Vision: May 2011

Verité up close:

A letter from CEO Dan Viederman

As an NGO we are somewhat unusual in that our primary partners are generally in the private sector. Our latest formal affiliation is somewhat different—and very exciting.

Verité has become part of ATEST–the Alliance to End Slavery and Trafficking. In so doing, we have joined the pre-eminent anti-slavery organizations in the country, including our esteemed partner, the Coalition of Immokalee Workers, as well as Free the Slaves, which has helped re-focus public attention on modern-day slavery. Our joining helps ATEST tackle the problem of labor trafficking, which isn't as frequently addressed, or always as well understood, as sex trafficking. This makes it a good fit for us, as we can leverage our experience and understanding of corporate supply chain decision-making to add to the collective wisdom of the group.

Verité's exploration into forced labor started with social audits we conducted in Mauritius, Taiwan and Malaysia fifteen years ago. My colleague Marie Apostol—now the Director of Verité Southeast Asia—describes going into factories which had foreign workers and, through the usual Verité confidential worker interview, finding a consistent set of problems: excessive overtime, harassment, and underpayment of wages. She soon realized the common cause was debt. These workers had paid thousands of US dollars to get their jobs, often mortgaging their homes and farms, and facing high interest rates. As a result they couldn't say no to abusive treatment by their employers.

This problem persists in Asian manufacturing—as Apple pointed out in work with Verité that it referenced in its supplier responsibility report and is a massive concern in U.S. agriculture.

ATEST's purpose is to find lasting solutions to modern-day slavery through collaboration and partnerships between civil society, governments, and businesses. There is a great deal of focus on government policy, in particular federal and state law that can drive corporate behavior.

Within ATEST we are helping to refine what companies should do, for example, in response to the California Transparency in Supply Chains Act. In particular, we are outlining how companies should respond not with a narrow (and relatively easy) compliance approach, but rather with effort that addresses and beings to root out the causes of forced labor in supply chains.

Leading companies are increasingly exploring what they should do about forced labor and modern-day slavery. They wonder what the California Transparency in Supply Chain Act means for them. Our work within ATEST allows us to link our tools and knowledge with others in the field to help provide answers to these concerns.

Collaborations like this allow Verité to receive the benefit of others' expertise. Likewise, we get to share our knowledge with others. This is especially gratifying when the focus is one of the most egregious human rights violations on earth: the problem of modern-day slavery.

Latest News:

A flurry of activity coming up in our Training Department: Supplier Development workshops around the globe will provide factory managers, HR and Social Responsibility staff with a practical toolkit to help them assess risks in their current business systems, and ways to manage those risks.

See for further information, and registration

Supplier Development Workshop for Factories: Verité Systems Approach to Social Responsibility

Our two-day practical workshop examines the drivers of social compliance risk in a factory's current business systems and the operational controls that can proactively manage that risk. Through participatory case studies and other experiential activities, the class focuses on:

- analyzing business processes to identify risks of social and environmental noncompliance, and
- finding solutions that are practical and sustainable.

The course is for factory managers, HR and Social Responsibility staff, who are oriented to a practical took kit that helps them assess their factory functions and integrate appropriate controls.

Dates and Locations

Shenzhen: June 13-14, 2011 (conducted in Mandarin)
Bangkok: June 27-28, 2011 (conducted in English)
Penang: June 20-21, 2011 (conducted in English)
Sao Paulo: August 15-17, 2011 (conducted in Portuguese)
Shenzhen: September 28-29, 2011 (conducted in Mandarin)
Kuala Lumpur: September 29-30, 2011 (conducted in English)

Special Report:

Philip Morris International, Inc.

On May 9 Verité and Philip Morris International released a report on our assessment of labor conditions in tobacco growing in Kazakhstan. Verité assessed working conditions, including child labor, in tobacco farming; and helped to build, among PMI staff and partners, the capability to respond to workplace problems on tobacco farms.

Click here to learn more

See also:

Report: Farm Level Assessment of Adherence to PMI GAP Standards in Kazakhstan

Dan Viederman's Blog Post on the PMI report

Verité statement on the report

PMI statement on strategic cooperation with Verité

Human Rights Watch statement on the report and progress made

From the Field:

Program Specialist: Forced Labor and Human Trafficking Philip Hunter

A spotlight is just beginning to shine on the recruitment industry. At Verité, we're often asked who and where the "good" brokers are. Answering this question isn't easy. Bad practice is easier to find.

But I won't demonize the industry--especially when it seems that parts of it are trying to do better. There are a few examples that I would point to as hopeful signs of progress.

Manpower, with its global and very public engagement against human trafficking, is an obvious example. But CIETT – the International Confederation of Private Employment Agencies – is also worth mentioning. It is the representative body of the industry at the international level, and its official voice in international forums like the International Labor Organization (ILO). Beyond having its own code of conduct, CIETT works with the ILO to promote ratification of ILO Convention 181. This means that a key strategic priority for the organization (and its members) is the establishment of protections for migrant and temporary workers placed by brokers. This is done through reforms to national legislation and public institution-building; CIETT works with its member companies to build their capacity to advocate for this and to participate in the process.

There are efforts at the regional level, as well. In Asia, a group of brokers in nine countries have come together with the support of the International Organization for Migration to establish a regional alliance of "overseas employment service providers." This alliance has committed itself to ethical recruitment and the establishment of a formal structure to pursue this goal. This structure has yet to be established. (Verité's own collaboration with Manpower will release standards for "ethical brokerage" in the near future, and will contribute to the success of this initiative.) Still, the commitment to action shows us that brokers are starting to get involved and the issues themselves–human trafficking, forced labor and protections for migrant workers–are rising on the agenda.

At the national level, there have been interesting developments in the broker industry in Vietnam over the last year. The national federation of brokers in the country – VAMAS – working together with the ILO, recently adopted a new code of conduct for its company members sending workers overseas. This code is consistent with ILO standards and Vietnamese law, and sets out the social foundation for the country's recruitment industry. VAMAS continues to work with the

ILO on implementing the code, raising awareness across the industry and building capacity to ensure member compliance. This will be a long term process, but these are the right first steps.

Other examples will no doubt emerge over time, and Verité's own collaboration with Manpower (about which we will have more to say in the near future) will accelerate the development of good practice. But I want to highlight another way we can answer the question about where to find good brokers: identifying public initiatives and mechanisms that effectively regulate their industry.

This means we need to highlight where good public oversight exists—strong laws, better law enforcement, transparency and anti-corruption measures—and also where it doesn't.

For brands, this means they should be looking for good agencies and brokers, and good regulatory environments in sending and receiving countries; they should also ensure that this review has an impact on their sourcing decisions.

Nowhere is this more apparent than on the issue of recruitment fees and the expenses charged to workers for services, a key driver of debt bondage in the global economy. Under international law, the principle of free job placement services for job seekers was established long ago by the ILO. But more recently ILO Convention 181 allows governments to grant exceptions to this principle if there are justifiable reasons. This has muddied the waters significantly, and opened the flood gates to fee charging. In this context, it is absolutely essential that public authorities strictly regulate the collection of fees, set a ceiling for fee charging in legislation and ensure strong safeguards to protect jobseekers from the worst forms of exploitation.

Broker initiatives like the ones highlighted above are only in the early stages of their development. They have established basic policies and commitments, and there is enough in place for companies to act on.

Verité's fair hiring program takes an important step towards addressing broker-related abuse, and our forthcoming toolkit provides essential new tools for brands, suppliers and other stakeholders. Next up is a set of concrete tools and guidance for brands, employers and brokers on fair hiring and recruitment. We will share more information on that in the near future.

IMPACT

5/11: Verité's recommendations to Philip Morris International for improvement in working conditions and avoidance of child labor will affect at least 488 Kazakh and 240 Kyrgyz migrant children living on Kazakhstan tobacco farms.

INSIGHT

At a furniture manufacturing factory in China, the showers in the dormitory used for worker housing do not provide privacy, and more than ¾ of the lights in the bathrooms do not work. [more]