Pulling the thread: engagement with the UK Modern Slavery Act from a global fashion and textile industry perspective¹

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What is the issue?

The International Labour Organisation estimates that more than 21 million people are in forced labour globally (out of an estimated 40 million in situations of modern slavery). Using the UK Modern Slavery Act 2015 as a reference point, this project set out to (i) identify the barriers to addressing modern slavery in the global clothing value chain; (ii) understand the motives of suppliers for having forced labour; and (iii) suggest solutions for industry and policy makers. The research focused on Indian (Tamil Nadu) and Vietnamese supply chains as they are important source countries for UK firms. These two countries are also home to small, fragmented and non-integrated businesses, making the identification, monitoring and addressing of modern slavery challenging.

The research evidence

The project revealed that there was little incentive for UK and overseas businesses above the Modern Slavery Act threshold (>£36m), as well as for companies in overseas supply networks, to engage with the Act. It also found that a large number of firms were not filing any modern slavery statements, which did not level the playing field for companies. Knowledge about the UK Modern Slavery Act among Indian suppliers is almost non-existent. Although these suppliers are addressing exploitative labour practices through audits, they do so on the basis of long-standing industry practices and not as a result of the requirements of UK legislation. Also, while the Act has

¹ This note is based on a British Academy-funded project '*Pulling a thread: unravelling the trail of modern slavery in the fashion and textile industry*'. The project is part of the British Academy/DFID programme on <u>Tackling Slavery, Human</u> <u>Trafficking and Child Labour in Modern Business</u>.

² Professor Brad Blitz led the British Academy/DFID programme on *Tackling Slavery, Human Trafficking and Child Labour in Modern Business* between 2017 and 2019.

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been a helpful tool to engage suppliers in the UK, it seems to have had little bearing on business practices overseas, especially in remote locations.

While the commendable practice of mapping and engaging with suppliers beyond the first tier and developing trusted partnerships is slowly gaining momentum, businesses across the supply network point to the severe challenges in obtaining a comprehensive overview. The project furthermore noted certain ambiguities around the term 'modern slavery'. By way of its strongly negative connotations, it is often misunderstood by workers in exploitative conditions. This can distract from the objectives of the UK Modern Slavery Act or similar legislation in the UK and overseas.

Policy and practice implications

- Investigating the UK Modern Slavery Act's impact on shaping new legislation in Australia, France and elsewhere, as well as understanding where and how national laws differ, can support businesses in understanding and navigating an increasingly complex field of legislation with an international agenda.
- The Modern Slavery Act should clearly stipulate the scope of 'supply chains' covered by it. Stakeholders within the same sector can have widely differing perspectives on the length of a 'supply chain'.
- Common reporting standards for transparency should be established. Such standards would not only help annual modern slavery statements to play their intended role in line with the spirit of the UK Modern Slavery Act but would also assist the mapping and understanding of supplier networks beyond the first tier (where most of the labour exploitation occurs).
- More effective interactions between hard and soft laws are needed. Enforcement of the Modern Slavery Act should build on the existing understanding among brands and their suppliers of long-standing industry initiatives (such as the Ethical Trading Initiative).
- Businesses could rely more on social media in tackling labour violations. As migrants increasingly use social media platforms to share exploitative experiences, social media could be used to better reach out to workers (and even develop training programmes).