Mexico’s largest growers routinely withheld wages from workers, housed them in rat-infested facilities and allowed bosses to beat workers who tried to escape. Two company employees were even charged with human trafficking. The government levied fines against that farm, Bioparques de Occidente, but after the uproar subsided, those fines seem to have melted away. The men accused of trafficking have not been tried nor can the charges against them be confirmed.

Immigration officials around the world regularly categorize migrant workers who are labor trafficking victims as undocumented or “out of status” workers and deport them. Police and labor inspectors often view involuntary servitude, debt bondage or forced labor in sectors such as

¹⁰ SB 477: Requires foreign labor contractors to register with the Labor Commissioner and penalizes intimidation, discrimination and other violations to prevent the exploitation of foreign workers.

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB477

¹¹ “Desperate Workers on a Mexican Mega-Farm: ‘They Treated Us like Slaves!’” *Los Angeles Times*. December 11, 2014. Available at: <http://graphics.latimes.com/product-of-mexico-labor/>

agriculture, domestic work, construction, manual labor and manufacturing as “mere worker rights violations” that do not require their intervention.

Even in the rare cases when labor trafficking is identified and charges brought, the labor recruiter is blamed and not the employer who also perpetrates the exploitation. This lack of political will translates into pathetically few cases of human trafficking for forced labor or other forms of severe labor exploitation being prosecuted globally. According to the 2014 *Trafficking in Persons* report, there were only 9,460 prosecutions and 5,776 convictions for trafficking globally in 2013; of these, only 1,199 cases of forced labor were prosecuted. Governments’ failure to hold employers accountable criminally for forced labor means that employers can exploit workers with impunity, and an important trafficking prevention tool goes unutilized.

Solidarity Center partners face this lack of political will to prosecute forced labor on a daily basis in their work. For example, our partner in Thailand, the Human Rights and Development Foundation (HRDF), is currently pursuing cases on behalf of four Burmese migrant workers who were trafficked onto fishing boats after paying exorbitant recruitment fees to brokers. Two of the workers tried to commit suicide by jumping off of the ship. Though these cases have been going on for more than year and HRDF has collected significant evidence, Thai police have yet to charge any broker, boat captain or boat owner for the abuses.

When cases are prosecuted, they often result in small fines and no jail time for the perpetrators—barely a deterrent for exploitative employers reaping vast profit from the misery of others. Other cases may get put on hold for years while perpetrators are out on bail. Moreover, whistleblowers, in the form of trade union or NGO activists, journalists and migrant workers, often face retaliation for raising issues of forced labor and corruption linked to human trafficking.¹²

While public awareness campaigns and education for at-risk groups are important tools for prevention, one of the key ways to prevent forced labor is to create an enabling environment through the rule of law that promotes transparency and accountability. Increasing prosecutions and convictions, and imposing harsh penalties (including significant jail time and economic restitution) may be an even more effective prevention tool. Workers must have easily accessible avenues to report violations and attain justice, without fear of retaliation—and government officials must be trained and encouraged to respond quickly and effectively.¹³

The Solidarity Center sees the low levels of forced labor prosecutions, lack of political will and impunity as evidence of many governments’ dismissal of forced labor as a serious issue. Labor migration is seen as a profit-making mechanism, for employers, owners of recruitment agencies and government officials, and human trafficking as just an unfortunate consequence.

¹² For example, a U.S. labor rights group, the National Guestworkers Alliance, found evidence that Mexican workers in one Louisiana plant were coerced by their employer into working in dangerous conditions against their will by threatening to harm their families, specifically their children, in Mexico. The workers understood this treat to be real as the owner bragged about knowing “bad people” who would do his bidding.

¹³ Congress and other governments must pass national whistleblower protection laws (such as the "Protect Our Workers from Exploitation and Retaliation," or POWER Act) regarding trafficked and vulnerable migrant workers. Such legislation would serve as a model for other governments globally. Also, companies should ensure that there are worker protections in company policy all along the supply chain, and advocate to governments for such protections.

3. Monitor and Enforce Laws Regulating Forced Labor in Supply Chains

Given our globalized economy, the link between worker exploitation and human trafficking in the context of forced labor perpetrated by private actors through economic coercion means that products made with forced labor are ending up on our store shelves. And, governments and businesses are doing little to ensure that supply chains are untainted by forced labor and human trafficking.

In general, it is difficult to quantify the extent of forced labor in global supply chains. But as those supply chains reach down to more and more suppliers, the chances that trafficked people are in the labor force increase. For example:

- When buyers and multinational corporations demand cheap or unrealistic pricing structures from suppliers, severe labor abuses, including forced labor, often result in their supply chains.¹⁴
- Similarly, when employers contract out or hire unregulated subcontracted suppliers, or rely on labor recruiters and employment agencies, they should not be surprised to find that they have trafficking victims in their production lines.
- When employers refuse to enforce or claim that it is too difficult to monitor adherence to core labor standards in their supply chains, the probability that they will find forced labor, debt bondage and other severe forms of labor exploitation increases.

The U.S. government has two important resources at its disposal to monitor industries in countries with a high prevalence of forced labor and vulnerability to other forms modern slavery. The annual Department of State's (DOS) *Trafficking in Persons Report* and the Department of Labor's (DOL) *List of Goods Produced with Child Labor or Forced Labor Report* are excellent resources to help identify vulnerable economic sectors for forced labor. Products identified on the DOL's list from countries identified by DOS as having significant labor trafficking problems, however, continue to enter the United States, meaning that in all likelihood the U.S. government is allowing imports of products made with forced labor.

In 2008, the Solidarity Center released a report as part of its *Degradation of Work* series titled, *The True Cost of Shrimp: How Shrimp Industry Workers in Bangladesh and Thailand Pay the Price for Affordable Shrimp*. Thailand is one of the main exporters of shrimp to the United

¹⁴ The pricing structure as a cause of human trafficking cannot be overemphasized, as this is an underlying factor that employers, business, corporations and consumers can all address. As described in the Solidarity Center's report, *The True Cost of Shrimp*: "As a commodity, the price of shrimp fluctuates according to supply and demand, and price pressure is significant all along the supply chain. Retailers, sensitive to the risk involved with importing fresh food, press import companies for faster distribution, acceptable quality and the lowest prices. Importers, aware that market fluctuations can affect prices, leverage their bulk purchasing power to demand speedy delivery from producers. Trapped between producers and importers are labor-intensive shrimp factories. Often, the factories' response to price pressure is to squeeze wages, neglect workplace health and safety regulations, and cut other corners that leave shrimp workers bearing the social cost of affordable shrimp." *The True Cost of Shrimp*, Solidarity Center, 2008, p. 11.

States. The report uncovered major human rights abuses in the industry: unpaid wages, unsafe and unhealthy workplaces, child labor, forced labor, physical intimidation, violence and sexual abuse. Seven years later, little progress has been made to clean up the industry, as reports continue to surface about human trafficking of migrant workers in the fishing and seafood-processing sector in Thailand.¹⁵ *The Guardian* found that such forced labor plays an integral part in the production of shrimp sold in leading supermarkets around the world, including in the United States, in stores such as Walmart and Costco.¹⁶

And despite U.S. laws that prohibit the importation of goods made with forced or child labor, Thai shrimp continues to be found at major U.S. retailers and in consumers' freezers. Mexican chilies, more easily plucked by children's hands from 3-foot plants,¹⁷ are processed into salsa for U.S. dinners. Similar concerns may be raised about products such as ready-made garments from Haiti and Jordan, or electronics from Malaysia.

The U.S. government must do more to ensure that multinational corporations are held accountable for their practices abroad. And we must increase government scrutiny of imports to ensure goods made by forced labor are not allowed into the U.S. marketplace. This type of economic consequence will be a catalyst for change.

The 1930 Tariff Act prohibits the importation of goods into the United States made with forced or child labor. This law, however, is rarely enforced as the "consumptive demand exception" weakens it. As required by the 2005 Trafficking Victims Prevention Reauthorization Act (TVPRA), the U.S. Department of Labor "maintains a list of goods and their source countries which it has reason to believe are produced by child labor or forced labor in violation of international standards."¹⁸ Even though many of the goods on the list are produced for export by the identified countries, the list has not been used to enforce the Tariff Act.

Moreover, U.S. Immigration and Customs Enforcement (ICE) must notify foreign governments of its intent to inspect workplaces that export products to the United States. Such notification results in the "cleansing" of workplaces to remove any signs of trafficking or forced or child labor. Moreover, U.S. law does not allow evidence collected by unions, the media or non-governmental sources to be the basis for restricting the importation of products made by trafficked or forced labor. This must be reformed. The Department of Homeland Security must review and rework the role of ICE in overseas inspections.

Many countries that have been shown to have significant labor trafficking problems continue to receive trade preferences from the U.S. government. Mexico, Brunei, Malaysia and Vietnam,

¹⁵ See for example: "Trafficked into Slavery on Thai Trawlers to Catch Food for Prawns," *The Guardian*, June 10, 2014, <http://www.theguardian.com/global-development/2014/jun/10/sp-migrant-workers-new-life-enslaved-thai-fishing>.

¹⁶ See "Revealed: Asian Slave Labor 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>. See also "Thailand's Seafood Industry: A Case of State-Sanctioned Slavery?" *The Guardian*, June 10, 2014, <http://www.theguardian.com/global-development/2014/jun/10/thailand-seafood-industry-state-sanctioned-slavery>.

¹⁷ "In Mexico's Fields, Children Toil to Harvest Crops that Make it to American Tables." *Los Angeles Times*, December 14, 2014. Available at: <http://graphics.latimes.com/product-of-mexico-labor/>

¹⁸ <http://www.dol.gov/ilab/reports/child-labor/list-of-goods/>

four countries with significant forced labor problems, are part of the Trans-Pacific Partnership (TPP) negotiations. Lawmakers have a significant opportunity in the context of TPP to call out forced labor and modern slavery in these states and negotiate over improvements in laws and practices **before** any new trade agreement goes into force. If we really want new tools in the struggle against modern slavery, Congress can urge the Administration to use the leverage it has right now to negotiate meaningful changes to laws and practices before the agreement takes effect, not after—and to ensure any final trade deal includes vigorous monitoring and enforcement standards.

Congress should also encourage and support the U.S. Trade Representative (USTR) to suspend Generalized System of Preferences (GSP) and other trade benefits for any country that does not effectively address forced labor. Economic consequences are key to eradicating forced labor. And countries that are habitual abusers of vulnerable workers should face trade sanctions. Moreover, bilateral and multilateral trade agreements should contain labor standards and protections to prevent trafficking, ensuring those standards apply to all workers, including migrants.

4. Promote Worker-Driven Solutions

Multinational corporations' codes of conduct—which are voluntary and unenforceable—have failed to protect workers from forced labor in supply chains. Solidarity Center staff see examples of this first hand in garment/textile, agriculture and seafood processing across four continents. Research shows what does NOT work: private, voluntary corporate social auditing and other traditional “corporate social responsibility” (CSR) approaches have proliferated over the last 20 years but on the whole have failed to adequately address labor exploitation and modern slavery in global supply chains.¹⁹

Indeed, despite their codes of conduct, corporations often argue that it is too difficult or too expensive for them to map and monitor their entire supply chains. However, in the case of Mexican tomatoes, the *Los Angeles Times* reporter and a photographer—on a newspaper budget—managed to track gross violations throughout the export agriculture industry, including child labor, and follow supply chains to U.S. grocery stores. In addition, the *Times* reported the regular presence of buyers inspecting produce, just feet from abused workers.²⁰ Obviously, whatever corporate social responsibility guidelines those companies have in place carry little weight—and other pressure is required.

Companies can and should do more. Secretary of State John Kerry summed up the situation last week, at the White House Forum on Combatting Human Trafficking in Supply Chains:²¹ “Governments can lead the way in ensuring that suppliers and contractors are held to the highest standards and adopt the highest standards. Companies can enforce regulations against human

¹⁹ See “Responsibility Outsourced: Social Audits, Workplace Certification and Twenty Years of Failure to Protect Worker Rights” AFL-CIO April 2013.

²⁰ “Desperate Workers on a Mexican Mega-Farm...” *Los Angeles Times*. Available at: <http://graphics.latimes.com/product-of-mexico-labor/>

²¹ Remarks at the White House Forum on Combatting Human Trafficking in Supply Chains. U.S. Department of State. January 29, 2015. Available at: <http://www.state.gov/secretary/remarks/2015/01/236950.htm>

trafficking throughout their supply chains, and that includes the production of raw materials, labor brokers, contractors, and subcontractors throughout the final product.”

Still, workers are key to eradicating forced labor and trafficking in supply chains. Workers see abuses or may be the exploited on a farm or in a factory. We know that firsthand reporting of abuses and exploitation by workers, unions and rights organizations shine a light on abusive practices through on-the-ground investigations and worker whistleblowing. It is crucial that the U.S. government support monitoring and the efforts of workers to report human rights violations in their own workplaces, without fear of retaliation. Ultimately, workers and trade unions must be empowered to monitor supply chains because history shows that abuses in the workplace only end when workers can assert their rights under ILO conventions and national laws are respected. Employers and governments must therefore support and respect the freedom of association for workers.

We should embrace proven worker-driven models of corporate accountability like the Coalition of Immokalee Workers’ Fair Food Program, which is an excellent example of how economic consequences can help to eliminate forced labor and other forms of labor trafficking in an industry.²² Governments should impose trade restrictions, import bans or other penalties on products made with forced labor, and multinational corporations should exert their significant power as buyers to hold suppliers accountable to supply chains free of forced labor.

Finally, freedom from forced labor and slavery are established human rights principles. The United Nations Guiding Principles for Business and Human Rights provide a powerful and inclusive baseline that can be employed in the global fight to end modern slavery.²³

Toward a Robust U.S. Government Response

Addressing the role of private actors in forced labor and modern slavery that is perpetuated through the use of economic coercion requires an integrated approach—promoting worker rights, increasing access to justice, ensuring safe migration and focusing on economic growth that promotes shared prosperity. It also requires an integrated approach by government.

The U.S. government has shown true leadership in the global fight against human trafficking, including expanding the understanding that human trafficking is also about labor exploitation. But as we continue to learn about the scope and magnitude of modern slavery, we know that much remains to be done. We need significantly greater resources, and we need approaches that address all facets of the problem, and especially the underlying root causes of human trafficking. While it is crucial to identify and protect victims, prosecute perpetrators, our ultimate goal of course is to prevent the exploitation in the first place.

²² <http://ciw-online.org/slavery/> and <http://ciw-online.org/fair-food-program/>

²³ The UN Guiding Principles were adopted unanimously by the UN Human Rights Council in 2011. They recognize that when it comes to human rights, the State has the duty to protect, Corporations have the responsibility to respect these rights, and Victims have the right to access remedies when violated and provide implementation guidance to states and corporations.

The U.S. Department of State's Office to Monitor and Combat Trafficking in Persons (J/TIP) plays an absolutely crucial role in pressuring and supporting governments around the world to address modern slavery. The effectiveness of the J/TIP office given its small size is commendable. Importantly, and with bipartisan consensus, it has raised the profile of forced labor and human trafficking within our government and has had unmatched influence on how multilateral institutions, private actors and governments around the world define and address the scourge of modern slavery. The tier rankings and accompanying diplomacy provide one of the most effective tools the United States government has for promoting accountability to human rights in our entire foreign policy agenda.

As a lifelong activist and passionate defender of human and labor rights, I can tell you how refreshing it is—and how incredibly unusual it is—to see such regular coherence of policy, diplomacy and program support for work on the ground around the world that comes out of J/TIP. J/TIP receives less than \$20 million a year for its grant-making program. Increased resources for J/TIP could greatly expand its ability to coordinate the U.S. government response to trafficking, and allow J/TIP to focus more of its attention on prevention efforts globally. And it is absolutely crucial that the new Ambassador for the J/TIP office be committed to addressing both labor and sex trafficking; be able to take on recalcitrant governments; and be a unifying, not polarizing, force in the anti-trafficking movement.

And this committee also oversees other agencies in the U.S. government that are fundamental to combating forced labor around the world. They include the State Department's Bureau of Democracy, Human Rights and Labor (DRL), which promotes human rights, including worker rights, as a way to prevent human trafficking. DRL could do much more to help eradicate modern slavery if it was given the policy direction and resources to mainstream the promotion of the migrant rights agenda further within the Department of State and U.S. embassies. The Department of Labor's Bureau of International Labor Affairs (ILAB), which provides technical assistance to governments on how to implement and enforce core labor standards as a way to prevent forced labor and child labor, is responsible for producing the annual *List of Goods Produced with Child Labor or Forced Labor* required by the Trafficking Victims Protection Act (TVPA). ILAB engages with businesses and workers to address root causes of forced labor, and has championed the importance of using rigorous data collection and analysis in this struggle. The U.S. Agency for International Development (USAID), through its Counter-Trafficking in Persons (C-TIP) policy and country based programs, is finding ways to integrate anti-trafficking initiatives into all of USAID's strategic objectives. Despite the clear connection between economic, social and democratic development and the prevention of severe forms of labor exploitation, all of these agencies are too understaffed and under-resourced to address the scope of the problem.

Finally, we are encouraged that the Senate is discussing ways to spur a bold and more aggressive global approach to ending these enduring horrific human rights abuses that are the focus of the hearing today. A successful new initiative will:

- Prioritize an approach that addresses all forms of trafficking, e.g., sex trafficking and labor trafficking.

- Embrace principles of transparency, accountability and survivor leadership in interventions; ensuring that trafficking survivors, civil society and worker organizations have meaningful input and participation.
- Build on the steady progress of current U.S. government efforts, and not re-channel resources that are currently authorized to combat trafficking domestically and globally, but rather represent an additional investment by the U.S. government to supplement the meager resources available today in relation to the scale and severity of the crime.
- Support coordination among agencies to ensure a comprehensive, holistic approach to combating human trafficking. This includes working in close cooperation with international agencies, such as the International Labor Organization.
- Be linked to the priorities and recommendations in the annual *TIP Report* and the *List of Goods Report*; and, reports of United Nations agencies, such as the International Labor Organization.

Thank you again for the opportunity to testify and for your continued leadership in combatting trafficking for forced labor and other forms of severe labor exploitation around the world. I welcome your questions.

Testimony by David S. Abramowitz
Vice President of Policy and Government Relations
Humanity United
Before the Committee on Foreign Relations
Of the United States Senate
Ending Modern Slavery: What is the Best Way Forward?
February 4, 2015

Mr. Chairman, Senator Menendez, and distinguished members of the Committee, thank you for holding this hearing on one of the most terrible human rights abuses of our times – the widespread occurrence of human trafficking and modern slavery– and thank you for the opportunity to testify today.

Mr. Chairman, I am the Vice President of Policy and Government Relations at Humanity United, a U.S.-based foundation dedicated to building peace and advancing human freedom. Over the past decade, Humanity United has worked to combat human trafficking and end modern day slavery in the United States and around the globe.

We do this by building effective networks to address this issue, raising awareness, encouraging sustained government leadership on the issue, engaging the private sector to become part of the solution, and by strengthening and supporting the anti-slavery advocacy movement.

In that context, we support the Alliance to End Slavery and Trafficking, a coalition of 14 U.S.-based human rights organizations that advocates for solutions to prevent and end all forms of human trafficking and modern slavery around the world. The coalition presses for lasting solutions to prevent labor and sex trafficking, hold perpetrators accountable, ensure justice for victims, and empower survivors with tools for recovery.

Scope and Nature of Trafficking in Persons and Modern Day Slavery

Mr. Chairman, human trafficking and modern slavery inflict enormous human suffering. While data collection on this underground crime is challenging, we know that tens of millions of people around the globe are subject to this abuse, and conservative estimates put global profits at \$150 billion.¹ It is one of the most pressing and complex human rights challenges of our time, yet also crosses over into such diverse areas as transnational crime, international humanitarian law, domestic and international labor frameworks, and migration, among others.

And we know that human trafficking and modern slavery has many faces. Exploited through force, fraud or coercion, these are adults and children who are forced to work on fishing vessels, in mines, plantations, sweatshops and brothels. Two thirds of the profits from modern slavery come from sex trafficking, while two-thirds of the victims are in labor trafficking.² We must work urgently to combat human trafficking in all its forms.

¹ ILO, Profits and Poverty (2014), http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf

²Id. See also ILO Global Estimate of Forced Labour (2012), http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_182004.pdf.

Mr. Chairman, this is not a matter of numbers: each individual story of this suffering and exploitation is a human rights tragedy that violates our values and beliefs. As you know, modern slavery is also not a far away problem that only affects distant lands. It remains a shock to most Americans but thousands of adults are trafficked into forced or exploitative labor right here in the United States. Some estimates suggest that as many as 300,000 U.S. children and youth are at risk of being trafficked into the commercial sex trade.³ Moreover, the problem is not going away. The National Human Trafficking Resource Center hotline received nearly four times as many calls in 2013 as in 2008, with calls rising from 5,748 in 2008 to 20,579 in 2013.⁴ Government-funded research also suggests that there are significant numbers of cases of labor trafficking in the United States. Extrapolating from prevalence rates in San Diego, California, one DOJ-funded study estimates that there may be nearly two and a half million workers who are victimized by traffickers.⁵

We have also learned that the sometimes-divisive dichotomy between sex and labor trafficking is an unhelpful lens for examining this phenomenon. Those exploited for labor often find themselves facing sexual abuse, which can also be a driver of vulnerability. When I was in Nepal in 2010, service providers suggested that the figure for such dual exploitation may be as high as 90 percent of those who have migrated, a figure I found shocking.

Lifting Survivor Voices

Each of these victims, Mr. Chairman, deserves to become a survivor. They deserve the assurance that they and their families will be protected, their perpetrators will be convicted, and the trafficking of others will be prevented. And we need to support them to raise their own voices.

This is why I feel extremely privileged to be testifying with two survivors of human trafficking. Shandra Woworuntu and James Kofi Annan have faced such abuse, and through their personal strength and determination have become inspirational leaders in this fight. Pierre and Pam Omidyar, who founded and fund Humanity United, are true believers that we can only achieve sustainable social change if we work alongside those who have been or are on the front lines. So I commend you, Mr. Chairman, and you Senator Menendez, for making sure that their voices continue to be heard.

³ <http://www.ecpatusa.org/statistics>

⁴ This number reflects both crisis calls by victims but also tips and other communications. <http://www.polarisproject.org/resources/hotline-statistics>

⁵ Zhang, S. X. (2012). Trafficking of Migrant Laborers in San Diego County: Looking for a Hidden Population. San Diego, CA: San Diego State University, <https://www.ncjrs.gov/pdffiles1/nij/grants/240223.pdf>

In that connection, Mr. Chairman, I strongly recommend that you and your colleagues from the Judiciary Committee introduce and sponsor a companion to H.R. 500, the Survivors of Human Trafficking Empowerment Act, introduced by Representatives Honda and Poe in the House. This bill would ensure survivor voices are heard within the Executive Branch as it formulates policies to combat modern slavery. All our efforts in the United States and globally must be informed by survivors, as well as civil society.

Addressing the Challenge of Abuses in Foreign Labor Recruiting and Supply Chains

Mr. Chairman, turning to solutions, I first want to discuss is the need for governments and the business community to address the issue of foreign labor recruiters—one of the leading drivers of the phenomenon of slavery and trafficking today. Using promises of high salaries and fake job offers, unregulated and unscrupulous labor brokers can induce people to migrate thinking that they are going for legal work, only to trap them in modern slavery. We have heard from both Ms. Bader-Blau and most poignantly from Ms. Woworuntu about these challenges.

In this regard, let me make a few brief points. Mr. Chairman, it has become clear that exploitation is not only occurring in the brothels of Phnom Penh or in the rice mills of southern India. It is happening as labor recruiters and brokers supply workers to the palm oil plantations of Malaysia and to construction projects in the Persian Gulf. It is happening in the shrimp peeling shacks in Thailand and fishing vessels off its shores. It is happening as recruiters deceive young women and men with promises of legitimate work only to bind them into sexual exploitation.

The coercion and fraud used in these cases include a wide range of abuses, often in different combinations. Unregulated labor recruiters lure men and women with promises of legitimate and lucrative jobs in distant locations or foreign countries. The prospective workers typically pay exorbitant fees equal to 4-6 months of salary to middlemen for connecting them to potential jobs and for visa expenses, travel documents, transportation, health screenings and ongoing expenses like housing and food. Recruiters are often paid twice for supplying workers to companies - once by the company that needs the workforce and once by the worker who is desperate to get the job. Workers typically borrow money to pay recruitment fees, and the terms of workers' debts make them unable to repay their loans, particularly since the job often does not pay the salary they were promised, or is something altogether different from what they were told they would do. And of course, as we heard today, recruiters sometimes place individuals in totally different situations, including in the sex trade.

Once at their destination, foreign workers may have their identity and travel documents seized, be threatened with deportation into danger, and be subjected to life-threatening conditions, confinement, and of course terrible violence. Debts can be used to ensure workers remain desperate for long work hours, no matter the

conditions and, along with lack of income and deduction for fees they never knew about, lead the workers to be vulnerable to threats against them and their families at home.

Moreover, corruption plays a significant role in modern slavery and the recruitment system. In the country of origin or destination, or sometimes both, recruiters bribe government officials to look the other way. In the worst cases, government officials may come from the recruitment industry itself, and police or other security forces can be part of the scheme of coercion, lending the threat of the state to the threat of the trafficker. The challenges presented by this corruption should not be underestimated, reflecting a conspiracy between foreign officials and the labor brokers and employers who pay them off. In this cycle, many workers who have lawfully issued visas end up in modern slavery, undermining the immigration systems in destination countries.

Fortunately, international reporting is making this cycle more apparent. In last year's Trafficking in Persons (TIP) Report, for example, the State Department laid out much of this coercive cycle with respect to Thailand and the seafood sector. The report describes the brutal conditions in the industry and the abuses perpetrated on legal migrants, illegal migrants, and minorities. Between the TIP report and the international reporting on abuses in the seafood industry, companies in Europe and the United States are coming to the table, but the right protections and systems to address abuses have yet to emerge. Thailand is just one example of where the TIP report can help to identify a key country of need, analyze foreign government commitment to combatting human trafficking and modern slavery, and point out sensible solutions.

Abuses like those in the Thai fishing industry are often the result of a lack of information for those who are seeking jobs to improve their lives. If prospective workers only know what they are being told by the labor recruiters who intend to exploit them, they are left to choose between the immediate prospect of a better life and often vague warnings that something may happen to them. Left with a choice between a seemingly tangible improvement for them and their families and a distant risk that something may go wrong, they tend to choose hope over fear, often to their great detriment.

Beyond increased transparency, there are numerous potential solutions to these challenges. One approach is to require greater transparency and regulate foreign labor recruiters such as those included in Chairman Ed Royce's H.R.3344 - Fraudulent Overseas Recruitment and Trafficking Elimination Act of 2013. This legislation:

- Provides for transparency in contracts and its terms.
- Prohibits fees for recruitment.
- Requires foreign labor recruiters to register with the Department of State and authorizes the Department to require a bond.

- Provides a safe harbor to companies that use authorized recruiters.
- Creates enforcement mechanisms against recruiters that violate the provisions of the law.

A number of these provisions were adopted in the recently promulgated regulations to implement Executive Order 13627, Strengthening Protections Against Trafficking in Persons in Federal Contracts. As the largest single purchaser in the world, full implementation of these regulations could see a cleansing of exploitation and abuse in the supply chains of many U.S. government suppliers. This ensures taxpayer money does not unintentionally prop up what is already the booming industry of human trafficking. I urge Congress to provide the funding needed to implement these regulations and to ensure that the U.S. Government implements them fully.

One reason to support the legislative approach and to make sure the implementation of the Executive Order works is that such a law and the Executive Order itself could serve as a model for other countries.

Because a government and regulatory framework can still be subject to manipulation and corruption by traffickers, another needed approach is to develop better information and more transparent processes for the workers themselves. We know the power of data and the impact of transparency to help us make better decisions. With the rapid adoption of mobile technology and the increasing penetration of mobile devices, new technological solutions are possible.

One such platform has recently been developed: Contratados.⁶ Think of this as the mobile application Yelp but designed for workers to review labor recruiters and employers. This technology allows workers to rate recruitment companies and employers, and to warn other workers of bad experiences. Developed by Centro de los Derechos del Migrante, a transnational migrant rights organization based in Mexico, this type of worker facing platform holds significant promise in equipping migrants with information to make their decisions and migration safer. Humanity United is exploring such technological approaches to better protect migrants around the world.

Companies' efforts to trace their supply chains also represent real opportunities to address human trafficking and modern slavery. At Humanity United, we believe business and markets can be instrumental partners in advancing human freedom. Corporations, with their worldwide reach and deep engagement with labor—either directly or indirectly through their contractors and subcontractors—have the opportunity to ensure that severe exploitation is eliminated in all their operations, from the assembly of their products to the sourcing of raw materials. Increasingly, members of the business community are recognizing that they have not only the opportunity but also the responsibility to stop trafficking and modern day slavery.

⁶ <http://contratados.org>

Consumers and investors worldwide are also increasingly expecting them to exercise that responsibility.

We also need to recognize, however, that this work is not easy. Much of the most severe exploitation occurs at the very bottom of the supply chain. Whether it is the charcoal mined with slave labor that is used to make the pig iron to build the automobiles we drive, or in the palm oil contained in our toothpaste, forced labor can taint products we use every day. But more and more tools are being developed, from both the private and social sectors, for companies to help assess and remedy worker abuses deep in their supply chains. Companies around the world are slowly recognizing that there are not only ethical but also business reasons to clean up their supply chains. Whether it is to decrease disruptions that may occur when raw materials are extracted with forced labor, to improve conditions to maintain a workforce with lower costs for training, to win over talented employees who prefer to work for companies that avoid modern slavery, or to avoid damage to their brand, companies are increasingly examining their practices in both their facilities and their distant supply chains.

And laws like the *California Transparency in Supply Chains Act* are requiring them to report on what they are doing. The Congress should follow suit and make reporting on supply chains a national requirement. The government of the United Kingdom is in the process of adopting such requirements for UK companies, and other G20 countries such as Australia and Canada may follow suit. The U.S. should help lead and coordinate this process not just for the sake of transparent supply chains, but so businesses can follow similar requirements around the world and not a patchwork of competing efforts and standards.

It is important to recognize that this work is not easy, and complete transparency for all levels in the supply chain is in most cases unreachable today. However, corporations can identify risks in their supply chains and delve deep to determine whether they have slavery in those areas with greatest risks. It is a calculation they make all the time.

We in civil society can help. The award-winning Coalition of Immokalee Workers has shown how corporations and growers can collaborate with workers to eliminate human trafficking and modern slavery and sexual abuse from the tomato fields of Florida. And Verité and Palantir Technologies are partnering to pilot a potentially transformative analytical product that will enable companies to unravel complex labor supply chains and identify risks of human trafficking and forced labor within them. Working closely with participating companies, Verité and Palantir will integrate corporate supply chain data, targeted field research on recruitment patterns and networks, and pertinent public information into a database platform. Verité experts will analyze the integrated data to illuminate particular labor supply networks and flag specific risks connected to one or multiple companies' supply chains. This data, augmented by Verité's high-quality analysis and targeted

recommendations, will be pushed to web-based applications in Palantir that provide companies valuable information and actionable intelligence.

However, we in civil society should also recognize that a “no tolerance policy” does not mean “slave free.” We should work with companies to ensure that they take steps to address the problems they do discover, without pulling out altogether when a situation arises, which could hurt the workers whose condition we all want to see improve.

Developing Unlikely Partnerships

Civil society can work across sectors and with companies in other ways to manage risks in its supply chains. For example, for many years the private sector and civil society have worked together in partnership on the challenges presented by clearing rainforest in Malaysia and Indonesia to create palm oil plantations. Palm oil is used in a variety of consumer products from soaps and shampoos to crackers and cookies. For a long time, the focus has been on the environment and loss of habitat for endangered species. Even today, many focus on this aspect of palm oil. The recent winner of a video competition for teens was a young woman worried that palm oil plantations would kill orangutans.⁷ Yet she could have equally talked about the migrant workers who were forced to clear the rain forest and harvest palm for little or no pay and in horrific conditions. Civil society and major companies are working to move away from these silos towards a more holistic approach to sustainability, broadening guidelines to include labor protections that will meet the stated commitment by the Roundtable on Sustainable Palm Oil to prevent labor exploitation as well as environmental degradation. Indeed, the first fruits of this work came to light last week when Wilmar International, the largest palm oil producer in the world, established an online platform to promote transparency in its supply chain in partnership with Forest Trust.⁸ Reporting required by economic, social and governance reporting, and the transparency legislation I described above is also contributing to this increasing openness.

Similarly, Mr. Chairman, Humanity United is working with brick kiln owners in Nepal to provide incentives to reduce their emissions and to eliminate child and forced labor. However, we must always be careful about the unintended consequences of our action. Eliminating child labor in a particular brick kiln does not mean the child who is no longer enslaved is free: returning to his or her village, the child may be coerced into another setting with even worse conditions. As we take steps to free men, women and children, we must make sure that we also take steps to break the chain of coercion by providing educational opportunities or providing alternatives for livelihood. These can often be small investments, but can make our efforts to free slaves sustainable. These risks are also why having baseline

⁷ <http://www.teensdream.net/>(accessed February 2, 2015)

⁸ <http://www.triplepundit.com/2015/01/palm-oil-giant-launches-web-portal-make-supply-chain-transparent/>

measurements and strong monitoring and evaluation are critical to ensure that interventions are actually reducing human trafficking and modern slavery.

Civil society also needs to work together more closely. In this connection, Humanity United brought together the Alliance to End Slavery and Trafficking. This coalition has grown to 14 leading human rights organizations, which focus on a range of issues from cooperation with law enforcement to assisting survivors to preventing trafficking in the first place. Focusing on legislative reforms, appropriations advocacy, and implementation by the Executive Branch, ATEST has helped sparked new initiatives across the human trafficking field. We have sought to press USAID, the Department of Labor, and the State Department to engage in rigorous monitoring and evaluation to find sustainable solutions to human trafficking and modern slavery, including establishing baselines and measuring impact. ATEST also seeks to further elevate the voices of survivors and help advance the broader U.S. movement by building deeper and wider networks and networks of networks to combat trafficking.

The faith community also has an enormous role to play and many are reaffirming a commitment to ending this terrible human rights abuse. Last Spring, Pope Francis met with trafficking survivors and in December hosted a convening of faith leaders to sign a declaration to abolish modern slavery by 2020. I hope that the Pope will further his efforts when he visits Washington later this year.

Collaboration among Donors and Public-Private Partnerships

One major challenge is the need for additional funding to combat human trafficking and modern slavery. The business of human trafficking is too large to allow fragmentation of efforts, which is why bringing government, business, and civil society together is key. But the private and public sector should also be better coordinated and mutually reinforcing.

In 2012, Humanity United and the Obama Administration launched the Partnership for Freedom, a public-private partnership designed to bring private investment in innovation together with government experience to develop challenges to fight modern slavery. The first competition to improve support infrastructure for survivors of modern slavery concluded last year, with winners focused on innovative solutions to victim identification, healthcare, and shelter. However, a raft of additional innovative solutions were surfaced that we hope will get consideration from other donors. The second competition is being designed now.

Humanity United also partnered with the Legatum Foundation and the Walk Free Foundations, philanthropies based in the United Kingdom and Australia, respectively, to develop the Freedom Fund, a donor collaborative designed to mobilize the capital and knowledge needed to end modern slavery. The Freedom Fund has already launched targeted programs to tackle modern slavery in key countries and industries around the world.

In addition to donor partnerships, the private sector can also work directly with governments to combat human trafficking. Whether it is online marketplaces preventing their platform from being used for sex trafficking to companies providing needed data analysis, the corporate sector can play a major role working with law enforcement. The effort to stamp out Internet pornography by analyzing credit card data, for example, is a way that companies can work with civil society and law enforcement to further reduce sex trafficking in the future.

In this connection, Human Rights First, one of the nation's leading human rights advocacy organizations, recently launched a campaign with a diverse set of actors across business, civil society, and the public sector to go after the business of human trafficking and modern slavery in all its forms, with the goal of decreasing the rewards and increasing the risks to perpetrators. I was privileged to participate in this launch, which included financial companies who showed how information they collect could help law enforcement here (with the Department of Justice) and abroad (with the Department of Treasury) to combat the scourge of modern slavery.

This shows the power of unlikely conversation to create social change. Humanity United's founders, Pierre and Pam Omidyar, are committed to a sustained effort to combat modern slavery. That's why they have made a second, \$50 million commitment to fight human trafficking and modern slavery. But they know they cannot win this fight alone, which is why Humanity United is committed to working to bring donors together, collaborating with the U.S. government and building networks of civil society and survivors to make progress in the fight to end human trafficking and modern slavery.

Conclusion

Mr. Chairman, Senator Menendez and members of the committee, last week marked the end of National Slavery and Human Trafficking Prevention Month. Honorary months often seem to be a ritual of pronouncements and chest thumping, followed by little real action. Yet this year, it feels like we have reached a turning point in the fight to combat human trafficking. With multiple legislation passing the House and being introduced in the Senate, and the Administration committed to cleaning its own supply chains, the tide may be turning against the perpetrators of this terrible human rights scourge.

Mr. Chairman, last week also marked the 150th year since the House of Representatives voted to approve the 13th Amendment, ending slavery in this great nation. And this coming December, we will mark the adoption of the Amendment as the law of the land. This Committee can play an instrumental role in helping mark that anniversary by pushing forward the fight against human trafficking and modern slavery.

Testimony by
James Kofi Annan
Founder, Challenging Heights

To the Hearing Before the
United States Senate, Committee on Foreign Relations
Ending Modern Slavery: What is the Best Way Forward
February 4, 2015

Thank you, Chairman Corker, Senator Menendez, and other members of the Committee for holding this important hearing to consider how fight modern slavery, a most horrific human rights crime.

I am the founder Challenging Heights, an organization that for nearly twelve years has served children who have been trafficked into modern slavery in the Lake Volta region of Ghana. Our organization delivers social justice interventions to children, women, and underserved communities in coastal and farming communities. Our work includes rescue, rehabilitation, and reintegration of children who have been trafficked in the fishing industry, as well as creating community awareness on these issues in order to prevent trafficking and re-trafficking of children.

Challenging Heights also contributes to policy and awareness creation and the public discourse on issues affecting Ghanaian children. Additionally, the organization runs a school for more than 700 children who are survivors of child trafficking or who are at-risk of child trafficking.

The question you are asking today: What is the best way forward to ending modern slavery? That is a very big and important question. I believe the answer has many facets, just as human trafficking takes so many forms.

In fishing communities along Lake Volta, Ghanaian children are being sold into a life of forced labor, malnutrition, abuse and no schooling. Traffickers prey on poor families in communities along the country's coast. Typically, the families are told by the trafficker that if they let their children come to the lake they will live with relatives who will care for them and send them to school in exchange for a few hours' work after school. In reality, the children are forced to work long hours on the boats in dangerous conditions. A typical day might begin at 3 am and end at 8 pm and include challenging tasks such as casting nets, diving, and hauling, with only one meal served. Children often get stuck in the nets at the bottom of the lake. If a child is caught escaping, the consequences can be brutal. Often the families do not hear from their children again.

I formed Challenging Heights because I was a child slave myself who was forced to work in the fishing boats on Lake Volta as a young boy. I understood the challenge of surviving such a trauma, and I also saw the tremendous potential to change things in my country, to prevent child labor, to rescue children from slavery and to give those survivors a chance for a good life.

Today, Challenging Heights supports hundreds of children and their families each year. We help prevent human trafficking from taking place by helping vulnerable children go to school, creating awareness and building community capacity to stand up against trafficking. We also have a 65-capacity survivors' rehabilitation center, and a child trafficking survivors support network aimed at providing protection for children.

I feel proud of our accomplishments, but I know that there is so much more we need to do to stop trafficking in Ghana and throughout Africa. The United States government plays an important role.

First, the U.S. State Department's Trafficking in Persons Report issued each year is a useful tool for Ghana and other governments, helping to keep them accountable for continuing to do better work to stop trafficking. Each year I contribute to the Report so it reflects the most up to date reality facing trafficking survivors in Ghana. I host U.S. government officials, showing them firsthand the dire situation facing children at risk of exploitation.

The United States' diplomatic pressure is very important in helping to persuade the government of Ghana to act. It is critical that these efforts continue and are properly funded. In particular we would like to see a renewal of commitment to the National Plan of Action, and money allocated to the Human Trafficking Board released for immediate use.

The Department of Labor's Bureau of International Labor Affairs (ILAB) also plays an important role. The bureau does a number of important things that affect trafficking in Ghana and other countries:

- 1) It conducts research on international child labor, forced labor, and human trafficking and publishes very valuable reports on the worst incidences of child labor, and lists of goods produced by child labor and forced labor;
- 2) The bureau funds projects for organizations engaged in efforts to eliminate exploitive child labor around the world; and
- 3) It assists in the development and implementation of U.S. government policy on international child labor, forced labor, and human trafficking issues.

One thing I am concerned about is that this important bureau retains its resources and expertise to address the most intractable forms of child labor and exploitation. Even as gains are made in reducing the prevalence of child labor worldwide, real and complex problems remain. I believe Congress should consider legislation that would secure permanent resources for the Bureau of International Labor Affairs and insulate it from political shifts.

I also believe that the U.S. government can improve the implementation of all its development programs by integrating an anti-trafficking lens. Whether it is building a school, constructing a highway, or distributing food aid, the U.S. government must integrate strategies for preventing, identifying, and responding to trafficking. It is especially important that development programs fund projects that focus on prevention of slavery. Ideally, the government should target resources towards grass roots organizations, as Ghanaians themselves – and those in other countries struggling to end human trafficking – are the only ones who can do the difficult work of changing attitudes in their own communities.

Mr. Chairman, thank you for the opportunity to share my perspective, and for this committee's work to find a way to end modern slavery.

Testimony by
Shandra Woworuntu
Founder, Mentari
To the Hearing Before the
United States Senate, Committee on Foreign Relations
Ending Modern Slavery: What is the Best Way Forward
February 4, 2015

Thank you, Chairman Corker, Senator Menendez and other members of the Foreign Relations Committee for holding this hearing on how we can move forward to end modern slavery.

I am an advocate, a survivor of human trafficking, and the founder of Mentari, a non-profit organization dedicated to providing human trafficking survivors with mentorship and job training to help them rebuild their lives.

In my native Indonesia, I was a college-educated financial analyst employed by an international bank. I lost my job in 1998 because of political turbulence and its fallout, so I expanded my job search to the United States. After responding to an advertisement for a job in a Chicago hotel, I checked the legal documents, paid a recruiter fee, accepted the position and flew to New York City.

I entered the United States lawfully on a nonimmigrant visa arranged through the “recruiting organization” that brought me here. I was picked up at the airport, along with five other women, by men we all believed were affiliated with our recruiter. Shortly thereafter, however, our passports were forcibly removed, our lives were threatened and the situation became clear: we were being trafficked into the sex trade.

I managed to escape by jumping out of a small bathroom window, and I cooperated with law enforcement to successfully prosecute my trafficker. It was hard for me to survive because there were not many services available to help me. Safe Horizon, NY assisted me to be independent and also to stay legally in the United States.

I believe that to end human trafficking globally, the U.S. government needs to focus on prevention, and on strengthening policies that are enacted to prosecute traffickers and to provide victims with stable and sustainable support.

The U.S. government has been a leader, through its annual Trafficking in Persons report and other diplomatic initiatives, in urging governments around the world to do a better job of preventing modern slavery. Our government can do much more.

One of the most effective ways to prevent human trafficking is through education and awareness. I urge Congress to invest in supporting and encouraging countries to implement programs that will make people more aware, and will help them question whether a job opportunity is legitimate, or the work of a criminal labor recruiter.

Labor recruiters and contractors are directly involved in the trafficking and exploitation of workers around the world, including men, women and children who enter the United States lawfully. These criminal recruiters make false promises about jobs and charge workers high recruitment fees that force workers to stay in abusive or exploitative working conditions under debt bondage.

I know several trafficking survivors who paid up to \$20,000 in recruitment fees for jobs that didn't exist. In most cases, they borrowed the money from people or loan sharks in their home country that expect to be paid back. Now exploited, trafficked and unpaid, they cannot pay back those loans – this creates debt bondage.

It is important to have uniform standards for employment agencies that send workers to another country. They should be required give information about the working conditions for the jobs they are offering, and they should provide workers with a clear description of the workers' rights.

Congress has an opportunity to help prevent trafficking by illicit labor recruiters into the United States, and to demonstrate to other countries the kind of policies needed to address human trafficking. I urge Congress to re-introduce The Fraudulent Overseas Recruitment and Trafficking Elimination (FORTE) Act of 2013, which would deter human trafficking, forced labor and exploitation by:

1. Requiring that workers coming to the United States receive accurate information about the job, their visa, and working conditions;
2. Ensuring that no fees for recruitment are charged to workers;
3. Requiring that the recruitment agency registers with the Department of Labor; and
4. Enforcing a penalty if the law is not followed.

I encounter men and women from all over the world who have experienced human trafficking in some form. They are from different nations, cultures and backgrounds, but many have one thing in common: they were brought here by a seemingly reputable recruiting agency. With an estimated 14,000 individuals trafficked into this country each year, it's a problem that needs to be addressed – this legislation is one important part of the solution.

Another important step that the U.S. government can take to prevent modern slavery is to demand transparency in supply chains for products that are sold in the United States. California has passed legislation that requires companies to publicly disclose what efforts, if any, they are taking to ensure their supply chains do not include forced labor. This legislation is a good first step, but it should not be limited to one state; Congress should initiate supply chain transparency on a national level.

I also urge Congress to strengthen the United States' role in developing a shared global foreign policy to fight human trafficking, and especially to prosecute traffickers. Building our capacity to conduct inter-country investigation and prosecutions should be a high priority in that effort.

Mr. Chairman, I want to ask today for your support of a Senate companion to H.R. 500, the Survivors of Human Trafficking Empowerment Act, introduced by Representatives Honda and

Poe. This bill would create a survivors-led U.S. Advisory Council on Human Trafficking to review federal government policy and programs on human trafficking. It is so important that survivors play a role in finding the solutions to end modern slavery, and in helping the government understand how to provide survivors the support they need. This proposed legislation is a great step forward.

I want to close by saying that as a survivor of human trafficking, I am committed to empowering other survivors. That is why I established Mentari, an organization based in New York that provides mentorship and job training to survivors. It is very difficult for trafficking survivors in the United States, and globally, to recover from such a terrible experience. It is even more challenging when you are in a country where you don't speak the language and have little or no family support. I hope the U.S. government will recognize the need to provide sustainable support for survivors, including long-term support to help survivors receive training and opportunities to gain employment. Programs that support job training and job creation can help prevent survivors from being re-trafficked, as well as protect all men and women who are vulnerable to exploitation and trafficking. I believe the United States, again, can and should be a leader in demonstrating best practices to the world.