

GAMECHANGER

Businesses and NGOs as Partners for Slavery Free Supply Chains

BREAKOUT SESSIONS

A | Success Factors of Partnerships

Carlos Busquets, Responsible Business Alliance

While some argue that we have an overkill of participation these days, gamechangers are needed to bring about change to complex and intertwined problems. Joining forces can create huge leverage in securing human rights in supply chains. Where one stakeholder alone has to realize limitations, partnerships can help to get beyond these.

However, to avoid frustration certain questions should be considered before entering a partnership. Based on the panel discussion on gamechangers for slavery free supply chains we identified six key factors for successful partnerships:

- Trust
- Connectivity
- Realistic Expectations
- Common Language
- Flexibility
- Focus on Impact

These factors include open and transparent communication about what is possible and what not, the willingness to leave your comfort zone and to bring the difficult conversation to the table, as well as the ability to find some common ground. Successful partnerships require a clear governance and strategy framework, that clarifies the division of roles and responsibilities as well as expectations of each partner. Collaboration should always be based on a realistic assessment of the situation on the ground. It requires a clear understanding of the local justice and social systems, as well as existing vulnerabilities. Partners will have to listen carefully and not try to find a quick fix for a complex problem.

While these factors are focused more on the internal side, partnerships are framed by a wider context of institutions and stakeholders, that have an impact on the outcome of a partnership. Consumers as example have a critical role to play, who still too often on the one hand want the most sustainable product, but then are not willing to pay the price. In addition, investors can be potential gamechangers as their awareness for the importance of sustainability questions grows. Also, the mindsets within the business community have an impact. To increase awareness and the understanding of complex problems, investment in trainings can be helpful. While the role of the media is to bring human rights violations to the public, we need them also to understand long transformational processes and to report on positive developments as well to encourage learning from best practices.

Finally, legislative regulatory frameworks bear the opportunity to have a crucial signal-effect for growing awareness on sustainability goals. While many companies, who are already meeting their human rights due diligence, will most likely already be prepared to meet requirements, new supply chain laws can help to get other companies to catch up. At the same time, they bear the risk of high exaggerative expectation regarding the impact on the ground and therefore should always be seen as just one element in a comprehensive strategy.

B | Justice System Transformation – Game Changer Opportunities for Businesses

Anna Pienaar, International Justice Mission (IJM) Global

Conscious consumers today have high expectations for responsible sourcing and slavery free products. The reality of offered products however discloses that this demand is not met by corporations. Challenges for companies already arise with the supplier mapping. Large numbers of suppliers and the complexity of supplier networks require huge effort and are very time-consuming. Uncertainty of anti-trust laws and the fear of losing in competition by revealing suppliers add to these obstacles. A regulatory approach that provides clarity and a common framework for these challenges would be a real benefit. While a common global framework should be the goal, a regional solution could be the better path (taking GDPR as example: EU-regulation that now has a global impact).

However, companies will realize their limitation of action and impact especially at the upstream of the supply chain, where poor governance causes systemic human rights violations. Forced or child labor as well as violence against women and children or other violations are then a symptom and not the root cause. These situations differ in complexity and severance from failed states to emerging industries with broken justice systems.

Recognizing those limitations confronts companies with the question, whether they should leave to ensure clean supply chains or stay and try to be part of a solution (which is not always a choice when it comes to rare materials like cobalt). It also leads to another uncertainty regarding the role of corporations versus governments, e.g. an automotive company providing health care. This uncertainty becomes even more relevant, when it comes to the responsibilities and authority of law enforcement and a company taking up its tasks in the absence of justice system response.

Tackling root causes of human rights violations in supply chains therefore means fixing justice systems and improving governance in production and supplier countries. Pressure from consumers and suppliers downstream the supply chain could provide the needed incentive for involved companies and finally host governments. Also, investors can play a critical role for that. While individual companies might not have a strong enough voice, they should work together in unions to apply pressure on governments to meet their responsibility to protect people. Such efforts would have to be complemented by government advocacy through countries like Germany as well as the EU, e.g. through strong enforceable human rights clauses in trade agreements.

As expert on strengthening justice systems in order to protect the vulnerable from massive violence like forced labor, IJM has seen that a basic functionality of justice system response can be enough to cause a massive reduction of violence. Targeted measures to strengthen capacities to respond to a certain type of crime are key for such an impact.

IJM therefore proposes a partnership model with businesses to help host governments to improve their response to human rights violations within supply chains. While the partnering company would keep sourcing from an identified target country, a partnership to strengthen justice system response to forced labor with IJM or another NGO and the host government would be entered. Stating clear goals and indicators right from the start will give a reliable basis for impact measurement and the decision of the company, on whether to keep sourcing from the target country after completion – providing a serious incentive for target governments to cooperate with, and eventually own, the work.

C | India – Country of Challenges and Opportunities

International Justice Mission (IJM) South Asia

Carolin Seeger, twentyfifty GmbH

In India, an estimated 18 million people live in modern slavery, compared to 21.9 million in the rest of the world (Global Slavery Index 2016). The government is taking steps to address the issue, having drawn up an action plan to eradicate bonded labor by 2030. Progress is slow, however, as slavery is a hidden, extremely lucrative 'business' and the public justice system does not serve the victims.

The root causes of bonded labor in India are:

- Poverty that drives families to desperate measures for survival, rendering them vulnerable to deception or willing to suspend their suspicions given no other alternative.
- The readiness of an individual or network to exploit the vulnerable situation of individuals and families, when seeing the financial opportunity of crime. They are willing to gain total control over the victims' lives through debt bondage and to use threats against children to control their parents, or even force and violence against individuals.
- A broken public justice system that lacks the will or capacity to respond adequately and protect the vulnerable.

The reality of bonded labor in supply chains is often underestimated. With India being such an important partner for German business, German companies need to realize the severance of the situation and start to investigate the relevance for their own supply chains. At the same time the hidden nature of the crime as well as corruption and especially the lack of an adequate justice system response make it difficult for German businesses to find sustainable solutions.

Strategies and assessment tools such as the Modern Slavery Risk Assessment can help to improve knowledge about the sourcing context and to identify potential risk factors based on data. The gamechangers needed, however, are multilateral partnerships that include different stakeholders, who can draw a multifaceted picture of the problem. In collaboration comprehensive solutions can be developed, that are based on the complex situation on the ground. These partnerships can be slow to start, as they require front-runners, who are willing to commit long-term, the right partners, who work together on an all-important basis of trust, and an open dialogue based on the willingness to work through accompanying challenges.

Each partner in the collaboration has an important role – from addressing gaps in the public justice system (government) to providing accurate local information and holding the trust of survivors, for whom high stakes are involved (NGOs with local representation and resources) to providing resources and 'speaking truth to power', i.e. governments (companies).

Especially in an environment where NGOs and human rights defenders are operating in an increasingly shrinking space, partnerships with companies that take socially responsible positions and use their influence with governments are vital.

This is not a comfortable space for many companies, but taking first steps with trusted local partners and going from there is key in the struggle for slavery free supply chains. After all, modern slavery and trafficking are issues that many companies have already committed themselves to addressing in their operations and supply chains – and there are tools, resources and partners out there to support them.