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Submission to the Parliament of Canada, House of Commons, Subcommittee on International Human Rights of the Standing Committee on Foreign Affairs and International Development Study into Child Labour and Modern Slavery

Thank you for giving the Ethical Trading Initiative the opportunity to give oral evidence to the parliamentary sub-committee on 5th December. This written submission highlights a number of issues covered during this session, and provides some additional information that was not covered due to time constraints.

The Ethical Trading Initiative

The Ethical Trading Initiative (ETI) is a leading multi-stakeholder alliance of companies, trades unions and NGOs focused on improving labour rights and working conditions in global supply chains. ETI's 90 corporate members include major brands and retailers based in the UK and abroad, with a combined turnover of more than £180 billion; its trade union members represent over 200 million workers in 163 countries and its 17 civil society members operate in 120 countries.

ETI is a member of the Advisory Committee of the Business and Human Rights Resource Centre's Modern Slavery Registry that has made a separate submission to this parliamentary inquiry.

Guidance on Child Labour and Modern Slavery

ETI launched two guidance reports this year in the UK parliament aimed at the private sector to provide practical support in preventing, mitigating, managing and dealing with the incidence of trafficking, forced and child labour in their global supply chains. As requested by a Committee member, these are available to download via these links: [Child Labour Guidance](#) and [Modern Slavery Guidance](#).

Key messages:

- 1. We would strongly advise that the Canadian government enacts legislation covering all forms of forced and child labour, including the worst forms of child labour, for men, women, boys and girls.** There is a direct relationship between child labour and income opportunities available to adults. Eliminating child labour is not possible without taking an integrated approach that includes, amongst other things, addressing the vulnerability of families, protection of labour rights, the quality of jobs for adults, access to education, health care, social protection and tackling discrimination.
- 2. We do not advise a selective focus for any new legislation on specific sectors, such as the fishing and seafood sector in Southeast Asia or the garment and textile sector in South Asia.** The complex nature of

global supply chains and labour market dynamics makes it impossible to separate risk and vulnerability across geographical areas and industries. Forced and child labour operate within a complex web of factors that include governance failures, corruption, neglect, increasingly competitive globalized markets, the demand for cheap goods with faster access to markets, complex production factors and increasingly diverse trading relationships at local, regional and international levels. There are also strong connections between informal and formal labour markets, logistics, services and dependencies between sectors. As such, we would argue that it is impossible to eliminate the risks of forced or child labour without tackling root causes or focusing only on a few sectors.

- 3. Government needs to create a level playing field for the private and public sectors. Transparency in supply chains (TISC) legislation is an effective but light-touch way of regulating industry without compromising economic growth or trade.** A significant number of companies advocated strongly for the UK Modern Slavery Act 2015 TISC legislation, have found it extremely helpful in enabling them to drive change within the company and reduce unfair competition. They feel voluntary codes are inadequate, and called for the threshold of companies required to report to be as low as possible. (£36m annual turnover is the lowest threshold compared with other legislative measures in other jurisdictions).
- 4. Civil society and collaboration between businesses, with trade unions, NGOs and public bodies is critical for effective responses to eliminate child and forced labour.** No single organisation can tackle this problem alone, and a recognition of the different roles and responsibilities of all actors is needed to address this problem. Because of its complexity, long-term strategies and partnerships are needed alongside urgent action where egregious rights violations have occurred or where people are at risk. Freedom of association and collective bargaining is one of the most effective ways of eliminating the risk and incidence of forced or child labour because this enables workers to negotiate their own terms and conditions of work.

MORE INFORMATION

Relationship between child labour, modern slavery and other labour rights

[ETI's Base Code](#) is a globally recognized international voluntary code for companies that is based on ILO Conventions. It includes some core labour standards that are enshrined in international human rights law, binding on all countries, whether or not they have ratified the conventions. These include: no forced labour; no child labour; the right to healthy and safe workplaces; the right to freedom of association and collective bargaining; no discrimination; reasonable working hours; payment of living

wages; no threat, harassment or abuse; the right to a work contract and fair recruitment.

Child labour and forced labour are to be found where one or more of these rights are violated, and they are most often linked. For example, a woman migrant worker may work without a contract in unsafe working conditions where there is underpayment of wages, excessive working hours, facing discrimination, threat, sexual harassment and abuse. As a result, her children may be forced to work to supplement the family income, be denied the right to an education and end up doing hazardous work. Modern slavery sits at the extreme end of a continuum of labour rights violations, and it would be a mistake to try to separate them or try to tackle one issue only.

Children are part of families and communities, and are forced to work when adults are paid extremely poor wages or locked out of employment, access to education, health care and social protection.

Most victims of child and forced labour are from communities that are discriminated against on grounds of their caste, race, religion, ethnicity, gender, disability, age, etc. Gender discrimination makes women and girls additionally vulnerable to sexual violence and harassment.

Modern slavery is premised on the abuse of power in relation to the degree of vulnerability of the victim. As such, legislation that includes migrant, temporary and other kinds of vulnerable workers – whether children or adults – is necessary to tackle the problem in the long-term. Legislation that targets only child labour will be far less effective than that which covers all workers that are vulnerable to exploitation and abuse.

Textile and garment sectors in South Asia

Women and girls are particularly vulnerable to labour exploitation, abuse and discrimination in the workplace in South Asia – including in the textile and garment sectors. One example is the ‘sumangali scheme’ (a so-called ‘apprenticeship scheme’ for young women workers to be contracted for three years in garment and textile mills of Southern India. Although legislation is in place to remove this scheme, it persists in some places as a form of bonded labour, whereby payment of wages is given in a lump sum at the end of the three years. Even where this practice no longer exists, women and girls are subject to extremely poor working conditions, sexual abuse and harassment, and do not feel able to negotiate with their employers for better terms and conditions of work.

ETI has made progress in helping to tackle child and forced labour of women and girls in southern India. Tamil Nadu is the powerhouse of India’s garment and textile export sector, where for years the ‘sumangali’ scheme has operated in cotton mills. [ETI’s local programme](#) has sought to empower women workers by making them aware of their rights, building their confidence, and facilitating communication with

their supervisors and with factory and mill owners. The results of this work show improved working conditions, increased productivity, lower turnover, increased trust between employers and workers, and engagement with local authorities, trade unions and NGOs to raise standards across the whole sector

ETI is also working in Bangladesh to support women workers in the garment and textile sectors by building awareness of their rights and their capacity to negotiate the terms and conditions of their work with their employers. [ETI's social dialogue programme](#) operates in partnership with large brands, retailers and sister organisations in Norway and Denmark.

In Pakistan, we have a new programme to build awareness in the textile and apparel sector as well as the surgical instruments sector, where child and forced labour is endemic.

Fishing and seafood industry in South East Asia

The exploitation and abuse of child and adult workers in this sector is well documented. There are now many actors involved but progress is slow for a number of reasons, including: the large scale nature of the problem, which involves migrants from several countries; the number of small enterprises involved where the problem is greatest; failures in regulation; discrimination against migrant workers; the complexity and length of seafood supply chains; unscrupulous recruitment and debt bondage. Many of the migrant workers from Myanmar, Laos and Cambodia that were interviewed in a recent ILO study found that they had started working as children. But whilst there has been some progress and will to address these issues, unfortunately very few of the current initiatives are not joined up and are not aimed at tackling root causes.

The lack of voice at the table for workers themselves and civil society organisations is a critical problem. [ETI is working alongside other organisations](#) to build a more coherent response and support a greater role for workers and their representatives.

State duty to protect; corporate responsibility to respect human rights

ETI's work with companies, trade unions and NGOs is based on the globally agreed UN Guiding Principles on Business and Human Rights (UNGPs). This is an internationally agreed framework that obliges all businesses in every country around the world to be accountable for any human rights impacts that result from their business operations. caused as a result of their commercial operations. Governments have an obligation to protect people against human rights abuses, and part of that is providing appropriate legislation and regulation in relation to private sector operations and supply chains.

The UNGPs require companies to undertake human rights due diligence and ensure that workers have access to remedy where their rights have been violated. Fulfilling these obligations is also reliant on the duty of the state to protect people from human rights abuses and ensure access to remedy and justice where harm is incurred (sSee ETI's [human rights due diligence framework](#)).

With this in mind, we strongly encourage the Canadian government to enact legislation that creates a level playing field for businesses to act responsibly and to be accountable for protecting people from exploitation and abuse in their commercial operations. **Transparency in supply chains** legislation is a light-touch but effective way of ensuring that businesses are held to account for public commitments they make on the steps they are taking to prevent, mitigate and manage risks of forced and child labour in their own operations and supply chains.

The Modern Slavery Act 2015

ETI, its members and partner organisations played a significant role in advocating for the inclusion and strengthening of Section 54 of the UK Modern Slavery Act 2015, focusing on Transparency in Supply Chains (TISC) (see our [letter to the Prime Minister](#)).

The legislation requires companies with a turnover of £36m or more to make a public statement about the steps they are taking to address modern slavery and forced labour in their supply chains and their own operations, covering goods as well as services. The fact that the statement has to be signed by directors or the board and published on the home page of their website is an important signal for businesses that they need to recognise modern slavery as a business-critical risk.

ETI's report [Corporate Leadership on Modern Slavery](#) with Hult Business School in 2016 highlighted the impact of the Modern Slavery Act on leading companies operating in the UK. All of the companies interviewed were positive about the legislation - some referred to it as a 'game-changer'. Over 50% more CEO and senior executives had become directly engaged in oversight and policy change on modern slavery risk, compared with the situation prior to the Modern Slavery Act. The research also indicated that the Act is having a galvanising effect; addressing modern slavery is now becoming a business-critical issue for many companies. 97% of companies were worried about reputational risk and a large percentage of companies said that human rights, customer and investor concerns were important drivers for corporate action.

The ETI recognises that the Modern Slavery Act 2015 has prompted welcome action, but feels that further effort is now needed in several key areas to improve implementation of the TISC measure and to strengthen the legal provisions of Section 54. In particular, we have called on the government to:

- Publish a list of companies required to report under the TISC requirement

- Create a central registry where companies should be required to publish their modern slavery statements (in addition to their own websites)
- Apply TISC to public and government bodies and procurement processes
- Ensure effective resourcing and strengthen the remit of labour monitoring and enforcement agencies, such as the [Gangmasters Labour Abuse Authority](#), and create an effective strategy for the labour market led by the [Director of Labour Market Enforcement](#).

[ETI's submission to the Australian government](#) sets out the lessons, strengths and challenges of the UK legislation, and notes that a number of recommendations have been taken on board. We hope it is valuable and wish you success in the conclusion of your study.

For more information see
ETI's website: www.ethicaltrade.org

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