

## Leeds University Business School – Research and Innovation Podcast

### Episode 3

Title: Research & Innovation Podcast: Modern Slavery and Business

Speakers: Matthew Davis and Hinrich Voss

Matthew: Hello, I'm Matthew Davis.

Hinrich: And my name is Hinrich Voss.

Matthew: Welcome to this episode of Leeds University Business School's Research and Innovation Podcast. In this episode we're going to be looking at the issue of modern slavery and business, trying to unpack some of the key issues and understand what this topic is and key things that businesses and the public should know about it. Hinrich, probably the first point to start with is: what is modern slavery?

Hinrich: That is a good question. In the UK, we use modern slavery as an umbrella term to capture different forms of exploitation of labour. For example, aspects of bonded labour, forced labour, human trafficking, are all aspects that are considered as forms of modern slavery and therefore, governments in the UK and elsewhere are trying abolish these forms of exploitation of labour.

Matthew: So, this is a pretty broad set of behaviours, isn't it? So, much more than just human trafficking or child labour?

Hinrich: It is. It is a very broad definition and one which causes a huge amount of problems for businesses trying to work around the government definitions on modern slavery.

Matthew: Okay. Well, I think that's a really helpful starting point and I think, personally, we're seeing a lot of stories in the newspapers, a lot of talk from politicians around the need to tackle modern slavery, and my perspective is that often this is talked about in terms of cracking down on people illegally trafficking people into the UK or other developed countries. How do you think really affects business? Because this sounds like just a much broader, kind of, social issue or crime issue, what's in it for business?

Hinrich: It is a broad social issue, it is, however, one which is stretching along the whole operations of business, being it within the country the firm is located in, but also along the whole global value chain. And the legislation, as it is today, and we have, for

example, some in the UK and Australia, both of these are asking businesses to identify and report on modern slavery aspects across the whole... the global value chain. And therefore, it has a huge impact on business and how they might consider their processes, with whom they want to work, where they want to work, what they have to report, how they can report. A huge amount of extra work being put on businesses as well as a responsibility to understand what the issue is, and how to identify it.

Matthew: It's interesting because I think often we might think about... I think modern slavery being an issue that just happens overseas, and I think particularly when I talk to my students and, kind of... and friends around this issue it seems this problem that happens somewhere else, and I think we've obviously seen some of the newspaper articles around people being exploited in farming, agriculture, I guess, in the UK and particularly, I think, mattress making and...

Hinrich: Mattress making, and I think there were cases around nail shops, car washing...

Matthew: So, it's not just something that happens overseas, is it? And I think maybe the other point around this as well is often this might be something connected to products we're buying, I guess, without realising it? Do you think that's fair?

Hinrich: I think that's a fair comment. A number of products are probably more prone and liable to be exposed to risks around modern slavery, and there have been, as you indicated, newspaper articles on car washing, agricultural products coming from across Europe in the UK, which may be exposed to aspects of modern slavery. And products are normally not indicator or label in any way or form, the indicator might be vulnerabilities. We do know that certain sectors are more likely to have risks around modern slavery than others.

Matthew: Yes, well that's interesting because, I mean, that kind of suggests, as consumers, as buyers, we need to be a little bit more questioning, maybe, of where our product comes from or how it has been made. And I think when I talk to my students, maybe, around this topic, and ask them where they think there might be the risk of somebody having been exploited for a product or service, one of the things that often comes up is, oh, fast fashion, cheap clothing, you know, how could they make this unless they weren't exploiting somebody? Either not paying

them enough or poor conditions or... but it's not just fashion, is it?

Hinrich: It's not just fashion. You might remember, just before Christmas, there was a Christmas card which was bought by Tesco which had a slip in there saying, "This Christmas card was made with prison labour in China," and then Tesco withdrew the Christmas cards from the shops. So, it indicates it is broader than just fast fashion. It includes other areas of work like Christmas cards, agriculture we mentioned earlier.

Matthew: Electronics, I guess.

Hinrich: Electronics. And the big case, I suppose, coming up in the area of football, in the World Cup in Qatar and to what extent construction work is maybe considered as bonded labour, building stadiums for the World Cup forthcoming.

Matthew: And bonded labour is where people essentially are working of their own volition but they're having to pay off loans, aren't they? Or, kind of, other obligations that they might have taken on.

Hinrich: Or their passports have been taken away and they can't move around freely, and thereby can't leave the country, can't find other employment, but are fixed to work with this one employer they have at the moment.

Matthew: And I guess exploitation in construction isn't just, again, an overseas issue, we see some of these, kind of, aspects of exploitation within the UK as well, kind of casual labour, people being brought in, maybe under false pretences. I think, construction, just culturally and in the fragmented nature of different trades coming on is really a tricky one to police, isn't it?

Hinrich: It is. And one other aspect which makes it difficult is that a lot of the policing is focussing on large businesses, and of course large businesses are working often in relationship with smaller firms within the UK, and across global value chains, wherever they're located in.

Matthew: What do you mean by global value chains, Hinrich?

Hinrich: I mean aspects like businesses sourcing and procuring from, as you indicated, say, fast fashion, they might procure particular fashion items from India, Bangladesh, Sri Lanka, and that would be the, kind of, global value chain where they're sourcing from. And of course, the immediate producer they are sourcing from might have their own value chain and that might come in from the same country or from a third country again. Understanding

the length of all of it, and understanding who is involved is a bit difficult.

Matthew: Well, because I'm thinking about... so, obviously we've worked together on this topic, Hinrich, and with colleagues in the School of Design and in Geography as well, and colleagues internationally, and I know when we were looking at the fashion industry and supply chains and how people... what people knew about labour standards and how information got passed around, the thing that struck me was, actually, how little information maybe flowed around that chain, and how, I think, public and people in government often assume that big company, maybe, who are selling the product to the consumer, will know everything about how it has been produced, where the materials have come from, and I think that's just not the case, is it?

Hinrich: It didn't seem to be the case, certainly not the interviews we did in India with the British Academy and DfID funding, where even businesses in the supply chain didn't expect large business up the value chain to understand what is happening further down, because they thought businesses are just too far removed, they can't understand what is happening because there's no capacity to monitor and control properly what is happening in this particular value chain around fashion. It might be different elsewhere, when you have a much clearer, shorter, value chain, but not in fashion with a lot of people like grey market and informal producers and suppliers coming in.

Matthew: That's a bit of a challenge, then, isn't it? Because I think you talked about the Modern Slavery Act earlier, or modern slavery legislation, and I think particularly the legislation in the UK and now Australia as well, the part that relates really clearly to business about having to report what they're doing, and the expectations on business, I think there's an assumption in there that businesses know all about their supply chain, their value chain, and can identify where the risks are and where there might be problems. And I think it's just clear where that might be. I think that's difficult, then, in terms of what we're expecting business to be.

Hinrich: It is difficult in terms of what we expect businesses to do, how to report, what to report on, and also how we then respond to what businesses are reporting upon. Because if businesses would report on x numbers of modern slaves being freed, would we see that as a positive because they identified them? Would we see it

as a negative because they have some? And how dare they have any?

Matthew: Well I think you have to be a brave company to publicly say how many slaves or children you found in your supply chain, and I know there's only a small number who do that publicly, aren't there?

Hinrich: Indeed.

Matthew: Well, Hinrich, I think we've touched on lots of interesting points, I think, so far. I think this topic is so challenging for businesses and for policy makers, and that's why we've got a series of podcasts coming up that looks at each of these issues in a bit more depth, and we'll talk to some of our business and academic partners around the work they've been doing to go a little bit deeper on each of these.

Hinrich: Yes, and I'm very much looking forward to having those conversations with those colleagues from Australia, India and the UK, to explore any of these themes in much more depth. And trying to further untangle what are the issues we need to explore further, and see what it means for policy makers, see what it means for businesses and how we can make an impact and a change on issues around modern slavery, and engagement of social issues in global value chains.

Matthew: Well I hope you found the first conversation we had on this topic of use. If you're interested in supporting future research or being a part of events and workshops we're going to be carrying out on this topic, please do get in touch.