



*written testimony of*

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*before the*

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**Hearing on Multi-Sector Partnerships to Combat Human Trafficking**

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## **Introduction**

Co-Chair Hultgren, Co-Chair McGovern, members of the Commission – thank you for the opportunity to testify at today’s hearing on multi-sector partnerships to combat human trafficking.

My name is Carlos Busquets, and I am the Director of Public Policy for the Electronic Industry Citizenship Coalition, or EICC. The EICC is a nonprofit coalition of leading companies collaborating to improve social and environmental performance in their global supply chains.

The EICC was founded in 2004 by forward-thinking companies that wanted to protect the rights and well-being of workers and communities impacted by the electronics supply chain.



Today the EICC is comprised of more than 110 companies, across electronics, automotive, retail, toys and other sectors, with combined annual revenue of greater than \$4.75 trillion, millions of workers and thousands of suppliers; a sizable industry footprint.

The EICC has been actively helping its members prevent, detect and address forced labor and human trafficking in their own operations and their supply chains since its inception.

EICC members commit and are held accountable to a common Code of Conduct and utilize a range of training and assessment tools to support continuous improvement.

The EICC Code of Conduct explicitly bans trafficked and forced labor, however, eradicating it in the global supply chain remains a challenge.

### **The Forced Labor Challenge**

According to the International Labour Organization (ILO), approximately 21 million people worldwide are working in situations of forced labor. Other estimates are even larger.

Exploited through force, fraud, debt bondage or other coercion, workers in many industries and many regions throughout the world are vulnerable to the conditions that contribute to forced labor.

Companies have a moral imperative to act, and financial incentives to do so because of the risks to their operations, reputations and, in some cases, sales if forced labor exists in their supply chains. Moreover, awareness of these issues among companies across industries is at an all-time high, thanks to increased



scrutiny and pressure from government regulators, non-governmental organizations, customers, institutional investors and media.

When it comes to this issue, there is virtually no daylight between the positions of civil society and those of member companies in the EICC. All agree that forced labor is an affront to human rights and no company wants it in their supply chain. That is why eliminating the conditions that contribute to forced labor has been one of the EICC's highest priorities since it was founded.

Supply chains are complex and often include hundreds of thousands of foreign migrant workers who seek to make a better life for themselves and their families. Sadly, some are subject to high recruitment fees, personal debt, complicated recruitment practices, a lack of transparency about their eventual working conditions, and inadequate legal protections in the countries in which they work.

These conditions can all lead to human trafficking and forced labor.

For example, a 2014 report sponsored by the U.S. Department of Labor and Verité found that 1 in 3 foreign migrant workers surveyed in Malaysian electronics factories was in a condition of forced labor.

The report concluded that factors that contributed to forced labor included reliance on third-party labor agents or brokers for recruitment, management and employment of foreign workers; unlawful passport retention; high and hidden recruitment fees leading to indebtedness; and inadequate legal protections. The report triggered a series of groundbreaking changes at the EICC, which helped us take the lead in addressing these issues, including the strengthening of our Code of Conduct in 2015 to ensure:

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- Workers shall not be required to pay employers or agents recruitment fees or other related fees for their employment;
- No unreasonable restrictions on workers' freedom of movement, including the retention of passports;
- Workers are provided with a written employment agreement in their native language prior to departing from his or her country of origin;
- Workers shall be free to leave work at any time or terminate their employment.

We are proud to have been one of the first industry groups to adopt these polices. To help implement these changes we developed a series of advanced due diligence standards, tools and programs.

Our toolbox includes:

- World-class standards and educational offerings to drive corporate accountability and due diligence to combat forced labor in international supply chains;
- Specialized risk assessments to help identify the risk of forced labor in factories and among labor agents;
- Supplemental Forced Labor Validated Audits (SVAP) geared to identifying and correcting forced labor in the workplace;
- A worker grievance mechanism to assist workers throughout hiring and employment processes; and
- Labor agent training and certification – a critical piece to address a root cause of forced labor and trafficking.



## **Responsible Labor Initiative (RLI)**

We strongly agree with the theme of this hearing on the need to strengthen multi-sectoral partnerships to combat human trafficking and forced labor.

While the EICC has been at the forefront of addressing forced labor in global supply chains, in order to accelerate change and drive labor market transformation, we believe that due diligence must be harmonized across multiple industries that share recruitment channels to drive labor market transformation through collective action.

Guiding principles on forced labor are well-established, however, solutions tend to be fragmented across industries and geographies and only address certain aspects or specific points in a worker's journey.

Earlier this summer, the EICC launched the Responsible Labor Initiative (RLI), a multi-industry, multi-stakeholder effort focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted.

RLI solutions are based on the leading EICC standards and programs I just mentioned and will be extended to other industries (including retail, consumer goods, hospitality and construction – just to name a few) to better address these issues collectively.

Working with multiple industries across the supply chain will help enable us to identify important trends and best practices, raise awareness of issues, and convene diverse groups facing similar challenges.



## **Labor Agency Maturity Model**

We believe this approach is particularly relevant as unscrupulous behavior on the part of some employers and third-party employment agents can exacerbate vulnerability to exploitation, but the system in which foreign workers are recruited, placed and managed is complex enough to create vulnerability even in the absence of willful intent to exploit.

We must note that the labor agent or broker is the “choke point” in driving systemic change across recruitment corridors.

There are a number of developing systems, such as the International Organization for Migration (IOM) IRIS system and the Fair Hiring Initiative that aim to certify “responsible” labor agents in key recruiting corridors throughout the world.

While the EICC and RLI endorse and collaborate with these organizations, we are also developing a “Labor Agency Maturity Model” to help prepare labor brokers and recruitment agencies to meet our stringent standards for forced labor, offer a path to certification and communicate to companies which agencies are on the path to responsible practices.

Agents will apply for the “Developing” level by being pre-screened, attending training, conducting a forced labor self-assessment and demonstrating they are meeting a majority of the provisions in our forced labor protocol. These steps would be checked by a third party. In addition, the agent would need to commit to a “no fees” policy.



After achieving the “Developing” level, the agent can achieve the next level by having an onsite forced labor audit and completing all corrective actions to fully demonstrate compliance with our forced labor protocol.

This will then lead to “certification” by approved third parties on an ongoing basis.

We have already held a number of preliminary engagements; focusing initially on the Nepal–Malaysia recruitment corridor and hope to conduct additional trainings in other key corridors.

### **Moving Forward**

As you can see, industry – as represented by the EICC and RLI – is trying to root out trafficking and forced labor in global supply chains. However, industry cannot do this alone.

Only by working collectively with governments and civil society can we truly make a real difference and have a positive impact on the lives of so many workers.

Thus, as this Commission and Congress considers possible efforts related to these issues; we suggest prioritization around three key points:

1. Build on existing programs, practices and tools and leverage them to scale solutions.
2. Strengthen public–private partnerships, particularly around key migration corridors.
3. Engage foreign governments in sending and receiving countries in the fight against trafficking and forced labor.



The EICC via the RLI stands ready to work proactively with you to address this complicated issue.

Thank you again for the invitation to testify here today. I would be pleased to answer any questions.