

SUBMISSION: Australian Parliamentary Inquiry into establishing a Modern Slavery Act, Joint Standing Committee on Foreign Affairs, Defence and Trade

To the Committee Secretary

Thank you for the opportunity to input into the Australian Parliamentary Inquiry into establishing a Modern Slavery Act. My husband and I are human rights advocates and I, Judith, am also a PhD student currently undertaking interdisciplinary research to investigate how social media activism might influence individual and corporate social responsibility in the fight against forced labour exploitation.

We would like to state that we fully support legislation that aims to eradicate modern slavery in all its forms, both within Australia and internationally. This submission will briefly focus on the issue of forced labour exploitation, supply chains and social responsibility.

1. Forced Labour Exploitation

Forced labour exploitation is a serious human rights violation which affects approximately 20.9 million people globally (ILO [1] n.d.). The International Labour Organisation (ILO) has defined forced labour as “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” (ILO [2] n.d.). The ILO has estimated that 90% of these victims are being exploited in the private economy, with 22% exploited in the commercial sex industry and the remaining 68% being exploited in private “economic activities such as agriculture, construction, domestic work and manufacturing” (ILO [1] n.d.).

Forced labour and slavery are crimes in a number of countries including Australia, as defined in Division 270 of the Commonwealth Criminal Code Act 1995 (Attorney-General’s Department n.d.). Men, women and children are all vulnerable to forced labour, particularly those with temporary visas (Anti-Slavery Australia 2015). Recent news headlines about a woman who was enslaved in a western Sydney household (Dumas 2016) and the exploitation of migrant farm workers who supply produce to major supermarket chains (Meldrum-Hanna, Russell & Christodoulo 2015) further confirms the reality that slavery-like practices are happening here in Australia as well as in other countries around the world (Aditi 2016; Feuer 2016; US Praises Jordan’s Crackdown on Forced Labour 2016; Wootson Jr. 2016).

The UN, through its 2030 Sustainable Development Goals Target 8.7, has pledged to “take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms” (ILO [3] n.d.). The UN has employed a number of strategies to address forced labour including prevention (e.g. awareness raising, labour inspections), protection (e.g. victim identification, victim rehabilitation) and remedies, such as compensation for victims (ILO [4] n.d.). Additionally, some countries have introduced legislation, like the United Kingdom that introduced the Modern Slavery Act

2015 which requires companies to report annually on the presence of forced labour in their global supply chains (Landau 2016) and as evidenced by this Inquiry, the Australian Parliament is currently considering the introduction of similar legislation into Australia (Parliament of Australia 2017).

At the grassroots level, non-government organisations (NGOs), developmental agencies and activists have undertaken a variety of activities in the fight against forced labour including awareness raising campaigns (European Commission 2012; Killalea 2017); the provision of industry specific advice on how to identify forced labour exploitation (Tuppen 2013; McKevitt 2017); initiating protest and boycotting activities (Rice 2016; Coalition of Immokalee Workers 2017); rehabilitation services (International Justice Mission 2012; Thomisith 2013;) and livelihood programs that provide micro-financing business opportunities (Crump 2015) to help address poverty, which is one of the root causes of forced labour exploitation (ILAB n.d).

2. Supply Chains and Social Responsibility

One way to examine the impact of social responsibility in the fight against forced labour exploitation is through the economic theory of supply and demand. In its simplest form, this theory shows the interaction between consumer demand for a commodity and how much of the commodity the supplier has available to sell to the market. In the context of modern slavery, humans are either the commodity being sold or their labour is used to produce inexpensive products and services. As retail prices for products and services are highly dependent upon production costs, these suppliers are able to eliminate or reduce production costs by using free or low-cost slave labour. This strategy enables these products and services to be sold at cheaper retail prices, making these commodities more desirable to consumers, which in turn increases sales and maximises the suppliers' profits (Kara 2011, 69-70). Consumer demand for these cheaper products and services perpetuates slavery and slavery-like practices (Anderson and Davidson 2002, 33). Increased consumer awareness of product supply chains (Kara 2011, 71); consumers questioning retailers about the supply chains used (Tse, Esposito and Olsen 2014; Killalea 2017) and audits of business supply chains (Achilles 2015) are just some of the socially responsible strategies that can be employed to address forced labour exploitation.

Social responsibility is based around the belief that individuals and organisations have an "obligation to act for the benefit of society at large" (Wikipedia [1] 2017). For organisations, corporate social responsibility (CSR) is based on societal expectations of how an organisation operates in terms of economic, legal, ethical and discretionary (e.g. philanthropic) considerations (Carroll 2015, 90). While the economic and legal aspects of business are a requirement of society, Carroll (2015, 90) has argued that ethical responsibility is expected by society and that an organisation's discretionary outputs are considered highly desirable by society.

3. A Step Further

It is important to take a holistic approach to the issue of modern slavery, to not only focus on the obvious (i.e. supply chain transparency) but to go beyond and address the root causes of modern slavery namely poverty, unemployment, ethnicity and

gender discrimination (Perry and McEwing quoted in Rezaeian 2016). For example, as highlighted by human rights activist Kalpona Akter, for many of the garment workers in Bangladesh, these jobs are absolutely vital for their survival. She pleads for us to not boycott their clothing brands, but to question suppliers and campaign for fair pay for the workers (Killalea 2017).

Reinforcing Carroll's (2015,90) concept that CSR should include aspects of both ethical and discretionary considerations, we would like to propose that the Australian Modern Slavery Act include a provision for corporations to give back to those people who have been exploited in their supply chains. One way this could be achieved is through imposing an annual levy on businesses (e.g. a small percentage based on their profits), with the funds, for example, being directed towards supporting sustainable micro-business opportunities to former forced labour victims. Additionally, any individual or business that is found to have used forced labour should be required to provide compensation for the victims.

Once again, thank you for this opportunity to make a submission to this Inquiry. We implore you to consider, not only the issue of supply chain transparency but to go beyond and seek to address the root causes of modern slavery through this legislation.

Yours faithfully

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