

Report on Supply Chain Compliance Volume 3, Number 11. May 28, 2020 Addressing the risk of modern slavery during the pandemic

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As the world enters the <u>third month of the COVID-19 pandemic</u>, [1] nations are experiencing the secondary effects of the crisis and beginning to plan for future scenarios. <u>Economies are forced into recession</u>, the <u>unemployment rate rises</u>, [2] supply chains are affected and companies take whatever measures are necessary to stay afloat.

In this type of environment, temporary measures have a chance of becoming systemic, potentially creating forced labor conditions for millions of displaced workers.

For example, countries like India, Bangladesh and Cambodia rely heavily on the garment industry for jobs and income. With <u>retail consumption down all over the developed world</u>, orders are not coming in. Buyers are cancelling existing or finished orders, leaving stock lying around with no market. Additionally, workers often live on-site in dormitories, but room and board is predicated on the factory having work to do. Under these conditions, the access to room and board can force employees into having to work overtime for little or no pay, result in debt or lead to workers being unable to leave the factory. Likewise, with everyone concerned about spreading the virus, any worker who leaves the factory may not be allowed to return with the threat of back pay or other benefits being withheld. This can easily lead to a loss of agency and freedom of movement, which is, by definition, a major indicator of forced labor. People are willing to accept these kinds of circumstances during the pandemic, but if it becomes systemic, it could present a serious problem.

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