



# SUPPLY CHAINS AND HUMAN TRAFFICKING

## How Washington Can Reduce Human Trafficking from Local and Global Supply Chains

### THE PROBLEM

The trafficking of persons is a growing human rights problem that is exacerbated by public and private supply chain management and affects individuals both locally and globally.

Outsourcing goods and services to countries with lower labor standards than in the U.S. has traditionally been one of the many ways companies decrease production costs.<sup>i</sup> However, this leaves businesses, particularly those with global supply chains, at risk of contributing to forced labor practices abroad. Locally, human trafficking has been reported in at least eighteen counties and within numerous industries present in Washington's supply chains<sup>ii</sup>. Washington's commercial landscape offers opportunities for exploitation, as many sectors that contribute to the local economy are also predisposed to human trafficking such as construction, manufacturing, agriculture, hospitality and food, all of which collectively generates nearly \$100 billion towards the state's GDP.

### DEFINITION

The Trafficking Victims Protection Act (TVPA) defines human trafficking, within two pillars: labor trafficking and sex trafficking.<sup>iii</sup>

**Labor Trafficking** (also referred to as "forced labor") is the recruitment, harboring, transportation, provision, or obtaining of a person using force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

### SCOPE OF THE PROBLEM

Human trafficking is the second largest<sup>iv</sup> and fastest growing<sup>v</sup> criminal enterprise in the world with profits estimated to equal \$150 billion annually.<sup>vi,vii</sup> Globally, an estimated 21 million children, women and men are victims of human trafficking.<sup>viii</sup> The vast majority of whom, approximately 16.5 million (78%), are exploited primarily for non-sex related labor, specifically in sectors such as agriculture, construction, domestic service, hospitality, fishing, manufacturing, mining, and more.<sup>ix</sup> The Asia-Pacific region accounts 56% of the global victim population and is the home to the most popular destinations for businesses to outsource services, India, China, and Malaysia.<sup>x,xi</sup>

### METHODOLOGY

Researchers interviewed legal, non-profit, service providers, and academy experts inquiring about nuanced supply chain practices and their perspective on ethical sourcing successes and challenges (smart practices), monitoring, and pragmatic policy development.

### RESULTS

Many corporations including Washington-based companies such as Costco and Starbucks have strong Corporate Social Responsibility (CSR) initiatives that draw attention to their global footprint and aims to reduce instances of labor trafficking. Additionally, social media has proven to be a powerful tool in pressuring corporations to do more to eliminate labor trafficking and similar abuses from their supply chains (also referred to as ethical sourcing).

However, these market drivers have not been strong enough to thwart the use of forced labor in product. For additional information, see full report by the University of Washington Women's Center

manufacturing, as demonstrated by the numerous cases of labor trafficking in the Information, Communications, and Technology (ICT) industry in Malaysia and China, the fishing industry in Thailand, the garment industry in Bangladesh and more.

Washington State and local governments enter into contract with various vendors that use both local and global supply chains to produce goods procured by public agencies. It is possible that these supply chains include victims of labor trafficking, yet the State does not currently monitor its supply chain nor require vendors use a supply chain free from forced or trafficked labor.

## RECOMMENDATIONS

Human trafficking is a complex problem that requires a multi-faceted approach to be eliminated. Clean supply chain public policy is one such approach that is necessary to enact change. Washington must lead by example and require the state and its vendors and corporations to amplify their current efforts, transparently and diligently manage their supply chain, and hold these actors accountable for their business and labor practices. The University of Washington Women’s Center recommends the state legislature introduce and pass legislation that will accomplish the following:



**Implement Anti-Human Trafficking Public Procurement Policy That Addresses Supply Chain Management:** Including anti-labor trafficking requirements in master and all other state contracts will support efforts to reduce Washington’s contribution to labor trafficking and assist smaller agencies in their ethical sourcing initiatives;



**Encourage Corporations with a Significant Presence in Washington State to Transparently And Diligently Manage Clean Supply Chains:** Encourage meaningful accountability and enforcement mechanisms that incentivizes diligent management of ethical supply chains.



**Strengthen the Farm Labor Recruitment Act** to protect foreign workers from exploitation in Washington;



**Contract with third-party monitoring agencies** such as the Worker Rights Consortium, the Sweatfree Purchasing Consortium and Electronics Watch to audit Washington’s supply chains and support vendor compliance;



**Invest in third-party research** to map and analyze risk current in WA’s supply chain;

**Revive the Joint Legislative Oversight Committee on Trade Policy** to review the impact of trade agreements and make recommendations to trade representative on solutions to eliminated forced labor in global supply chains.



**Leverage Washington ports** as an enforcement mechanism.

<sup>1</sup> 16, Tonelson, Alan. *The Race to the Bottom: Why a Worldwide Worker Surplus and Uncontrolled Free Trade Are Sinking American Living Standards*. Boulder, CO: Westview Press, 2000. Print.

<sup>ii</sup> Washington State Task Force Against Trafficking of Persons. "Human Trafficking: Present Day Slavery, The Report of the Washington State Task Force Against Trafficking of Persons." Office of Crime Victims Advocacy. WA State Dept. of Commerce, Trade and Economic Development. Jun. 2004. Web. Accessed 31 Jan. 2017. <[www.commerce.wa.gov/wp-content/uploads/2016/03/OCVA-Human-Trafficking-Report-2004.pdf](http://www.commerce.wa.gov/wp-content/uploads/2016/03/OCVA-Human-Trafficking-Report-2004.pdf)>

<sup>iii</sup> U.S. Department of State. Sec. 103. "Definitions. 8-9." *Victims of Trafficking and Violence Protection Act 2000*. United States Government Printing Office: Washington DC. 2000.

<sup>iv</sup> US Department of Justice. Federal Bureau of Investigations. "Human Trafficking/Involuntary Servitude." *FBI.gov*. N.d. Web. Accessed 9 Feb. 2017. <[www.fbi.gov/investigate/civil-rights/human-trafficking](http://www.fbi.gov/investigate/civil-rights/human-trafficking)>

<sup>v</sup> Arlacchi, Pino. "Human trafficking fastest growing form of organized crime: UN anti-crime chief." *UN News Centre*. United Nations. 1 Nov. 2001. Web. <[www.un.org/apps/news/story.asp?NewsID=2007#.WJNmp\\_krKUK](http://www.un.org/apps/news/story.asp?NewsID=2007#.WJNmp_krKUK)>

<sup>vi</sup> "Profits and Poverty: The Economics of Forced Labour." *International Labor Organization*. 1 Jan. 2014. Web. Accessed 2 Feb. 2017. <[www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_243391.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf)>

<sup>vii</sup> Rey Hernández, César A. and Hernández Angueira, Luisa. "Human Trafficking in Puerto Rico: An In-sivible Challenge." Ricky Martin Foundation. Universidad de Puerto Rico. Jan. 2010. Web. Accessed 1 Feb. 2017. <[www.protectionproject.org/wp-content/uploads/2010/09/RMF-Eng.pdf](http://www.protectionproject.org/wp-content/uploads/2010/09/RMF-Eng.pdf)>

<sup>viii</sup> "Forced labour, human trafficking, and slavery." *International Labor Organization*. 2014. Web. Accessed 13 Jan. 2017. <[www.ilo.org/global/topics/forced-labour/lang--en/index.htm](http://www.ilo.org/global/topics/forced-labour/lang--en/index.htm)>

<sup>ix</sup> "Forced labour, human trafficking, and slavery". *IBID*

<sup>x</sup> "Forced labour, human trafficking, and slavery". *IBID*

<sup>xi</sup> 3, ATKearney. "The 2014 A.T. Kearney Global Services Location Index: A Wealth of Choices, From Anywhere on Earth to No Location at All." *ATKearney*. 2014. Web. Accessed 31 Jan. 2017. <[www.atkearney.com/strategic-it/global-services-location-index/2014/-/asset\\_publisher/LCcgOeS4t85g/content/a-wealth-of-choices-from-anywhere-on-earth-to-no-location-at-all-2014-a-t-kearney-global-services-location-index/10192](http://www.atkearney.com/strategic-it/global-services-location-index/2014/-/asset_publisher/LCcgOeS4t85g/content/a-wealth-of-choices-from-anywhere-on-earth-to-no-location-at-all-2014-a-t-kearney-global-services-location-index/10192)>