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Ending Modern Slavery: What is the Best Way Forward?
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Mr. Chairman, Senator Menendez, and distinguished members of the Committee, thank you for holding this hearing on one of the most terrible human rights abuses of our times – the widespread occurrence of human trafficking and modern slavery– and thank you for the opportunity to testify today.

Mr. Chairman, I am the Vice President of Policy and Government Relations at Humanity United, a U.S.-based foundation dedicated to building peace and advancing human freedom. Over the past decade, Humanity United has worked to combat human trafficking and end modern day slavery in the United States and around the globe.

We do this by building effective networks to address this issue, raising awareness, encouraging sustained government leadership on the issue, engaging the private sector to become part of the solution, and by strengthening and supporting the anti-slavery advocacy movement.

In that context, we support the Alliance to End Slavery and Trafficking, a coalition of 14 U.S.-based human rights organizations that advocates for solutions to prevent and end all forms of human trafficking and modern slavery around the world. The coalition presses for lasting solutions to prevent labor and sex trafficking, hold perpetrators accountable, ensure justice for victims, and empower survivors with tools for recovery.

Scope and Nature of Trafficking in Persons and Modern Day Slavery

Mr. Chairman, human trafficking and modern slavery inflict enormous human suffering. While data collection on this underground crime is challenging, we know that tens of millions of people around the globe are subject to this abuse, and conservative estimates put global profits at \$150 billion.¹ It is one of the most pressing and complex human rights challenges of our time, yet also crosses over into such diverse areas as transnational crime, international humanitarian law, domestic and international labor frameworks, and migration, among others.

And we know that human trafficking and modern slavery has many faces. Exploited through force, fraud or coercion, these are adults and children who are forced to work on fishing vessels, in mines, plantations, sweatshops and brothels. Two thirds of the profits from modern slavery come from sex trafficking, while two-thirds of the victims are in labor trafficking.² We must work urgently to combat human trafficking in all its forms.

¹ ILO, Profits and Poverty (2014), http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf

²Id. See also ILO Global Estimate of Forced Labour (2012), http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_182004.pdf.

Mr. Chairman, this is not a matter of numbers: each individual story of this suffering and exploitation is a human rights tragedy that violates our values and beliefs. As you know, modern slavery is also not a far away problem that only affects distant lands. It remains a shock to most Americans but thousands of adults are trafficked into forced or exploitative labor right here in the United States. Some estimates suggest that as many as 300,000 U.S. children and youth are at risk of being trafficked into the commercial sex trade.³ Moreover, the problem is not going away. The National Human Trafficking Resource Center hotline received nearly four times as many calls in 2013 as in 2008, with calls rising from 5,748 in 2008 to 20,579 in 2013.⁴ Government-funded research also suggests that there are significant numbers of cases of labor trafficking in the United States. Extrapolating from prevalence rates in San Diego, California, one DOJ-funded study estimates that there may be nearly two and a half million workers who are victimized by traffickers.⁵

We have also learned that the sometimes-divisive dichotomy between sex and labor trafficking is an unhelpful lens for examining this phenomenon. Those exploited for labor often find themselves facing sexual abuse, which can also be a driver of vulnerability. When I was in Nepal in 2010, service providers suggested that the figure for such dual exploitation may be as high as 90 percent of those who have migrated, a figure I found shocking.

Lifting Survivor Voices

Each of these victims, Mr. Chairman, deserves to become a survivor. They deserve the assurance that they and their families will be protected, their perpetrators will be convicted, and the trafficking of others will be prevented. And we need to support them to raise their own voices.

This is why I feel extremely privileged to be testifying with two survivors of human trafficking. Shandra Woworuntu and James Kofi Annan have faced such abuse, and through their personal strength and determination have become inspirational leaders in this fight. Pierre and Pam Omidyar, who founded and fund Humanity United, are true believers that we can only achieve sustainable social change if we work alongside those who have been or are on the front lines. So I commend you, Mr. Chairman, and you Senator Menendez, for making sure that their voices continue to be heard.

³ <http://www.ecpatusa.org/statistics>

⁴ This number reflects both crisis calls by victims but also tips and other communications. <http://www.polarisproject.org/resources/hotline-statistics>

⁵ Zhang, S. X. (2012). Trafficking of Migrant Laborers in San Diego County: Looking for a Hidden Population. San Diego, CA: San Diego State University, <https://www.ncjrs.gov/pdffiles1/nij/grants/240223.pdf>

In that connection, Mr. Chairman, I strongly recommend that you and your colleagues from the Judiciary Committee introduce and sponsor a companion to H.R. 500, the Survivors of Human Trafficking Empowerment Act, introduced by Representatives Honda and Poe in the House. This bill would ensure survivor voices are heard within the Executive Branch as it formulates policies to combat modern slavery. All our efforts in the United States and globally must be informed by survivors, as well as civil society.

Addressing the Challenge of Abuses in Foreign Labor Recruiting and Supply Chains

Mr. Chairman, turning to solutions, I first want to discuss is the need for governments and the business community to address the issue of foreign labor recruiters—one of the leading drivers of the phenomenon of slavery and trafficking today. Using promises of high salaries and fake job offers, unregulated and unscrupulous labor brokers can induce people to migrate thinking that they are going for legal work, only to trap them in modern slavery. We have heard from both Ms. Bader-Blau and most poignantly from Ms. Woworuntu about these challenges.

In this regard, let me make a few brief points. Mr. Chairman, it has become clear that exploitation is not only occurring in the brothels of Phnom Penh or in the rice mills of southern India. It is happening as labor recruiters and brokers supply workers to the palm oil plantations of Malaysia and to construction projects in the Persian Gulf. It is happening in the shrimp peeling shacks in Thailand and fishing vessels off its shores. It is happening as recruiters deceive young women and men with promises of legitimate work only to bind them into sexual exploitation.

The coercion and fraud used in these cases include a wide range of abuses, often in different combinations. Unregulated labor recruiters lure men and women with promises of legitimate and lucrative jobs in distant locations or foreign countries. The prospective workers typically pay exorbitant fees equal to 4-6 months of salary to middlemen for connecting them to potential jobs and for visa expenses, travel documents, transportation, health screenings and ongoing expenses like housing and food. Recruiters are often paid twice for supplying workers to companies - once by the company that needs the workforce and once by the worker who is desperate to get the job. Workers typically borrow money to pay recruitment fees, and the terms of workers' debts make them unable to repay their loans, particularly since the job often does not pay the salary they were promised, or is something altogether different from what they were told they would do. And of course, as we heard today, recruiters sometimes place individuals in totally different situations, including in the sex trade.

Once at their destination, foreign workers may have their identity and travel documents seized, be threatened with deportation into danger, and be subjected to life-threatening conditions, confinement, and of course terrible violence. Debts can be used to ensure workers remain desperate for long work hours, no matter the

conditions and, along with lack of income and deduction for fees they never knew about, lead the workers to be vulnerable to threats against them and their families at home.

Moreover, corruption plays a significant role in modern slavery and the recruitment system. In the country of origin or destination, or sometimes both, recruiters bribe government officials to look the other way. In the worst cases, government officials may come from the recruitment industry itself, and police or other security forces can be part of the scheme of coercion, lending the threat of the state to the threat of the trafficker. The challenges presented by this corruption should not be underestimated, reflecting a conspiracy between foreign officials and the labor brokers and employers who pay them off. In this cycle, many workers who have lawfully issued visas end up in modern slavery, undermining the immigration systems in destination countries.

Fortunately, international reporting is making this cycle more apparent. In last year's Trafficking in Persons (TIP) Report, for example, the State Department laid out much of this coercive cycle with respect to Thailand and the seafood sector. The report describes the brutal conditions in the industry and the abuses perpetrated on legal migrants, illegal migrants, and minorities. Between the TIP report and the international reporting on abuses in the seafood industry, companies in Europe and the United States are coming to the table, but the right protections and systems to address abuses have yet to emerge. Thailand is just one example of where the TIP report can help to identify a key country of need, analyze foreign government commitment to combatting human trafficking and modern slavery, and point out sensible solutions.

Abuses like those in the Thai fishing industry are often the result of a lack of information for those who are seeking jobs to improve their lives. If prospective workers only know what they are being told by the labor recruiters who intend to exploit them, they are left to choose between the immediate prospect of a better life and often vague warnings that something may happen to them. Left with a choice between a seemingly tangible improvement for them and their families and a distant risk that something may go wrong, they tend to choose hope over fear, often to their great detriment.

Beyond increased transparency, there are numerous potential solutions to these challenges. One approach is to require greater transparency and regulate foreign labor recruiters such as those included in Chairman Ed Royce's H.R.3344 - Fraudulent Overseas Recruitment and Trafficking Elimination Act of 2013. This legislation:

- Provides for transparency in contracts and its terms.
- Prohibits fees for recruitment.
- Requires foreign labor recruiters to register with the Department of State and authorizes the Department to require a bond.

- Provides a safe harbor to companies that use authorized recruiters.
- Creates enforcement mechanisms against recruiters that violate the provisions of the law.

A number of these provisions were adopted in the recently promulgated regulations to implement Executive Order 13627, Strengthening Protections Against Trafficking in Persons in Federal Contracts. As the largest single purchaser in the world, full implementation of these regulations could see a cleansing of exploitation and abuse in the supply chains of many U.S. government suppliers. This ensures taxpayer money does not unintentionally prop up what is already the booming industry of human trafficking. I urge Congress to provide the funding needed to implement these regulations and to ensure that the U.S. Government implements them fully.

One reason to support the legislative approach and to make sure the implementation of the Executive Order works is that such a law and the Executive Order itself could serve as a model for other countries.

Because a government and regulatory framework can still be subject to manipulation and corruption by traffickers, another needed approach is to develop better information and more transparent processes for the workers themselves. We know the power of data and the impact of transparency to help us make better decisions. With the rapid adoption of mobile technology and the increasing penetration of mobile devices, new technological solutions are possible.

One such platform has recently been developed: Contratados.⁶ Think of this as the mobile application Yelp but designed for workers to review labor recruiters and employers. This technology allows workers to rate recruitment companies and employers, and to warn other workers of bad experiences. Developed by Centro de los Derechos del Migrante, a transnational migrant rights organization based in Mexico, this type of worker facing platform holds significant promise in equipping migrants with information to make their decisions and migration safer. Humanity United is exploring such technological approaches to better protect migrants around the world.

Companies' efforts to trace their supply chains also represent real opportunities to address human trafficking and modern slavery. At Humanity United, we believe business and markets can be instrumental partners in advancing human freedom. Corporations, with their worldwide reach and deep engagement with labor—either directly or indirectly through their contractors and subcontractors—have the opportunity to ensure that severe exploitation is eliminated in all their operations, from the assembly of their products to the sourcing of raw materials. Increasingly, members of the business community are recognizing that they have not only the opportunity but also the responsibility to stop trafficking and modern day slavery.

⁶ <http://contratados.org>

Consumers and investors worldwide are also increasingly expecting them to exercise that responsibility.

We also need to recognize, however, that this work is not easy. Much of the most severe exploitation occurs at the very bottom of the supply chain. Whether it is the charcoal mined with slave labor that is used to make the pig iron to build the automobiles we drive, or in the palm oil contained in our toothpaste, forced labor can taint products we use every day. But more and more tools are being developed, from both the private and social sectors, for companies to help assess and remedy worker abuses deep in their supply chains. Companies around the world are slowly recognizing that there are not only ethical but also business reasons to clean up their supply chains. Whether it is to decrease disruptions that may occur when raw materials are extracted with forced labor, to improve conditions to maintain a workforce with lower costs for training, to win over talented employees who prefer to work for companies that avoid modern slavery, or to avoid damage to their brand, companies are increasingly examining their practices in both their facilities and their distant supply chains.

And laws like the *California Transparency in Supply Chains Act* are requiring them to report on what they are doing. The Congress should follow suit and make reporting on supply chains a national requirement. The government of the United Kingdom is in the process of adopting such requirements for UK companies, and other G20 countries such as Australia and Canada may follow suit. The U.S. should help lead and coordinate this process not just for the sake of transparent supply chains, but so businesses can follow similar requirements around the world and not a patchwork of competing efforts and standards.

It is important to recognize that this work is not easy, and complete transparency for all levels in the supply chain is in most cases unreachable today. However, corporations can identify risks in their supply chains and delve deep to determine whether they have slavery in those areas with greatest risks. It is a calculation they make all the time.

We in civil society can help. The award-winning Coalition of Immokalee Workers has shown how corporations and growers can collaborate with workers to eliminate human trafficking and modern slavery and sexual abuse from the tomato fields of Florida. And Verité and Palantir Technologies are partnering to pilot a potentially transformative analytical product that will enable companies to unravel complex labor supply chains and identify risks of human trafficking and forced labor within them. Working closely with participating companies, Verité and Palantir will integrate corporate supply chain data, targeted field research on recruitment patterns and networks, and pertinent public information into a database platform. Verité experts will analyze the integrated data to illuminate particular labor supply networks and flag specific risks connected to one or multiple companies' supply chains. This data, augmented by Verité's high-quality analysis and targeted

recommendations, will be pushed to web-based applications in Palantir that provide companies valuable information and actionable intelligence.

However, we in civil society should also recognize that a “no tolerance policy” does not mean “slave free.” We should work with companies to ensure that they take steps to address the problems they do discover, without pulling out altogether when a situation arises, which could hurt the workers whose condition we all want to see improve.

Developing Unlikely Partnerships

Civil society can work across sectors and with companies in other ways to manage risks in its supply chains. For example, for many years the private sector and civil society have worked together in partnership on the challenges presented by clearing rainforest in Malaysia and Indonesia to create palm oil plantations. Palm oil is used in a variety of consumer products from soaps and shampoos to crackers and cookies. For a long time, the focus has been on the environment and loss of habitat for endangered species. Even today, many focus on this aspect of palm oil. The recent winner of a video competition for teens was a young woman worried that palm oil plantations would kill orangutans.⁷ Yet she could have equally talked about the migrant workers who were forced to clear the rain forest and harvest palm for little or no pay and in horrific conditions. Civil society and major companies are working to move away from these silos towards a more holistic approach to sustainability, broadening guidelines to include labor protections that will meet the stated commitment by the Roundtable on Sustainable Palm Oil to prevent labor exploitation as well as environmental degradation. Indeed, the first fruits of this work came to light last week when Wilmar International, the largest palm oil producer in the world, established an online platform to promote transparency in its supply chain in partnership with Forest Trust.⁸ Reporting required by economic, social and governance reporting, and the transparency legislation I described above is also contributing to this increasing openness.

Similarly, Mr. Chairman, Humanity United is working with brick kiln owners in Nepal to provide incentives to reduce their emissions and to eliminate child and forced labor. However, we must always be careful about the unintended consequences of our action. Eliminating child labor in a particular brick kiln does not mean the child who is no longer enslaved is free: returning to his or her village, the child may be coerced into another setting with even worse conditions. As we take steps to free men, women and children, we must make sure that we also take steps to break the chain of coercion by providing educational opportunities or providing alternatives for livelihood. These can often be small investments, but can make our efforts to free slaves sustainable. These risks are also why having baseline

⁷ <http://www.teensdream.net/> (accessed February 2, 2015)

⁸ <http://www.triplepundit.com/2015/01/palm-oil-giant-launches-web-portal-make-supply-chain-transparent/>

measurements and strong monitoring and evaluation are critical to ensure that interventions are actually reducing human trafficking and modern slavery.

Civil society also needs to work together more closely. In this connection, Humanity United brought together the Alliance to End Slavery and Trafficking. This coalition has grown to 14 leading human rights organizations, which focus on a range of issues from cooperation with law enforcement to assisting survivors to preventing trafficking in the first place. Focusing on legislative reforms, appropriations advocacy, and implementation by the Executive Branch, ATEST has helped sparked new initiatives across the human trafficking field. We have sought to press USAID, the Department of Labor, and the State Department to engage in rigorous monitoring and evaluation to find sustainable solutions to human trafficking and modern slavery, including establishing baselines and measuring impact. ATEST also seeks to further elevate the voices of survivors and help advance the broader U.S. movement by building deeper and wider networks and networks of networks to combat trafficking.

The faith community also has an enormous role to play and many are reaffirming a commitment to ending this terrible human rights abuse. Last Spring, Pope Francis met with trafficking survivors and in December hosted a convening of faith leaders to sign a declaration to abolish modern slavery by 2020. I hope that the Pope will further his efforts when he visits Washington later this year.

Collaboration among Donors and Public-Private Partnerships

One major challenge is the need for additional funding to combat human trafficking and modern slavery. The business of human trafficking is too large to allow fragmentation of efforts, which is why bringing government, business, and civil society together is key. But the private and public sector should also be better coordinated and mutually reinforcing.

In 2012, Humanity United and the Obama Administration launched the Partnership for Freedom, a public-private partnership designed to bring private investment in innovation together with government experience to develop challenges to fight modern slavery. The first competition to improve support infrastructure for survivors of modern slavery concluded last year, with winners focused on innovative solutions to victim identification, healthcare, and shelter. However, a raft of additional innovative solutions were surfaced that we hope will get consideration from other donors. The second competition is being designed now.

Humanity United also partnered with the Legatum Foundation and the Walk Free Foundations, philanthropies based in the United Kingdom and Australia, respectively, to develop the Freedom Fund, a donor collaborative designed to mobilize the capital and knowledge needed to end modern slavery. The Freedom Fund has already launched targeted programs to tackle modern slavery in key countries and industries around the world.

In addition to donor partnerships, the private sector can also work directly with governments to combat human trafficking. Whether it is online marketplaces preventing their platform from being used for sex trafficking to companies providing needed data analysis, the corporate sector can play a major role working with law enforcement. The effort to stamp out Internet pornography by analyzing credit card data, for example, is a way that companies can work with civil society and law enforcement to further reduce sex trafficking in the future.

In this connection, Human Rights First, one of the nation's leading human rights advocacy organizations, recently launched a campaign with a diverse set of actors across business, civil society, and the public sector to go after the business of human trafficking and modern slavery in all its forms, with the goal of decreasing the rewards and increasing the risks to perpetrators. I was privileged to participate in this launch, which included financial companies who showed how information they collect could help law enforcement here (with the Department of Justice) and abroad (with the Department of Treasury) to combat the scourge of modern slavery.

This shows the power of unlikely conversation to create social change. Humanity United's founders, Pierre and Pam Omidyar, are committed to a sustained effort to combat modern slavery. That's why they have made a second, \$50 million commitment to fight human trafficking and modern slavery. But they know they cannot win this fight alone, which is why Humanity United is committed to working to bring donors together, collaborating with the U.S. government and building networks of civil society and survivors to make progress in the fight to end human trafficking and modern slavery.

Conclusion

Mr. Chairman, Senator Menendez and members of the committee, last week marked the end of National Slavery and Human Trafficking Prevention Month. Honorary months often seem to be a ritual of pronouncements and chest thumping, followed by little real action. Yet this year, it feels like we have reached a turning point in the fight to combat human trafficking. With multiple legislation passing the House and being introduced in the Senate, and the Administration committed to cleaning its own supply chains, the tide may be turning against the perpetrators of this terrible human rights scourge.

Mr. Chairman, last week also marked the 150th year since the House of Representatives voted to approve the 13th Amendment, ending slavery in this great nation. And this coming December, we will mark the adoption of the Amendment as the law of the land. This Committee can play an instrumental role in helping mark that anniversary by pushing forward the fight against human trafficking and modern slavery.