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Modern Slavery in Global Apparel Supply Chain: An Important Research Agenda

Rejaul Hasan**College of Textiles, North Carolina State University, USA*

***Corresponding author:** Rejaul Hasan, College of Textiles, Textile Technology Management, North Carolina State University, USA.

Received Date: July 01, 2019**Published Date: July 10, 2019****Introduction**

More than 150 years have passed since President Abraham Lincoln issued the Emancipation Proclamation in 1863 which declares that all person held as slaves “shall be then, thenceforward, and forever free”. When we thought that we have passed the age of slaves and the slavery practices has extinct from our modern society, the unfortunate truth is slavery still exists in every corner of the world, yet invisible to most people. The slavery in modern world have a different face but it happens to people in every country, across races, at all ages [1]. The recent estimates show that there are 40.3 million slaves who are part of our modern society and alone G20 countries (a group of nations which account for 80 percent of world trade) are importing product worth of \$354 billion which are at-risk of being produced by people experiencing slave like conditions [2]. This shows that the product made by the people who are treated like slaves are ended up in seemingly legitimate commercial channel. Means, most possibly slaves have built or cleaned many of the buildings where we live, they have produced some of the cloth we wear or the food we eat every day. The objectives of this article are to introduce readers with the idea of modern-day slavery, modern slavery practices in global apparel supply chain, highlights the limited research in this area, and why modern slavery is an important research agenda.

Modern Slavery

When one think of a modern slavery practices, most apparently the force labor comes to mind. Often people are taken to a state or in a workplace with a fair job commitment, but they are eventually pushed to work with no pay and often with inhuman and dangerous working conditions. People are forced to work under constant threat or coercion on manufacturing factories, on fishing boat, on construction, and in sex industry. And this prevails from the poor African countries to GCC (Gulf Cooperation Council) countries

and even in the modern Europe and America. While the private individuals and groups are often responsible for this forced work, many times even the state authorities are also involved.

As the practices of slavery has evolved with times, the terminology to define the modern slavery has also evolved. According to Walk Free Foundation, modern slavery is defined as a state of a person who is exploited but not able to refuse the situation because of threats, violence, coercion, deception, abuse of power. Modern slavery is also defined as the umbrella term to cover forced labor, human trafficking, debt bondages, forced marriage, and the sale and exploitation of children [2].

Estimations on Modern Slavery

According to Global Slavery Index 2018 estimates [2], there are 40.3 million people are in modern slavery among which 71% is female. 24.9 million people are involved in forced labor and 15.4 million people are involved in forced marriage of this total 40.3 million people. International Labor Organization (ILO) has also made the similar estimates in 2016 [3]. There were 5.4 victims of modern slavery for every thousand people in the world. There were 5.9 adult victims of modern slavery for every 1,000 adults and 4.4 child victims for every 1,000 children in the world.

The most alarming parts of the Global Slavery Index is how fluidly the product made by the slaves are merging into the legitimate commercial channel. There are almost \$354 billion worth of product are imported by G20 countries which are at a risk of being produced by the slave working conditions. Top G20 countries contributing this import are: United States (\$144b), Japan (\$47b), Germany (\$30b), United Kingdom (\$18b), France (\$16b), Canada (\$15b). The top 5 products at risk of modern slavery (Figure 1) imported in G20 are electronics (\$200.1 billion), garments (\$127.7

billion), Fish (\$12.9 billion), Cocoa (\$3.6 billion), and sugar can (\$2.1 billion).



Figure 1: Top 5 Product at risk of modern slavery imported into the G20, US \$ Value [2].

According to Global Slavery Index 2018, the top 10 country with highest prevalence of modern slavery practices are North Korea, Eritrea, Burundi, the Central African Republic, Afghanistan, Mauritania, South Sudan, Pakistan, Cambodia, and Iran.

Modern Slavery Practices in Global Apparel Industry

Global apparel industry is historically known for its poor and unsafe working conditions evident from the 1911 Triangle Shirtwaist Factory Fire in New York to 2013 Rana Plaza collapse in Bangladesh [4,5]. Estimated 60-75 million people are working in textile, clothing, and footwear industry around the world which makes a US \$3 trillion in retail [6]. Today Asia alone export 67 percent (Figure 2) of global apparel which is characterized by opaque and complex supply chains driven by rock bottom price and quick turnarounds [7]. Approximately \$127.7 billion worth of garments imported annually in G20 countries are at risk of involving modern slavery in their supply chains.

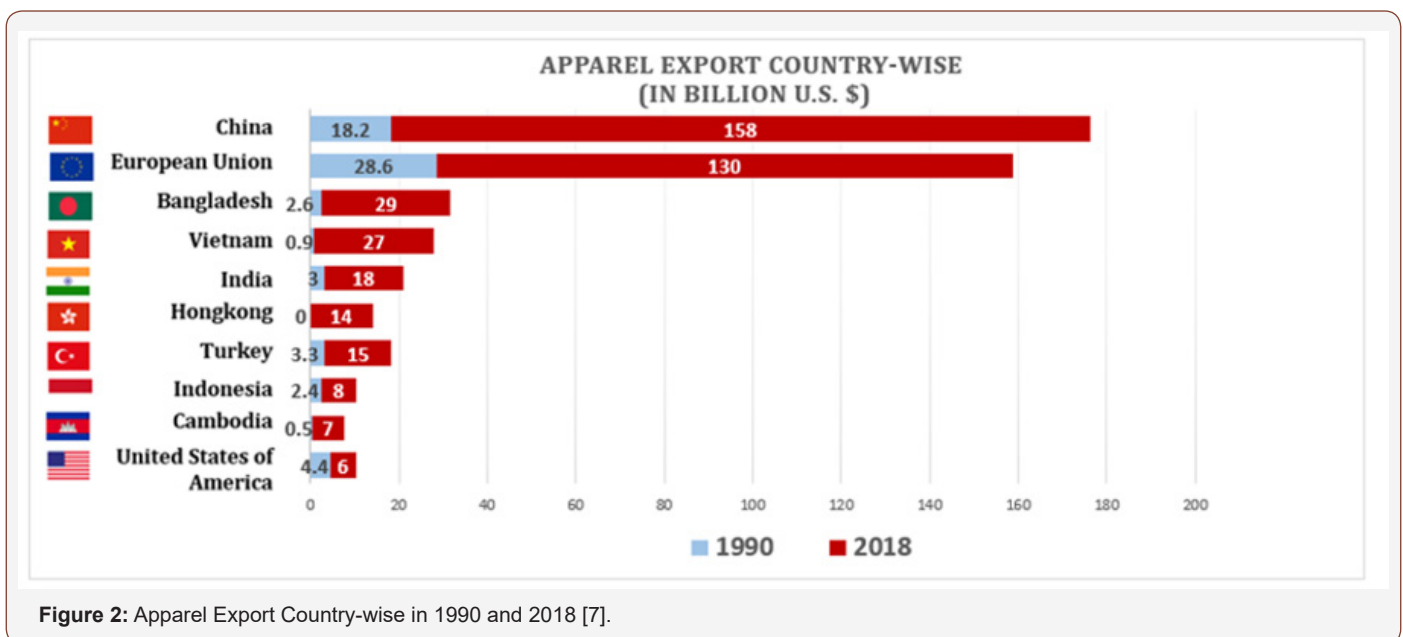


Figure 2: Apparel Export Country-wise in 1990 and 2018 [7].

The most prevailing forms of modern slavery in global apparel industry is forced labor. According to ILO Forced Labor Convention, 1930 (no. 29) Forced labor is "all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily"[8]. According to the International Labor Organization (ILO), an estimated 24.9 million people are victims of forced labor around the world, 16 million of whom are exploited in the private sector. The risks within the apparel sector are pervasive and endemic at each stage of production, occurring across continents, in supply chains from fast fashion to luxury brands [40]. The know the chain 2018 report establishes a modern slavery benchmark covering the apparel and footwear sector, which remains at high risk of forced labor despite decades of stakeholder and public scrutiny. The benchmark finds that 28 of 43 companies score below 50/100 in addressing the risk of forced labor in supply chains, and 10 companies score below 10/100 [9].

Research reported that the apparel factory workers are still at a high risk of force overtime in many apparel production countries as Vietnam, Bangladesh, Honduras [10-15]. Often this forced overtime practices are not even adequately paid. The inadequate government legislation or weakness in implementation, the poor supply chain monitoring of global apparel brands and retailers are often responsible for such vulnerable working practices in apparel factories. Often the forced work conditions in the illegal subcontracting factories are even worse since those factories fly under the radar without any monitoring from brands and governments [16]. In Bangladesh the tier 1 global supply chain factories are directly influencing the growth of apparel factories that supplies to the domestic market through technology support, skilled manpower, old machine selling and excess materials selling [17].

In India the practices of forced labor are prevalent in different notorious forms. Sumangali schemes are prevalent in Tamil Nadu

spinning mills where migrant young girls are hired for few years (often three years) contract from north Indian poor village to work in spinning mills in Tamil Nadu. Often the working conditions for these young girls are very similar to slaves and the girls gets a small amount of money (\$450-750 for 3 years) at the end of their contract which is often spent for the girl's marriage dowry [18,19]. While arguably this practice is reducing during recent times, the forced labor is appearing in different forms. Recent news shows factories are using unlabeled painkiller pills without proper medical advice to ease menstrual cramps of female workers so that the workers are taking less breaks and can continue to work during menstrual period [42]. The forced work condition in apparel industry is also prevalent in other apparel producing countries. The state-controlled cotton picks up in Uzbekistan, overtime violations in Vietnam, Brazil [10,11,12, 19,20].

The major reasons of modern slavery in apparel industry is the extensive reliance on migrant workers who do not know the culture and language of the employing state, the extreme poverty and unemployment, using of unethical recruiting agent, low level of unionization, large women workers and low skilled.

Why Modern Slavery Research is Important

Human rights issues are increasingly important for the global apparel brands and retailers from the supply chain risk management perspective. The global brands are also concerned with the potential brand reputation damage through the human rights violations in the supply chains. The hidden modern slavery issued impose tremendous amount of risk for the brand reputation and the supply chain. Recent history showed that how the hidden supply chain and illegal subcontracting damaged the brand reputation [4,21,22,23].

Report shows that modern slavery practices is creating \$150 billion illegal profit. This is not only unhealthy for the economic growth of the private company; this is also not helpful for the country economic growth [24]. Often such hidden factory network produces the counterfeit product which is worth of \$600 billion according to report [25,26]. In 2009, the OECD assessed the global financial impact of counterfeiting at between \$250 billion and \$500 billion. While counterfeiting harms the companies that fall victim to it, therefore ruining innovation and destroying jobs, it hurts consumers, who put their health and safety at risk by purchasing products that do not meet the safety standards in force. It is also the source of significant losses in tax revenues for States, eventually resulting in declining growth and therefore fewer public services for citizens. In the year between October 2005 and September 2006, the Department of Homeland Security made 14,000 seizures of counterfeit goods worth a total of \$155 million. In New York alone, the trade was worth \$80 billion, and it costs the city an estimated \$1 billion a year in lost sales tax revenue [26].

Report shows that the illegal profit generated through this counterfeit product are used in funding terrorist organizations as Al Qaeda, Hezbollah [27]. Interpol also believes that Al-Qaïda

and affiliated groups received between \$300 and \$500 million from their "supporters" over the past decade. This includes funds originating from both legal and illegal activities, including the trade of counterfeit goods [28].

Limited Understanding regarding Modern Slavery in Global Apparel Supply Chain

Though global apparel supply chain is directly or indirectly connected with the slavery practices, there are limited understanding about modern slavery among the supply chain managers and the researcher [29,30]. Though with the rise of increasing awareness and introduction of new legislation as California Transparency in Supply Chains Act, UK Modern Slavery Act, this situation might change soon [31,32]. Research state that even the modern slavery research is new in supply chain agenda, it can get the knowledge from the diverse and traditional discipline as social science, history, international development, law etc. who has already conducted numbers of research on modern slavery and human freedom [33-36,38,39,41]. There is necessity to make further conceptual or inductive empirical research to develop the approach to combat the modern slavery challenges [29]. The practices of modern slavery and forced labor is hidden deep inside the supply chains and there is a very limited data available regarding this issue which stated as one of the fundamental challenges to conduct research in this area. The government and NGO can ensure more funding and resources to enable the researcher to make further investigations in this area. In this regard, recent Global Fund to End Modern Slavery through the US and UK government funds shows the promise [37].

Conclusion

This is important to remember that everyone is born free and should be treated in the same way, means freedom is the basic human rights. The forced labor, bonded labor or the other form of modern-day slavery practices that exists in global apparel supply chain is ultimately the sever violations of basic human rights. Such practices are not only dreadful to an individual life, but also detrimental to business, society, and state. Failure to address the challenge of modern slavery practices in global apparel supply chain could one way affect the business by demeaning the image of reputed brands, impacting the consume choice & loyalty, through lost revenue due to counterfeit product; the other way it can impact the state safety & security and social equity & peacefulness. Hence it is important to tackle this challenge through a more collaborative and multi-stakeholder approach involving the governments, business, NGOs, academia, social activist etc. Each stakeholder needs to mobilize the efforts and resources to tackle this multi-billion-dollar illicit profit earning industry. It is critical that the private sector, government, and non-government organization (NGO) engages more deeply to discover the hidden modern slavery practices in global apparel supply chain. Supply chain researcher should pay increased attention to tackle this challenge through more comprehensive and data driven empirical research. The emerging national, international, and private funding body should support the supply chain researcher in this regard.

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Conflict of Interest

No conflict of interest.

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