



Forced labour: Identifying good practices in monitoring supply chains

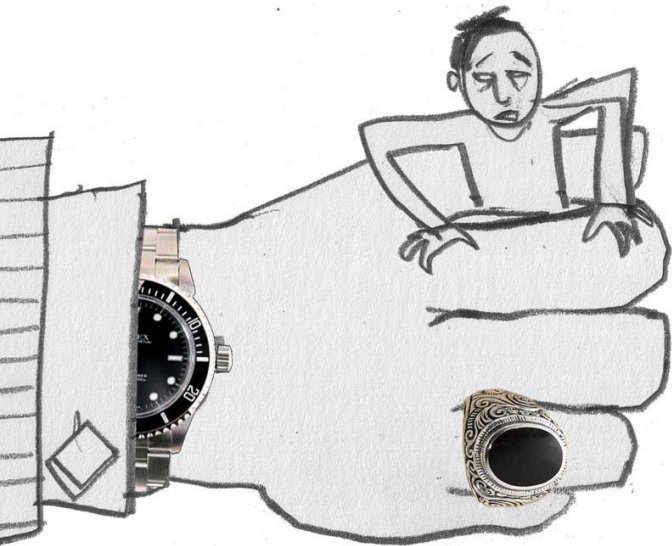
Aurélie HAUCHERE, Washington, May 2009

ILO Special Action Programme to Combat Forced Labour

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What is forced labour?

ILO Forced Labour Convention,
1930 (No. 29)



« All **work or service** that is
exacted from any person
under the menace of
any **penalty** and for
which the said person
has **not offered himself**
voluntarily »

Operational Indicators

- ILO – EC survey to get a harmonized set of indicators on trafficking of adults and children for labour and sexual exploitation (4 sets)
- Delphi methodology with experts from 27 EU countries
- Indicators (strong, medium or weak) for each dimension of trafficking:
 - Recruitment: Deceptive, coercive, abuse of vulnerability
 - Working conditions: exploitation, coercion, abuse of vulnerability
- Can be used for statistics, law enforcement, social auditing



A Business Alliance against Forced labour

- Awareness-raising
- Policy development (code of conduct)
- 10 Principles for Employers (see brochure)
- Training, capacity-building
- Tools and guidelines
 - Handbook for employers (including case studies)

Challenges for private sector

- How far a company's liability should extend?
- Modern supply chains are very complex
 - Addressing the first tier is not enough (informal economy)
 - Not feasible to address the whole supply chain
- How to detect forced labour in other tiers?

WORK IN FREEDOM

Brazil: A good example of a multi-stakeholder initiative



Worse than not
finding a job
is not being able
to leave it



Trabalho Escravo
Vamos abolir de vez
essa vergonha.

Mais de 115 anos se
passaram desde a
Lei Áurea e milhões de
brasileiros continuam
trabalhando em regime
de escravidão.
Homens, mulheres
e crianças que vivem
em condições
subhumanas no campo,
sem dignidade e sem
abastado. O Brasil vai dar
um basta nisso.



Apoca





Special Mobile Inspection Group

- Created in 1995
- Labour inspection teams: labour inspectors, labour prosecutors and Federal Police officers
- Objective: investigate complaints of slave labour in situ, to free workers and to prosecute the owners of estates
- Results: more than 32,000 freed workers (1995-2008)
- Key assets: National based; confidential missions

The “Dirty List”

- Established by MTE Decree No. 540/2004
- Register of names of employers (persons or legal entities) caught by labour inspection exploiting workers in conditions analogous to slavery
- Register on the public website of the MTE



Dirty List: How does it work?

- Employer monitored for two years
- After 2 years, removed from the list **provided**
 - has not repeated offence
 - all fines paid
 - all labour and social security compensations paid
- No penalties provided in the Decree....but

Dirty List: Impact

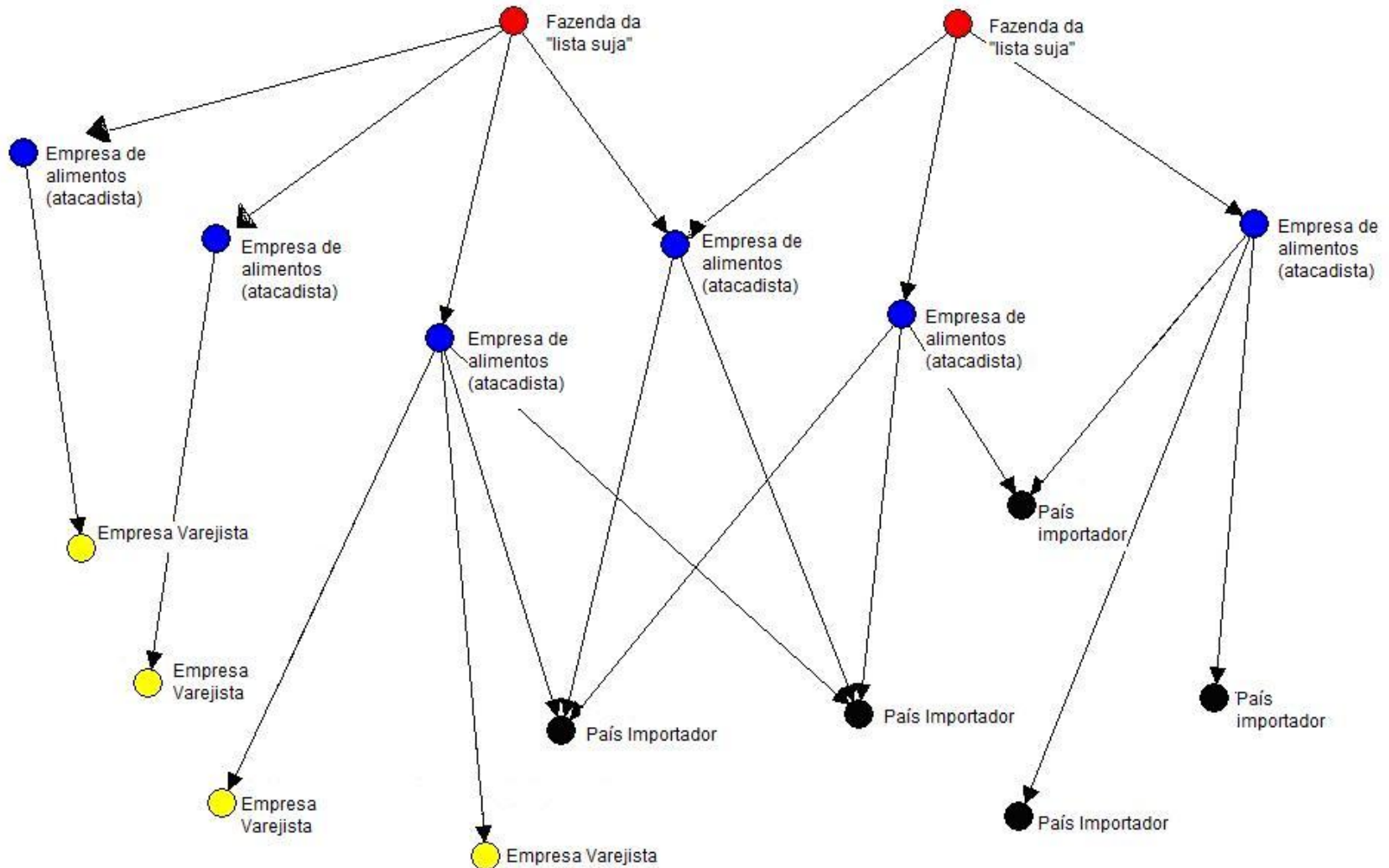
- Initiatives taken by public and private financial institutions
 - Bank of Brazil, Bank of Amazônia, Northeast Bank and Brazilian Development Bank
 - Refuse credit and other banking benefits
- National Congress is currently considering amendments for new penalties, including expropriate land

Studies on the Slave Labour Production Chain

- Request of the Government
- NGO Repórter Brasil with ILO support
- Identify the production chains involving estates on the 'dirty list'
- 2004, First study: Mapping of 100 estates from Dirty list and 200 enterprises
- 2007, Second study: Mapping of 170 estates from Dirty list and 300 enterprises

Example of a supply chain

Soya



National Pact

- Signed on 19 May 2005
- Voluntary commitment
- About 200 enterprises
- The signatory companies represent 20 % of Brazil's gross domestic product
- Pact structured around a series of commitments
- In partnership with government and NGOs



Main commitments from the National Pact

- Commercial restrictions on enterprises and individuals identified as using slave labour
- Formalizing employment relations
 - Fulfilment of all labour and social security obligations
 - Preventive actions on safety and health
- Prevention
 - Provide information to workers vulnerable to enticement into slave labour
 - Publicity campaigns to prevent slavery



Commitments from the National Pact

- Rehabilitation of freed workers
 - Support social reintegration for workers
 - Training and professional qualification
- Support implementation of the National Plans to Eradicate Slave Labour
- Monitoring
 - Monitor the actions and to publicize the results
 - Collate and share experience
 - Assess, after one year, the implementation results

Social Monitoring Institute

- Its aim was to verify, through continuous monitoring, the effective introduction to signatories' corporate policies of the guidelines set out in the National Pact.
- Many signatories are not aware of having signed the Pact, and do not remember or do not know the extent of the commitments undertaken
- Furthermore, some enterprises do not admit responsibility for the production chain (suppliers, clients, etc.) of which they are part, or do not acknowledge their power to exert pressure on it. When they do, they often apply only small fines or insignificant penalties to their suppliers and clients. Last but not least, some signatories remain ignorant of the specific actions that can be taken to combat modern-day slave labour.

Monitoring the National Pact

- Management Committee to Monitor the National Pact
- Power to temporarily suspend or even permanently exclude signatories should they adopt measures that are contrary to the commitments agreed upon in the Pact



Proactive involvement: Initiatives from business

- One of the biggest producers and exporters of soya in the world criticized for trading with at least two estates on the 'dirty list'
- Risk of not getting credit from International Finance Corporation (IFC) – World Bank
- Signed the Pact and took further initiatives:
 - Immediate cessation of trade with estates on the 'dirty list'
 - Training of staff responsible for buying soya to inspect the labour and environmental practices of supplying estates
 - Consultation of the register before dealing with new suppliers
 - Maintenance of commercial restrictions on the enterprise after it had, through a legal ruling, secured the removal of its name from the register of offenders



An increasing commitment from the business sector

- 24 June 2008 - Declaration on Social Responsibility of Companies and Human Rights
- Signed by 13 presidents of important national companies, Brazilian branches of multinational companies, and banks, including *Grupo Telefônica no Brasil, Banco Real, Alcoa, Wal-Mart, Banco HSBC, Petrobras, BNDES, Caixa Econômica Federal, HP, DuPont, Banco Itaú*
- Commitments included enforcing plans of action to eradicate forced labour in the supply chains
- They called upon other companies to join and sign the Declaration

Reinsertion Activities

- Steel industry: Citizens' Charcoal Institute (ICC)
- Contract freed workers into formal jobs with guaranteed labour rights
- The MTE provides the ICC with a list of freed workers
- ICC locates workers and offers them formal work
- As a result
 - 46 freed workers reinserted in 2006
 - 111 freed workers in 2007



Why is the Brazilian experience a good practice?

- Clear definition of slave labour (Penal Code)
- Strong political commitment
- Multi stake holder initiative
- “Carrot and stick”
 - Positive exposure
 - Efficient penalties
- Initiatives from State and business
- Active involvement of labour inspection
- Reinsertion activities



ILO criteria to identify a good practice to reduce forced labour

- Tripartite
- Social dialogue
- Involving labour administration and labour inspectors
- Strong legal framework
- Based on international standards, esp. ILO core conventions on fundamental principles and rights at work
- Following clear indicators
- Positive and negative incentives
- Rehabilitation aspect



Thank you

www.ilo.org/forcedlabour