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Business alliance tackles scourge of forced labour

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Two years ago, the International Labour Organisation's director-general Juan Somavia called for a global alliance against forced labour, urging partner agencies to pool their efforts and rid the world's labour markets of a blight that still affects over 12 million people.

While many people still associate it with gulags and concentration camps, four out of every five cases are in the private economy. Profits of over US$30 billion per year are reaped by individuals who traffic human beings for either labour or sexual exploitation.

These are good reasons why business leaders must be alert to the risk of forced labour in their supply chains. Forced labour not only damages a company's reputation; unchecked, it undermines legitimate business and becomes a cancer of contemporary globalisation.

The ILO is now promoting a Business Alliance against Forced Labour, as part of the goal of eradicating the problem worldwide by 2015. The campaign will be given a needed push in Hong Kong this week when major companies, UN agencies, corporate social responsibility and anti-trafficking groups hold a summit on new business solutions to the global challenge of ending human trafficking and forced labour.

How big is the threat to legitimate business? Why should business leaders care? And what can they do?

The risk of forced labour is greater in some industries than others. It is most likely when the jobs are difficult and dangerous, or when companies resort to subcontracting of temporary or seasonal workers. Agriculture, construction and the apparel sectors spring to mind right away.

The more investigators probe into modern forced labour and slavery, the more forms of coercion they seem to find. Major automobile, steel and computer companies have all had to defend themselves against forced labour allegations over the past year.

This week's meeting is appropriately in Hong Kong, less than an

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hour's drive from China's booming Shenzhen export belt. Any allegations are acutely felt in this area, both by Chinese companies and the ever-growing band of overseas investors. Two sides of the coin have emerged in recent months.

On the one hand US legislators, alleging sweatshop production in thriving East Asian economies, have threatened to impose retaliatory tariffs on their export produce. On the other hand a group comprised of members of the US Congress wrote to President George W. Bush last October complaining that US corporate interest groups were lobbying against a proposed new Chinese labour law, which would increase workers' protection but raise labour costs.

Forced labour is not the same as poor working conditions. It happens when companies use coercion or threats – sometimes subtle ones such as confiscating migrants' papers – in order to extract unfair profits from the workforce. But there can be "grey areas" such as unpaid overtime or methods of wage payment, where companies need guidance to know where there is a risk of forced labour practices and how to avert them.

In Hong Kong this week, the ILO will be inviting companies to join a Business Alliance against Forced Labour, and introducing 10 basic principles to explain what they can do. In part this will focus on training companies' own auditors and compliance personnel, so they can identify forced labour situations. It will also look to support broader efforts to help the victims of forced labour and trafficking, retraining them and giving them the chance of a better life.

Concerted business action against forced labour can be a concrete first step towards the decent work agenda and a fair globalisation for which we stand.

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