

TESTIMONY OF MARGARET ELLEN ROGGENSACK
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BEFORE THE BUREAU OF INTERNATIONAL LABOR AFFAIRS
DEPARTMENT OF LABOR
DEVELOPMENT OF LIST OF GOODS PRODUCED BY CHILD OR
FORCED LABOR

Thank you for the opportunity to appear today to discuss the use of child and forced labor in the production of goods internationally. Free the Slaves is an eight year old non-governmental organization dedicated to ending modern day slavery. We are the sister organization of Anti-Slavery International, the world's oldest international human rights organization. We focus much of our effort on preventing slavery and ending vulnerability to slavery. We have learned that unless we can address root causes of slavery, individuals may be capable of rescue but are never truly free from the threat of re-enslavement.

Modern day slavery is all around us. It's in the clothes we wear, the food we eat, and the cell phones and computers that are hallmarks of our technological century. The world's major cotton supplying countries – India, China and Uzbekistan – use child labor to cultivate their crops. In Thailand, Burmese migrants toil in appalling conditions to cultivate and harvest the shrimp we buy in our local groceries. Congolese families mine columbite-tantalite under dangerous, often life-threatening conditions. Those minerals are processed by U.S. companies into coltan, used to make capacitors for a wide array of consumer electronics. In an average week, there are typically several media stories of forced labor, both near at home and far across the globe.

Slavery continues to exist in virtually every country in the world, and taints many of the things Americans buy, wear and consume. Free the Slaves stands firmly against slavery, no matter where it happens, no matter how it happens, and no matter which goods are affected. Slavery is too high a price to pay for such goods, no matter how cheap, how appealing or how necessary to modern day life.

We know from our outreach and a recent national poll that most Americans will not knowingly purchase slave made goods, even if this means paying more. But simply boycotting slave made goods, while well-intentioned, isn't particularly helpful. The underlying slavery continues, at the level of the farm field, mine or factory.

And this is among the biggest differences, and the thorniest challenges between abolition then and now. In the nineteenth century, the global economy was far simpler.

Abolitionists could easily pinpoint which commodities were produced with slavery, and could as readily identify the financial interests supporting that trade. The majority of American-grown cotton and Congolese rubber was slave-made. Today, the reality is far more complex. Slave-made goods are often raw materials and components that undergo substantial further processing in one or more foreign countries before becoming a traded commodity. Producers may source their raw and component materials through intermediaries, in multi-layered supply chains. Consumers have no ready way of knowing all of the various possible sources of supply that combine to make a final product, let alone the conditions under which those various parts are made.

It is unreasonable to expect the immediate eradication of slavery or forced labor from the global economy. As our president, Kevin Bales, has written, “ The list of slave-touched products is long...We can point to documented cases of slavery in the production of cocoa, cotton, sugar, timber, beef, tomatoes, lettuce, apples and other fruit, shrimp and other fish products, coffee, iron, steel, gold, tin, diamonds and other gemstones, jewelry and bangles, shoes, sporting goods, clothing, fireworks, rope, rugs and carpets, rice, bricks...”

The Bureau of International Labor Affairs is charged with a near-impossible task. Slavery and forced labor permeate global commerce. No list can adequately encompass this fact. And listing products, as opposed to specific suppliers, can have unintended and often counterproductive consequences. Consumers rightly recoil at the thought of purchasing slave made goods. But this is a problem that can't be fixed by the consumer at the point of purchase. As our President, Kevin Bales has observed, “The place to stop slavery is

not at the cash register, but where it happens – on the farm, in the quarry, or in the sweatshop. The \$30 the consumer doesn't spend boycotting the purchase of a shirt is worth little or nothing to the fight against slavery. The slaveholder has already received his profit, and if a boycott leads to a collapse in cotton prices, the slaveholder just moves his slaves to another job or dumps them or worse. Meanwhile, boycott-driven unemployment puts the poorest farmers, mill hands and other workers at risk of enslavement. A boycott is a blunt instrument that sometimes is exactly the right tool but often runs the risk of creating more suffering than it cures.”

At a minimum, Free the Slaves recommends that the Bureau formally acknowledge the pervasiveness of slavery and forced labor in the global economy. We would further recommend that the Bureau acknowledge that while it is directed to address overseas production, numerous U.S. products are tainted by slavery and forced labor -- as most recently reported, oranges, tomatoes and other farm products. The list is long, but our ability to catalogue it is hampered by the fact that there are only a handful of U.S. labor inspectors monitoring the situation and few of them have the needed language foreign language skills. And however reasonable the request, the U.S. would likely deny foreign government investigators access to inspect labor conditions here for products they import from us.

Fortunately, there are promising new strategies to address slavery and forced labor in the production chain. Today, I'd like to highlight two such strategies, one in West Africa and the other in Brazil. The most appropriate response from the Bureau is a formal acknowledgement that these public-private partnerships are making progress in eradicating child and forced labor, in addition to expanding its own funding of community-driven anti-child labor and forced labor programs in the worst affected areas.

As noted, countless products entering the United States are in some way touched by slave or forced labor. But there is only one industry that – as a whole industry – has taken the unprecedented step of taking responsibility for its supply chain. In 2001, the chocolate industry committed itself to the eradication of the worst forms of child labor from its

production chain. As part of this path breaking commitment, the industry agreed to allocate significant resources to make cocoa growing communities thriving and viable.

This unprecedented initiative is a multi-stakeholder partnership. Unlike any other sector, in cocoa, all the key players are on board and fully engaged – industry, national governments in West Africa, trade unions, non-governmental organizations representing consumers, child labor and human rights advocates, and the U.S. government, both the Legislative and Executive branches. Each of the partners provides valuable expertise and perspective and plays a unique role. The process is working and progress has been made. The most important contribution that the Bureau could make to this process is to recognize this progress, and to use this example as a benchmark against which other similar efforts with other commodities or industries may be judged.

The process started with a documentary film, *Slavery: A Global Investigation*, based on our President Kevin Bales' book *Disposable People: New Slavery in the Global Economy*. The filmmakers went to the Ivory Coast based on a U.N. report of child labor in cotton. On arrival, the filmmakers learned of the recent rescue of 19 teenagers from a cocoa farm. The children had come from Mali seeking work. They were “befriended” by labor recruiters and sent to an isolated cocoa farm where they were enslaved. One boy ultimately escaped, and was able to summon help from a local representative of the government of Mali.

This footage shocked the citizens of the United Kingdom, where the film was broadcast. Bales met with the companies to discuss what to do. The chocolate companies struggled to understand the scope of the problem, and to frame an appropriate response within the limits of anti-trust and related laws.

The process accelerated with the threat of an embargo, in the form of a requirement that all chocolate bars be labeled as child labor free. Introduced as an amendment to the agriculture appropriations bill, Congressman Eliot Engel's proposal was included in the House bill.

This requirement would have been impossible to meet, and would have devastated both the West African cocoa growing communities and countries for which cocoa is a key source of income and the chocolate bar makers for which West African cocoa beans are the predominant source of supply. As Bales has observed, “ No one- including the companies, child labor experts, product chain specialists, and anti slavery groups – could figure out an effective way to prove that cocoa was “slave free...so little fair trade cocoa was on the world market that there would be very little chocolate for anyone to enjoy if that were the only source and the companies (and farmers) could have been pushed toward bankruptcy. Much worse might have happened in the Ivory Coast. Since cocoa is the main support of the country’s economy, cutting the Ivory Coast off from the U.S. market could have brought on tremendous hardship and social unrest.”

Congressman Engel and Senator Tom Harkin traded the threat of sanction for a multi-stakeholder initiative to oversee and sustain efforts to eliminate the worst forms of child labor from cocoa growing and processing. The “Harkin-Engel Protocol,” signed on September 19, 2001, has three main action points. All stakeholders would: 1) sign a binding memorandum on a detailed plan, by May 1, 2002; 2) create a non-governmental organization, funded by industry, to “oversee and sustain efforts to eliminate the worst forms of child labor” in cocoa production by July 1, 2002; and 3) put in place “credible, mutually acceptable, voluntary, industry wide standards of public certification.”

This agreement leverages corporate commitment, is informed by civil society, and is backed by national governments to drive lasting change at the community level. The project is sustained, as stipulated by the Protocol, through a non-governmental organization, the International Cocoa Initiative (ICI), based in Geneva. Free the Slaves, together with the National Consumers League, the Child Labor Coalition, the International Labor Organization, and the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations witnessed the Protocol. Free the Slaves is also an active member of the ICI Board.

Several aspects of West African cocoa production are worth noting, because they help to explain the unique approach of the cocoa initiative and its success to date. Strategies that may be appropriate and workable for other, seemingly similar commodities are inappropriate for cocoa.

West Africa is the predominant source of cocoa beans used for chocolate bar production. The Ivory Coast alone accounts for half of the world's cocoa production. Though cocoa is grown elsewhere, West Africa is largest producer of cocoa beans that are consistently suitable for chocolate bars.

Cocoa is grown by millions of family farms, on smallholdings. Though the French term for these farms is "plantation", they are anything but, rarely more than 10 acres. Cocoa is not readily grown in large plots, and must be harvested by hand, in contrast to coffee, which has been successfully cultivated on large-scale plots and harvested by machine.

Children are actively involved in cocoa growing. Since the filming of the documentary, *Free the Slaves* has learned more about the nature of forced labor and trafficking as a manifestation of slave labor in the supply chain. We now understand that while trafficking is present in West Africa, the greater challenge relates to hazardous labor and child labor. Both of these practices point to underlying conditions of poverty, vulnerability, social inequities, and the lack of law enforcement. While actions to raise awareness are important, there is a real need to engage in partnership with all relevant stakeholders to solve these problems. The partnership represented by the cocoa initiative shows that a forced labor problem can be converted into knowledge and drive change.

Cocoa growing settlements are not easily organized into cooperatives. They are multi-ethnic, made up of clusters of smaller settlements defined by tribe and language. The ethnic and linguistic differences, together with long standing informal, and often contentious, land owning patterns, cause West African farmers to resist cooperative organization. In Cote d'Ivoire, many cocoa growers are immigrants from neighboring countries. The idea of farmer cooperatives is fairly new in Cote d'Ivoire, and many

farmers are distrustful. An effective cooperative helps farmers get the best price by combining crops and giving sellers more leverage; allows farmers to buy supplies in bulk, often at a discount; and can provide temporary credit between harvests. Very few of the farmer cooperatives in Cote d'Ivoire have attained this level of sophistication, serving mostly as a selling club. Members tend to demand that income from sales be distributed immediately out of fear that someone in the cooperative will abscond with the funds. The advantage of buying supplies in bulk is lost, as is the advantage of basic money management. While fair trade cooperatives have been shown to be effective in stable agricultural communities, labor violations and worst forms of child labor tend to occur in communities in transition, with situations of insecure land tenure and multilingual and/or migrant populations, as is the case in West Africa today. Free the Slaves believes that community-based, development-oriented programs of the kind undertaken by ICI are key to building stable communities. The best solutions will come from committed and engaged farmers.

In West Africa, national governments control the purchase, grading and distribution of cocoa beans, through licensed buying cooperatives. This system is intended to ensure that cocoa farmers get a fair price and to protect brokers. Chocolate companies and processors can't buy cocoa directly from cocoa farmers. There is no direct contractual relationship between cocoa farmers, and cocoa processors and chocolate manufacturers.

The Protocol process has had its challenges, among them the establishment of the certification process by the Protocol deadline, and establishing the verification process, which was complicated by the civil war in Cote d'Ivoire and differences among stakeholders regarding the design of verification. The certification process, which assesses progress in the sector as a basis for guiding remedial action, has reached the midpoint – coverage of half of the cocoa growing communities. This is a key achievement by two sovereign nations for a sector, which is a significant part of the overall economy, accounting for 70% of the world's cocoa production. Verification activities, undertaken by an independent body to assess certification efforts, will begin in May and June, with a final report anticipated later in the year. The verification work will

be extremely valuable in providing a baseline and ensuring that remediation efforts are targeted appropriately and make the best use of scarce government and outside donor resources. Throughout the cocoa initiative process, the stakeholders' focus has been not on simply getting it done, but on getting it done right.

The cocoa initiative has been successful in various ways – bringing together stakeholders around a shared challenge, marshalling significant resources in support of that challenge, engaging cocoa growing communities and their national governments in dialogue around a difficult issue and working together toward responsive solutions, developing and maintaining solid data on community conditions and needs, and ensuring that that data is translated into effective remedies.

The elimination of worst forms of child labor from cocoa growing is a long-term process. At a recent multi-stakeholder conference, attendees acknowledged the nature of that challenge, and embraced a vision based on thriving cocoa growing communities. That means, as the conference report noted, “conditions that will support healthy, appealing and economically viable farms, where children are safe and in school. Promoting the profitability of cocoa farms, using improved tools and methods, is the best way to ensure a sustainable supply of quality cocoa while at the same time encouraging investment in the farm, the family, the community and the future of their children.”

Several themes emerged about the relative roles and responsibilities at this phase of the process:

“The national governments of Ghana and Cote d’Ivoire are central to providing the overall leadership and coordination of efforts for the development of cocoa regions.”

The two national governments are working hard to meet the challenge handed them.

What they most need and deserve at this point is support, in the form of aid and technical assistance, and that support should be better coordinated among donors.

The entire cocoa industry, including local buyers, transporters and processors, as well as manufacturers of cocoa based products, “bear a key part of the shared responsibility for the future of the cocoa supply chain.” The major cocoa processors and chocolate bar manufacturers have contributed more than \$35 million overall since January 2005, including support for ICI and other complementary initiatives. They have also contributed substantial, high-level expertise to the formation and ongoing operation of the ICI. If the ICI is to recognize its full potential, corporate stakeholders with a significant interest in this business that are not currently engaged – the cocoa-using sector – will need to become meaningfully engaged. The two original sponsors of the protocol, Congressman Engel and Senator Harkin, are ideally positioned to encourage participation by additional corporations in the cocoa sector.

The NGOs’ role is vital to ensure that progress in infrastructure and farm profitability is matched with lasting social development. Non-governmental organizations and trade union representatives from West Africa, Europe and the United States have provided expertise to inform training in child labor and trafficking issues, as well as the design of social development programs. Free the Slaves intends to continue efforts to ensure progress against the initiative’s goals, particularly with respect to ending community vulnerability through lasting economic and social development.

Donors have an important role to play. “Underlying all development efforts and in particular the efforts to eliminate child labor, must be substantial investment in quality accessible education for all.” In order for cocoa communities to thrive, they will need improved education programs, to address the needs of children, dropouts and illiterate adults. For its part, the U.S. should ensure that existing support aligns with national plan objectives, and supplements those efforts with complementary initiatives, particularly in health and nutrition.

As noted, the U.S. is deeply involved in support of the cocoa initiative. Both Congressman Engel and Senator Harkin created the political environment for the protocol, and continue to oversee its progress. The State Department’s Bureau of

Democracy, Human Rights and Labor will soon convene a second multi-stakeholder forum to discuss the recent conference's findings and stakeholder action steps. The Office to Monitor and Combat Trafficking in Persons is supporting important and much needed law enforcement training and victim assistance efforts in the region. A range of U.S. assistance programs, notably the Sustainable Tree Crop Program, are producing lasting improvements in cocoa community welfare. The Department of Labor's commissioned study on the Protocol process, conducted by Tulane University, is well underway; its first annual report concluded that progress has been made.

Free the Slaves strongly recommends that the Bureau formally recognize the cocoa initiative's progress and consider its utility as a model for addressing child labor and forced labor challenges elsewhere. At a minimum, the Bureau should reserve judgment on this sector at this key moment in the process. The process has been lengthy and challenging, its bright promise is only beginning to be realized, and more progress is to be made. **To list cocoa among commodities for which no similar effort is underway is to deny this progress, and to risk the future of this program at a critical juncture. The most important contribution that the Bureau can make to this process at this time is to allow it to continue, and to work in coordination with other parts of the U.S. government supporting its progress.**

The other promising new strategy to address slavery and forced labor in the supply chain comes from Brazil.

Brazil is the only country in the world with a national plan to eradicate slavery. Pursuant to that plan, the government conducts raid and rescue operations. Based on these enforcement actions, the Ministry of Labor and Employment publishes the names of entities found to be using slave labor. The listed entities are required to pay workers' back wages and to improve labor conditions. Government inspectors confirm compliance through unscheduled visits. Assuming the conditions are met, companies can be removed

from the list after two years. This list, known as the dirty list, is updated every six months.

The National Agreement to Eradicate Slave Labor in Brazil was created in 2004 to ensure that entities on the dirty list were removed from the supply chain. The agreement rests on extensive research – the first of its kind in Brazil – by the Brazilian non-governmental organization Reporter Brasil, tracing the entire supply chain from the dirty-listed entities to the ultimate retailer. The agreement commits companies to cease doing business with suppliers engaged in slave labor, as identified by the dirty list. This approach improves working conditions at the farm, factory and mill while engaging companies in a solution that preserves important economic activity along the supply chain. It also raises awareness among all actors in the supply chain and provides a positive outlet for action.

The Ethos Institute, the ILO and Reporter Brasil monitor the National Agreement to Eradicate Slave Labor in Brazil. It currently includes 140 companies representing 20% of the nation's GNP.

These innovative approaches bear careful consideration for their potential usefulness by U.S. policymakers.

From 1995, when Brazil created its anti-slavery program, to today, 30,000 people have been rescued from slavery by the Ministry of Labor and Employment. In this same period, the Catholic Church's Pastoral Land Commission (CPT), the Brazilian NGO most actively engaged in this issue, has filed petitions on behalf of 50,000 workers. The majority of victims are men from the north and northeast with little education. This practice pervades the cattle ranching sector; currently the largest number of rescued workers come from labor-intensive sugar cane operations.

There is a close correlation between enslavement and exploitation of the Amazon. Farm owners use temporary, sometimes enslaved labor to clear-cut and create or expand their agribusiness. This is a competitive strategy that depends on relative isolation, the

availability of a natural resource, and near total impunity. The work is temporary, the devastation total. Workers are paid little or nothing and are often physically abused. Still, they frequently become re-enslaved, because the promise of a job is viewed as preferable to no job.

Slavery and abusive labor practices are also associated with established agribusiness outside the Amazon region. The use of slave or forced labor is driven by competitive market dynamics. Agribusiness is supplying to, and dependent on, large industries and traders.

Current enforcement initiatives, now underway, include methodical inspection of all sugar cane farms and charcoal camps in the northeast, and the inauguration of an environmental inspection squad modeled on the mobile labor inspection units that have been so successful at rescuing people from slavery.

Brazil's anti-slavery initiative has managed to target enforcement action within specific industries. Unlike the Department of Labor's proposed list, the Brazilian dirty list identifies and sanctions specific suppliers. It provides a useful tool for the National Agreement, enabling signatories to identify and sever business relations with slave-using operations. It avoids trade – and labor – disruptions by giving companies the choice to trade with clean suppliers. The management committee for the National Agreement to Eradicate Slave Labor – the ILO, Reporter Brasil, and the Ethos Institute – has determined that companies are taking action to avoid doing business with tainted suppliers.

In the pig iron sector, this has included the formation of the Citizen's Charcoal Institute. Pig iron is used to make steel for export; it is often manufactured with slave-made charcoal. The Institute investigates and reports on charcoal supplier compliance with a Labor Ministry code of conduct for the pig iron sector. The Institute produces its own dirty list and decertifies offending suppliers. The founders of the Institute – the leading pig iron companies and exporters in Maranhao and Para state – commit to cease doing

business with listed suppliers. While the effort is not perfect – some Institute founders continue to source from tainted suppliers – it is an important part of an overall effort to eradicate forced labor in pig iron production. As the AFL-CIO has noted, the U.S. should continue to assist “ what have proven to be the best and most effective Brazilian public policies to improve labor rights compliance,” especially in the fields of child labor eradication – which registered a 50% decline in the ten year period from 1995 to 2005 – and the elimination of forced labor.

This past October, the House Human Trafficking Caucus hosted a briefing on slavery in Brazil, at which representatives from the ILO, the Brazilian government, and Brazilian anti-slavery organizations testified. The Brazilian witnesses present warned against the counterproductive impact of trade sanctions on Brazil’s evolving anti-slavery program. They recommended support for counterpart efforts to engage relevant U.S. companies to comply with the Brazilian National Agreement. Free the Slaves is currently working toward this goal, in collaboration with civil society and government. We believe that the U.S. could play a useful role in facilitating those discussions and in continued support for ILO’s work in country.

CONCLUSION

The Bureau of International Labor Affairs is charged with a near-impossible task. Slavery and forced labor permeate global commerce. No list can comprehend the scope of this challenge. Moreover, we know from our work that lasting change comes from community-based solutions, and that suggests a policy of engagement with all stakeholders, including business, whose in country roots are often deep and broad.

Identifying and eradicating forced and child labor will require a range of creative solutions. We look forward to working with the Bureau to support the promising examples in West Africa and Brazil, and to explore other possible avenues for collaboration.