

# Vision: June 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.

It was in the late 1990s that Verité first encountered a curious and worrying phenomenon: factories that employed foreign contract workers had high rates of noncompliance for a whole range of code issues. It didn't matter where we encountered this or who was involved: Bangladeshis working in Mauritius, Filipinos in Taiwan, Indonesians in Malaysia.

The root of the problem was debt.

Workers often borrow large sums, generally at high interest rates, to pay a broker to secure a job. When they get to their work destination, they often receive far less pay than they'd been promised. Through in-depth conversations with workers we were able to quantify the problem, and found that in many cases the combination of high interest, unexpected fees, and lower than expected wages amounts to a massive tax on workers. Not infrequently they pay up to half their total earnings to get and secure a job.

This is illegal under most country's laws, unethical in most corporate codes, and unproductive for companies, brands and the workers themselves. Where it is most serious it meets the International Labor Organization's definition of forced labor. The only people who win are the brokers who get workers to subsidize their own employment.

Our audits have uniquely illuminated this problem. Our training for suppliers has solved it in many workplaces. But only a handful of brands look at this systemic problem; only a few suppliers take steps to ensure ethical treatment of their foreign migrant workers; far too few auditors have the skills or mandate to engage this serious problem.

[Our Fair Hiring Toolkit](#) is intended to remedy this egregious situation by making it easy for brands, suppliers and others to understand and eradicate debt-bondage among migrant workers. Our toolkit also can be used by NGOs, unions, investors, and others to better advocate around these issues with companies and governments.

We hope — indeed, we expect — that more companies will take the important and practical steps toward fair hiring described in this [Toolkit](#). In truth, they cannot claim compliance until they do.

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## Latest News:



This month, Verité released the Help Wanted Initiative, including the Fair Hiring Toolkit—an online resource designed to be used by multiple stakeholders to help eradicate human trafficking, debt bondage and slavery found in supply chains worldwide.

The new online tool is based on years of research, on-the-ground investigation, and direct experience with workers and employers to understand and solve recruitment and hiring abuses. Help Wanted offers insight and solutions for multinational brands and their suppliers looking to rid their supply chains of human rights abuses by labor brokers.

### The Help Wanted Initiative includes:

- [The Fair Hiring Toolkit](#) an online resource, which has been designed to be used by multiple stakeholders (brands, suppliers, investors, governments, and advocates).
- A digital platform at [Fair Hiring Framework](#), a primer which gives a useful overview of the problem and summarizes Verité's toolkit of solutions.
- A [policy brief](#) for governments, companies and NGOs that highlights the major public policy frameworks, issues, debates and modes of interaction for reform.
- In-depth [research reports](#) on the link between trafficking and unscrupulous and largely unregulated labor brokers in multiple industries and countries worldwide, including in the United States.
- Support in the form of [training](#), consulting and assessment that Verité offers to individual stakeholder groups.

## Special Report:

**The Help Wanted Report.**



### [The Help Wanted report](#)

offers key findings from recent Verité research on the intersection of brokers, migrant workers and slavery, and presents the factors that in Verité's view constitute the major red flags for vulnerability of migrant workers to broker-induced forced labor.

### **From the Field:**

**Shawn MacDonald, Senior Advisor**



Verité's trainings, consultations, audits, research, and worker empowerment programs are well known, yet our advocacy and policy work are less familiar to those in the labor rights and corporate responsibility arena. Recently, however, we have been strengthening our government engagement and public advocacy efforts, particularly around human trafficking and modern-day slavery. This new approach is highlighted by our acceptance of membership in [the Alliance to End Slavery and Trafficking](#) (ATEST), as well as our release of a large amount of data and tools on our sites: [Help Wanted](#) and our [Forced Labor Commodity Atlas](#).

Verité's goal of offering solutions to the toughest problems facing the most vulnerable workers is nowhere more important than in relation to debt bondage, trafficking, and other forms of forced labor and severe exploitation seen in far too many supply chains worldwide. Advocacy and policy interventions are sorely needed to create fundamental shifts in a status quo that finds too many factories, construction sites, fishing vessels and other work sites staffed by trafficking

victims, and too many minerals and agricultural goods produced by those in debt bondage or other feudal economic arrangements.

By joining ATEST, Verité's; is able to add its voice and resources to a powerful alliance of U.S.-based human and labor rights organizations working closely together to end modern-day slavery and human trafficking. Verité's; is proud to join the following groups in ATEST:

- Coalition to Abolish Slavery & Trafficking
- Coalition of Immokalee Workers
- End Child Prostitution and Trafficking
- Free the Slaves
- International Justice Mission
- Not for Sale Campaign
- Polaris Project
- Safe Horizon
- Solidarity Center
- Vital Voices Global Partnership
- World Vision
- Julia Ormond, founder of the Alliance to Stop Slavery and End Trafficking

ATEST's membership reflects its emphasis on preventing both labor and sex trafficking and most member groups work domestically and globally. We are able to learn a great deal from what others are doing, including areas in which Verité has not usually engaged, such as victim services, prevention of trafficking for commercial sexual exploitation, and training for those who prosecute traffickers.

By joining ATEST, Verité has been given the opportunity to participate in shaping final recommendations for legislation to re-authorize and improve the [Trafficking Victims Protection Act](#), which is the framework for a wide range of crucial federal actions and funding around trafficking – from special visas and other services for trafficking victims to training of law enforcement officials. The TVPA also launched some of the more innovative and effective governmental initiatives, including the Department of State's [Office to Monitor and Combat Trafficking in Persons](#), with its highly influential annual report (just out this week) and rating of countries, including the U.S., based on their records in combatting trafficking.

ATEST is recommending many improvements to the existing federal approach to trafficking, including tighter regulation of foreign labor recruiters and stronger requirements for transparency by corporations in how they avoid or eliminate trafficking in their entire supply chains. We expect that more transparency around the early stages of supply chains and concrete action by companies, governments, and others will also help the even larger number of workers who are denied their labor rights and work under conditions that are not slavery, but are intolerable nonetheless.

ATEST and its members are also very active in building public awareness of trafficking. For instance, ATEST recently co-hosted [a television program on trafficking](#) with CNN's "Freedom Project." In coming years, we hope to share more information and resources that come from our participation in ATEST, with the goal of enabling all of us to be part of ending slavery in our lifetime.

## **IMPACT**

5/11: Verité interviewed workers from Indonesia and Nepal at an electronics facility in Malaysia to determine how much money they overpaid to labor brokers in violation of the law and the brand's own Code of Conduct. This resulted in the repayment of over \$30,000US to 86 workers.

## **INSIGHT**

At a printing factory in Singapore, all foreign contract workers from China borrowed an additional RMB 19,000 to 32,000 to pay labor brokers upfront-- even though they were already charged the legally allowed fee of RMB 12,885.00. [\[more\]](#)