



TESTIMONY OF

Samir Goswami, Technical Consultant, Technology Solutions to Trafficking in Global Supply Chains,
Issara Institute

HEARING ON

Force Multipliers: How Transportation and Supply Chain Stakeholders Are Combatting Human
Trafficking
Before the U.S. Senate Committee on Commerce, Science, & Transportation

July 12, 2017

INTRODUCTION

Chairman Thune, Ranking Member Nelson, and Members of the Committee, thank you for inviting the Issara Institute to be here today to discuss human trafficking and working conditions in the seafood industry in Southeast Asia, and exciting emerging models for identifying and eliminating forced labor and human trafficking in global supply chains.

The International Labor Organization reports there are more than 20 million people in forced labor today—about double the number in bondage during the transatlantic slave trade. Human trafficking is as much a moral issue as an economic one—pervasive in Thailand’s seafood sector, an issue that I will speak to today. We are grateful that this body, with its oversight of shipping, transportation security, merchant marine, the Coast Guard, oceans and fisheries, is exploring ways that it can assist the hundreds of thousands of victims of forced labor and human trafficking who are exploited daily in the process of satiating a global appetite for seafood.

I am an advisor to the Issara Institute, an independent U.S. 501(c)(3) not-for-profit corporation based in Southeast Asia tackling issues of human trafficking and forced labor through technology, partnerships, and innovation. The Institute was established in 2014 by a team of anti-trafficking experts coming out of the United Nations who created an alliance of private sector, civil society, and government partners to address labor issues in global supply chains. Today, I will highlight some of the pervasive challenges that

we observe in Thailand's fishing industry, and the solutions that we deploy, often in close partnership with the private sector, including leading U.S. retailers.

Traffickers often exploit the economic and social vulnerability of those migrating within Southeast Asia, looking for better economic opportunity. For example, the great majority of the estimated 4 million migrant workers in Thailand – many of whom are working in factories or farms making products that are sent to the United States and Europe – are from the poorer neighboring countries of Myanmar, Cambodia, and Laos. Our experience and research strongly suggests that the scale of the forced labor issue has proven to be simply too large for government and criminal justice-oriented approaches alone to drive down. Hundreds of thousands of victims of trafficking and forced labor remain unidentified and unassisted annually, and extremely high rates of labor abuse plague high-risk industries such as fishing – 3 out of 4 fishermen on Thai vessels are debt-bonded, for example.

Certainly, more can be done by the destination-side governments in Asia to vigorously enforce local laws and international protocols to punish traffickers and protect the rights of exploited and trafficked migrant workers. However, I am here today to discuss some of the most promising and exciting emerging models to eliminate forced labor and human trafficking in global supply chains, including multi-tiered and complex supply chains such as shrimp. These new emerging models center on partnership with American and European brands and retailers to fix the broken business systems – that is, primarily, migrant labor recruitment and management – within global supply chains that have allowed such high rates of forced labor and debt bondage to persist. These models have developed on the other side of the world, through collaboration between our American NGO and leading American (and now also European) brands and retailers, and with the support of key donors including the U.S. Agency for International Development and the U.S. State Department Office to Monitor and Combat Human Trafficking. Together, we are using *partnerships with business, data and technology, and on-the-ground solutions* to empower worker voices, identify risks and root out illicit practices in supply chains leading to the U.S. We also encourage local suppliers to reform their systems, and create fair and just worker recruitment and workplace experiences for hundreds of thousands.

THE SCALE AND SEVERITY OF THE TRAFFICKING PROBLEM IN THE FISHING INDUSTRY

According to the [World Wildlife Fund](#), more than 85 percent of the world's fish stocks are at risk of illegal, unreported and unregulated fishing. While much attention is paid to over fishing, traceability, depleted fish stocks, and unhealthy toxins that contaminate the seafood we consume, there is increased awareness of the labor exploitation that is also endemic in the industry.

Thailand's seafood industry has an annual worth of approximately [\\$7.3 billion](#) exporting roughly 500,000 tons of shrimp alone, an estimated [40 percent](#) of which are to the United States. The Thai government estimates that up to [300,000 people work](#) in its fishing industry, the great majority of whom are foreign migrant workers. The United Nations estimates that the industry faces a shortage of about 50,000 workers every year, which is often filled by illicit recruiters who use deceptive practices to enlist desperate migrant job seekers from Myanmar, Cambodia, or Laos, or even employ force and coercion to traffic migrants to work in the industry. Migrant workers' vulnerability at the fisheries level is exacerbated by informal bans imposed by the Myanmar and Cambodian governments, which prohibit recruitment of their citizens on to Thai fishing vessels through formal channels. This means that, with the labor recruitment systems currently set up by the source and destination governments, there is currently no formal, regulated channel through which migrants can be recruited and placed into the Thai fisheries.

[About 90 percent](#) of the seafood consumed in American households is imported; and, “forage fish” or “trash fish”, about a third of all fish caught at sea, ends up being made into feed for shrimp, aquaculture, poultry, and other animals farmed and raised for export into American supermarkets. This puts us at risk of inadvertently supporting illegal and often unconscionable practices. The shortage of workers and the high prevalence of debt-bonded fishermen (76%, according to the Institute’s latest prevalence estimates), along with a high demand from the U.S. and Europe for inexpensive seafood products, drives the need for cheap labor that is met by exploitative and often unregulated and illicit labor practices. Thus, the exploitation of those employed in Thailand’s seafood industry, both on-shore and on Thai fishing vessels fishing in Thai waters and beyond, to the coasts of Indonesia, Australia, and Africa, has global implications.

Issara Institute’s research and ongoing fieldwork in the factories, ports, and piers of Thailand’s seafood industry clearly demonstrates that labor abuses on Thai fishing vessels is systemic. Rates of debt bondage, illegally low pay, and illegally excessive working hours are found in over 75% of the commercial fishing migrant workforce. This includes vessels going out to sea for just days or a couple weeks, in addition to those more famously known for being out at sea for months or years at a time. Working conditions are intense and hazardous and tightly controlled by boat captains and net supervisors, both when vessels are at sea and when they are at port, where the men often have very little freedom of movement and are made to mend nets and perform other tasks. Labor risks are highest by far on trawlers as compared with purse seiners, squid boats, or long-liners. Trawlers catch the low-value “trash fish” that is made into animal feed, as well as anything and everything else that gets trapped in the trawling nets that are dragged along the ocean’s surface for hours at a time.

Conditions on-shore are far from perfect but generally better than at sea. Obviously, factories and farms are easier to inspect and regulate than fishing vessels – not only by government inspectors, but also by auditors and representatives of concerned retailers, restaurants, supermarkets and the food service industry. The main challenge to concerned retailers and brands has been knowing exactly which of the thousands of farms, feed mills, and fishmeal plants across Thailand and Southeast Asia are in their supply chain. The first-tier processing plants from which they purchase the products that end up on our grocery shelves are well known, but the deep supply chains behind them generally are not – even though the California Transparency in Supply Chains Act mandates that businesses make efforts to eradicate human trafficking from across entire supply chains and not just the first tier.

Take for example the case of Maung Nge, a young, orphaned Burmese boy who, after losing both his parents, migrated to Thailand at the encouragement of a family friend. At age eleven, Maung Nge started work on a Thai long-haul fishing vessel that travelled into Indonesian and Malaysian waters, spending over a year out at sea, only returning to shore when the boat broke down. He spent the next six years working on different fishing vessels, all as a child. One day he was arrested by Thai police who exploited his lack of documentation and demanded a bribe of 4,000 Thai Baht (\$114) in order to be released. When he could not pay, he was beaten and ‘sold’ by the police to a broker, who demanded he work on a fishing boat to pay off his debts. This broker took all of Maung Nge’s earnings, and for the next 15 years, he was forced to work 16 – 20 hour days on a fishing boat to pay back his debts. Maung Nge was beaten frequently, witnessed the torture and murder of his fellow fishermen, was threatened at gun point, and was forced to take illicit amphetamines to stay awake and work harder.

Sadly, Maung Nge’s experience is not uncommon, as demonstrated not only by Institute research but also verified by a recent [New York Times investigation](#). They found that fishermen on Thai boats worked 18 to 20 hours in over 100 degrees in the summer. Their Thai fishing boat captains had paid a “fee per head” to smugglers and traffickers which trapped migrants in a system of debt bondage, working years to pay

off an artificial and often illegal debt, enduring much suffering along the way.

The experiences of Maung Nge are illustrative of the exploitation that recruiters, traffickers, boat captains and corrupt police officials perpetrate, establishing a system of collusion that leaves workers, especially migrants, with very few options and access to remedy. From Issara's extensive fieldwork, casework, and research, it is clear that illegal overwork, underpay, and debt bondage—key elements of human trafficking—are widespread in Thailand. Make no mistake, this is a system of indentured servitude being practiced today with local victims and global ramifications. Yet, according to the recently released Trafficking in Persons Report by the U.S. State Department, despite the prevalence of forced labor in Thailand, the government reported that it only conducted a woefully small 83 investigations and 62 prosecutions involving suspected cases of forced labor. A seemingly miniscule number compared to the scale of exploitation that has been documented.

IMPACT ON AMERICAN CONSUMERS

While exploited, debt-bonded, and trafficked migrant workers toil in Thai fishing vessels and processing facilities, the product reaches American restaurants, kitchen tables and the cafeterias of military and civilian facilities. Americans consume [1.3 billion pounds of shrimp](#) per year, about 4 pounds per person—much of which is impacted by forced labor or other forms of exploitation in its harvesting or processing. Undoubtedly we all agree that this defies our values, however, an [Associated Press investigation](#) revealed that supermarkets in all 50 states sold shrimp products from supply chains tainted with forced labor. Such shrimp was found by the AP in the products of 40 U.S. brands, in more than 150 grocery stores across urban and rural America — exposing millions of American consumers.

GROUNDBREAKING SOLUTIONS THROUGH PARTNERSHIP, DATA AND TECHNOLOGY, AND INNOVATION

Last Saturday, on July 8 2017, the head of Scotland Yard's anti-slavery police unit, Detective Chief Inspector Phil Brewer, stated to media about forced labor and human trafficking that "Everyone realizes now we're never going to police our way out of this." This is certainly the conclusion we have come to in Asia as well. With millions of victims and thousands if not millions of exploitative brokers, agents, employers, and other criminal elements, what is the vision – that the millions of victims are identified and put in shelters, and the perpetrators are all put in prisons? If all victims cannot be assisted, what fraction do we aspire to help, and who gets prioritized and deprioritized – if we can even imagine having to make such decisions, which are actually being made every day? How many dedicated law enforcement officers, social workers, and prison and shelter beds would be required for this kind of justice?

When we can see how the slavery in Asian supply chains touches us in America, it is fair and high time for us to be involved in creating the vision for the solution. This, at least, was the attitude of Walmart and nine UK retailers and seafood importers in 2014, when the newly established Issara Institute formed the first pilot partnerships to end slavery in seafood supply chains. Issara's system is basically one where we incentivize and enable multinational businesses to get a direct view of labor conditions across their supply chain, no matter how complex; pressure local suppliers to either eliminate their labor risks and abuses or get cut from the supply chain; and, offer technical assistance to progressive suppliers to fix broken labor recruitment and management systems. That is, make sure all workers have their passports in hand, are not debt-bonded, have legal contracts, are paid legally, have decent living conditions, safe access to grievance mechanisms without fear of reprisal, and so on – from the biggest processing plants to the smallest piers. Just in the past year our model has directly and positively impacted the lives and working conditions of over 60,000 migrant workers, over 5,000 of whom were in forced labor conditions and who are now in

decent work – being paid fairly and with freedom of movement, with no shelters, no separation from families or other ethical dilemmas, and no protracted and corrupted court cases. And we did it all on a budget of approximately \$1 million, coming from a combination of development donors and corporate partners. No other anti-trafficking NGO response has been able to achieve this level of effectiveness or efficiency in eliminating forced labor, perhaps because we have been able to get to the root of the broken business systems that create and perpetuate forced labor, and force change through supply chain leverage. The three key elements of the model are *partnership with business, data and technology, and on-the-ground solutions*: Taking a collaborative and science-driven approach but also an on-the-ground, within-supply chains-based methodology that draws upon the leverage that multinational brands have to drive improvements in their supply chains.

TECHNOLOGY INNOVATION FOR HUMAN RIGHTS AND BUSINESS DUE DILIGENCE: WORKER VOICE

In Southeast Asia, the majority of migrant workers own and use smartphones. Over 90 percent of the estimated nearly 4 million Burmese migrant workers in Thailand own smartphones with data packages. Mobile phone usage is similarly saturated in Cambodian and Lao populations in Thailand. This mobile penetration has greatly enhanced Issara’s ability to reach out to and listen to workers to ensure that their actual experiences inform the solutions that we deploy with our brand partners.

Issara Institute runs a 24-hour helpline in four languages, and utilizes social media and chat applications like Line, Viber and Facebook that leverage smartphone-based communication and social media channels that workers already use. Through these multiple technology-enabled channels, in 2016 over 60,000 workers were linked to Issara, communicating with our staff in their own language and enabling us to have a constant pulse on the voice of thousands of workers across multi-tiered supply chains. These multiple channels enable us to successfully access remote and hard-to-reach populations, including migrant workers at sea. We aggregate the data collected from these various sources to uncover risks in complex supply chain operations—pinpointing specific exploitative actors.

With support from USAID and Walmart Foundation, Issara has also recently launched the *Golden Dreams* Burmese-language smartphone app, a Yelp-like platform for Burmese current and prospective migrants to learn and exchange information, reviews, ratings, comments, and advice about employers, recruiters, and service providers, in both home and destination countries.

While technology provides unprecedented insight, it complements and does not replace on the ground action. Thus, Issara field teams establish rapport with workers and communities to ensure that we are addressing their stated needs and priorities. Online and offline, continuous communication with workers builds relationships and trust, enabling better data collection. The information and feedback is then turned into action: It directly shapes the interventions and improvements made by the hundreds of suppliers of the 14 brands we partner with and support.

PARTNERSHIP WITH BUSINESS & SOLUTIONS THROUGH INCLUSIVE LABOR MONITORING

Issara is currently partnering with 14 leading brands, retailers, and importers, including Nestle, Walmart, Mars, Red Lobster, Tesco, Marks and Spencer, Sainsbury’s and Waitrose, to identify and address risks of trafficking and forced labor in their Thailand export-oriented supply chains. We do this through a new approach we call Inclusive Labor Monitoring, whereby business partners share their confidential supply

chain data, and our team on the ground works directly with their suppliers (all tiers) to identify labor risks and support solutions that are “owned” by the supplier. The approach is inclusive because all workers have the opportunity to individually share information in-confidence at their own time and location of choosing, and receive assistance and support via Issara’s multiple worker voice channels.

Issara builds trust with workers by engaging with them at the factory, in the community, and sometimes pre-departure in their home countries before migrating, and provides meaningful and timely information to help them navigate their journey. Trust is key because it underpins successful worker voice systems, and provides the concrete details for business and suppliers to understand what is happening in their factory and to take action. This is particularly important when it is a foreign migrant work force that does not speak the same language as the supplier’s human resources and management staff, as in the case of Thailand. Lack of trust is why social audits, where an auditor visits a factory for a few hours or days, or internal supplier grievance mechanisms or government-run hotlines are not always successful at exposing many of the complex and hidden issues related to forced labor, debt bondage, and trafficking in persons.

Once worker voice information comes to Issara, we validate the data and then provide the supplier with the anonymized feedback for action. Corrective and preventive actions are developed in collaboration with Thai suppliers when labor issues are found. Suppliers have been supportive of this approach because Issara Inclusive Labor Monitoring is of no cost to them; they receive reliable business intelligence about what is happening in their workplace and workforce; there is free technical advice from Issara to help address issues; and, findings are kept confidential. But the suppliers are also held accountable to implement reforms since the brands and retail partners receive reports of issues in their supply chain, as well as the actions and progress suppliers are taking to address them.

The end result is an integrated model where both workers and business see benefits, and there is impact to address trafficking in persons at scale. Having started out as a pilot in 2014, the Issara Inclusive Labor Monitoring approach has already made fundamental changes to exploitative working conditions for over 60,000 workers last year, with over 5,000 of those directly helped out of situations of trafficking or forced labor.

CONCLUSION: SCALING SOLUTIONS & DRIVING CHANGE THROUGH GLOBAL SUPPLY CHAINS

Technology has greatly increased our ability to uncover once-hidden exploitation and hear directly from victims by the thousands. Importantly, it is their experiences that can now inform interventions and solutions. Too often we gravitate to the most horrendous stories of exploitation and violence and develop extreme responses such as raid, rescue, and forced shelter that often do harm and impinge on the fundamental rights and dignities of workers. It is time to simply change the system – to transform workplaces – and transform exploitative labor conditions into decent working conditions through supply chain leverage and technical assistance.

Most labor exploitation occurs in places like Southeast Asia not because of thousands of “bad guys,” but because of decades’ absent industry regulation or enforcement of basic labor standards such as giving workers contracts, pay slips, discrimination-free environments, and the right to voluntarily accept or decline overtime. Issara has extensive experience working with Thai suppliers of seafood and agricultural products to the United States. When suppliers are offered model contracts, pay slips, and other tools that are multi-lingual and designed in compliance with relevant laws and buyer standards, and trained on how to manage workers, their documents, and so on, these businesses often readily adopt these tools and new approaches, and change their systems to be more compliant with the law and buyer codes of conduct.

These businesses are not running highly informal, substandard systems for the purpose of being horrible greedy people, but rather because it's the way business has been done for decades absent effective government regulation. And if they were audited, especially beyond the first tier, it was not likely on social issues or with independent feedback mechanisms, like a worker helpline, in place where these issues would come to light. The good news is that in our experience once these businesses adopt new systems, policies, and approaches to recruiting and managing workers, and build their institutional capacity, they are extremely unlikely to backpedal back into not using contracts and pay slips, or not using systems they themselves created (with our assistance). There is no incentive to actively break down what has been built up, and in fact there is incentive from their global customers to maintain their higher standards.

So, how to foster this positive behavior from global customers – such as American retailers and supermarkets – to incentivize their suppliers in global supply chains to adopt less exploitative systems? How do they open themselves up to collaboration with NGOs that can help them build and reform their systems to drive trafficking risk out of these supply chains that touch American customers? Government can play, and has played, a key role in incentivizing and stimulating such adoption. The California Supply Chain Transparency Act and UK Modern Slavery Act have compelled many companies to investigate and disclose their own diligence processes and procedures. USAID's Supply Unchained Initiative and U.S. State Department funding to organizations with boots on the ground and science and technology capacity such as Issara Institute has enabled the development of the tools and innovation needed to actually root out and crowd out exploitative labor practices.

What else needs to be done to capitalize on these recent advancements and successes? Only a few multinational companies who face these supply chain risks have adopted such solutions at an enterprise level. Despite increasing regulatory frameworks and fears of reputational risks, conducting systematic due diligence for human trafficking does not appear to have become part of standard operating procedure for many brands and is often relegated to separate, limited corporate responsibility or ethical sourcing departments. Brands and retailers need to fully incorporate credible and effective diligence for human trafficking and forced labor into core sourcing functions, and invest in the optimal products and partnerships for their business needs. Knowing and mapping your supply chain, and conducting due diligence – preferably utilizing worker voice mechanisms as a more effective means to generate primary data and business intelligence – will help identify the solution areas that need to be focused. New technology tools and migrant worker access to smart phones is unlocking opportunities to identify trafficking and forced labor risks, and to interact with workers, in ways that were simply were not possible just a few years ago. American business investment in supply chain improvement, and seeking (and rewarding) suppliers that are open to change and workplace transparency, will spur further innovations, drive down costs, enable expanded data collection and sharing, and fuel scaling. Most importantly, U.S. brand investments and commitments can ensure that workers' rights are protected and violations prevented, and that long term responsible sourcing practices are advancing to drive solutions and change through global supply chains.

Further support is also needed to the refinement and expansion of technology to connect and empower vulnerable workers, giving voice to their experiences and providing data-informed insights to corporations and suppliers about labor conditions across complex, multi-tiered supply chains. Boots on the ground with multilingual and multi-cultural labor expertise are also vital to verify and validate labor risks and abuses. This local expertise can help supplier businesses transform their contracts, labor recruitment systems, and labor conditions, and report to global buyers where risks are and are not being eliminated, to bring on the supply chain leverage that so strongly motivates positive change. While Issara has scaled rapidly, and continues to experiment and learn, we have benefited greatly from the assistance

of the U.S. Agency for International Development and the State Department's Trafficking in Persons Office, which has enabled us to innovate and expand the reach of our technology and our partnerships to support American retailers and supermarkets. We hope the U.S. Government will continue to use all of the tools at its disposal to foster commercial environments that safeguard worker's rights and prevent their exploitation.

Thank you.