

LABOR VULNERABILITY AND ENVIRONMENTAL DEGRADATION IN FORESTRY AND ADJACENT SECTORS

SEPTEMBER 21, 2020



VERITÉ
Fair Labor. **Worldwide.**



Shawn MacDonald
CEO, Verité

About Verité



Founded: 1995

Vision: A world where people work under safe, fair, and legal conditions.

Mission: Provide the knowledge and tools to eliminate the most serious labor and human rights abuses in global supply chains.

Our Goals:

- Provide businesses with tools that help to eliminate labor abuses.
- Empower workers to advocate for their rights.
- Create publicly-shared resources that enlighten and drive action.
- Contribute our expertise to government labor and human rights policy.

Verité Activities and Services

Verité is a civil society organization that works globally with governments, multi-national corporations, suppliers, unions, NGOs, and labor advocates on mitigating risk to workers.

- Examples of activities and services:
 - Original field research and assessments that prioritize stories and voices of workers
 - Consultation on systems to prevent and remediate risks identified
 - Training for company staff, suppliers, workers, and auditors
 - Creation of open source tools and resources
- Confidential and practical approach
 - assessments/investigations
 - trainings for brands, suppliers, auditors
 - consultations with governments, companies, initiatives



Gap Inc.



patagonia

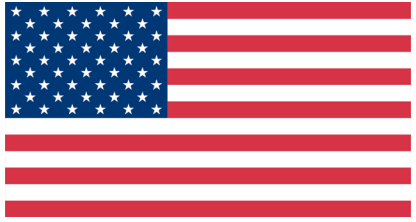


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Ambassador John Richmond Ambassador-at-Large to the Office to Monitor and Combat Trafficking in Persons (J/TIP)



Erin Klett
Senior Director,
Research & Policy, Verité

Goals of Verité's Independent Research



Exploring Intersections of Trafficking in Persons Vulnerability and Environmental Degradation in Forestry and Adjacent Sectors: Case Studies in Burma and Mozambique



Thailand Bound: An Exploration of Labor Migration Infrastructures in Cambodia, Myanmar, and Lao PDR



Addressing Forced Labor in the Cocoa Sector in Côte D'Ivoire



Shed light on poorly understood dynamics and problems with labor rights in a variety of sectors and geographies



Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains



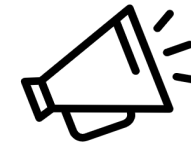
Recruitment Practices and Migrant Labor Conditions in Nestlé's Thai Shrimp Supply Chain



Financial and Contractual Approaches to Mitigating Migrant Worker Recruitment-Related Risks



Create understanding of risks and vulnerabilities

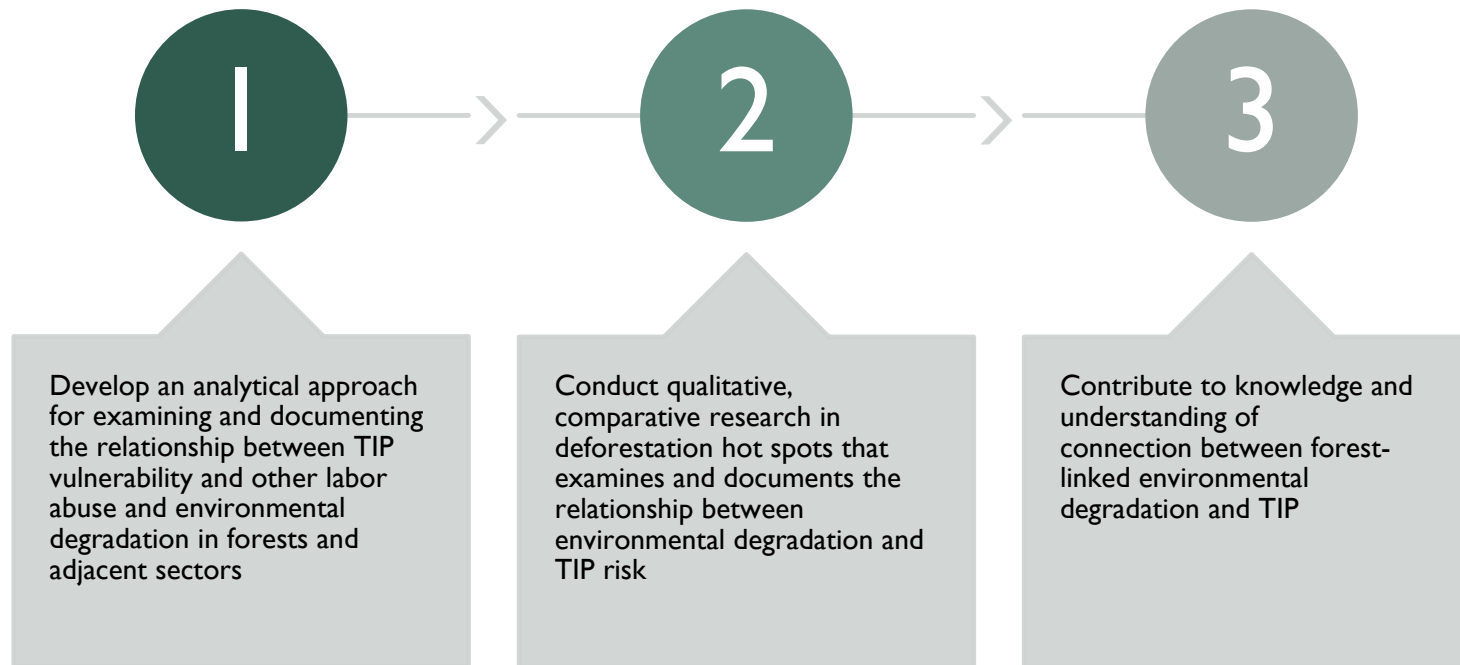


Provide a platform for engagement: open-source tools, awareness raising, policy advocacy

Independent Research: Examples of Country and Sector Combinations

- Apparel – India, Myanmar
- Cattle – Bolivia
- Corn – Bolivia
- Cocoa – Cote d'Ivoire, Ghana
- Coffee – Brazil, Guatemala, Mexico, Uganda
- Fishing – Ecuador, Indonesia, Malaysia, Myanmar, Philippines
- Electronics – Malaysia
- Gold – Peru
- Palm oil – Guatemala, Indonesia, Malaysia
- Rubber – Liberia
- Sugar – Dominican Republic, Mexico
- Shrimp – Bangladesh
- Tea – Malawi
- Tobacco – Malawi
- Tree nuts – Bolivia

Exploring Intersections of Trafficking in Persons Vulnerability and Environmental Degradation in Forestry and Adjacent Sectors – Project Goals



Exploring Intersections of Trafficking in Persons Vulnerability and Environmental Degradation in Forestry and Adjacent Sectors – Project Design

- Supported by the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons (J/TIP)
- Study and analysis conducted over 2 years
- Set of case studies offering diversity of geographic locations, sectors, contexts
- Myanmar and Mozambique chosen as locations for case studies due to high volumes of tropical roundwood, high rates of deforestation, evidence of TIP vulnerability and research feasibility
- Final case study selections – banana cultivation, illicit and informal logging, road construction – highlight diverse workforce demographics, types of abuse, and linkages with environmental degradation



Today's Agenda



Analytical Framework & Comparative Insights across Case Studies (Allison Arbib)



Banana Case Study in Myanmar (Max Travers)



Illicit Logging Case Study in Mozambique (Dr. Maureen Moriarty-Lempke)



Recommendations & Next Steps (Allison Arbib)



Q&A (Erin Klett)

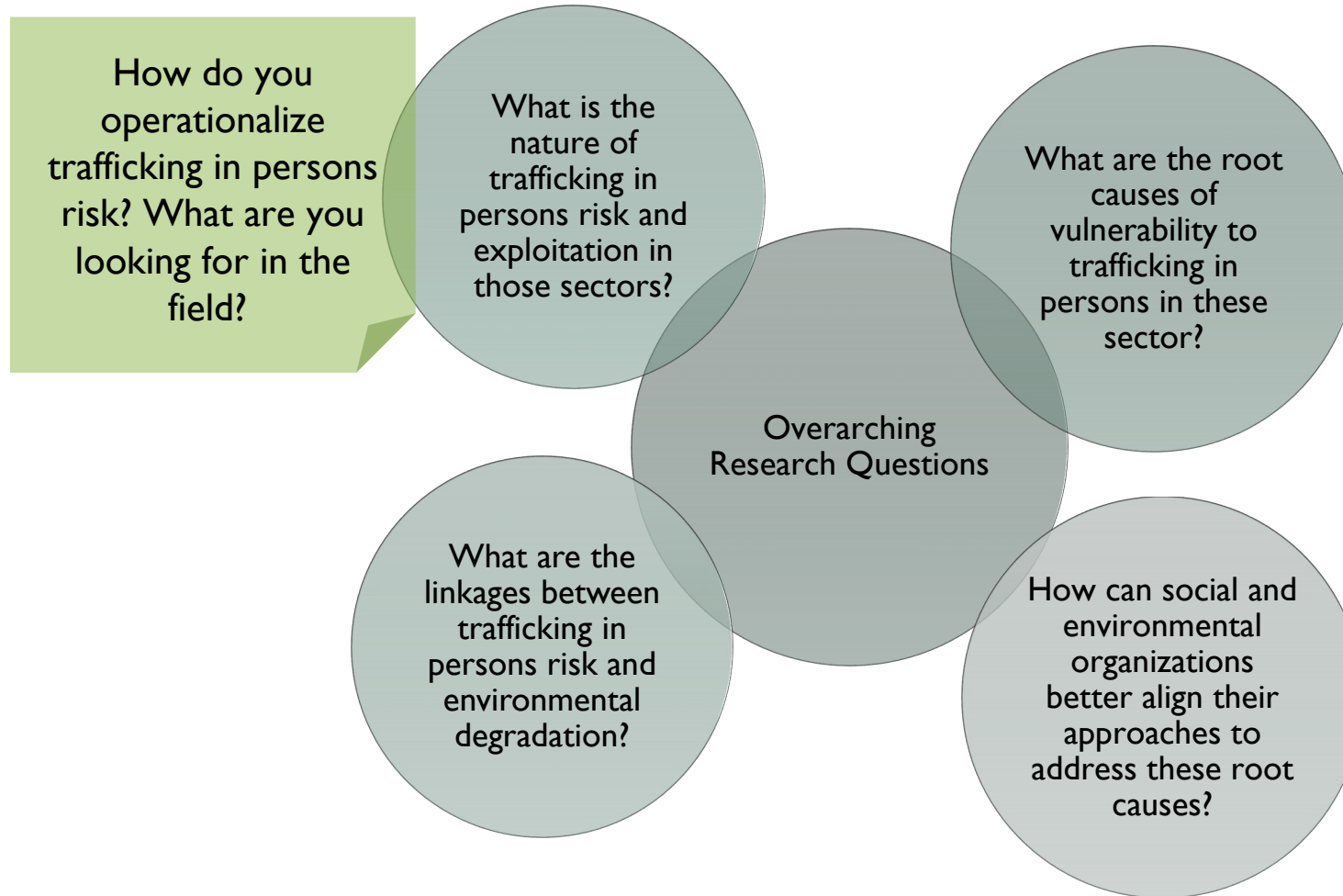


Allison Arbib
Research Project Director,
Verité



Methodology and Analytical Framework

Methodological Framework: High Level Objectives



Methodological Framework - Definitions

Trafficking in Persons

United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons

“The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, **forced labour** or services, slavery or practices similar to slavery, servitude, or the removal of organs.”

Forced Labor

International Labor Organization (ILO) Convention 29

“All work or service which is exacted from any person **under the menace of any penalty** and for which the said person has **not offered himself voluntarily.**”

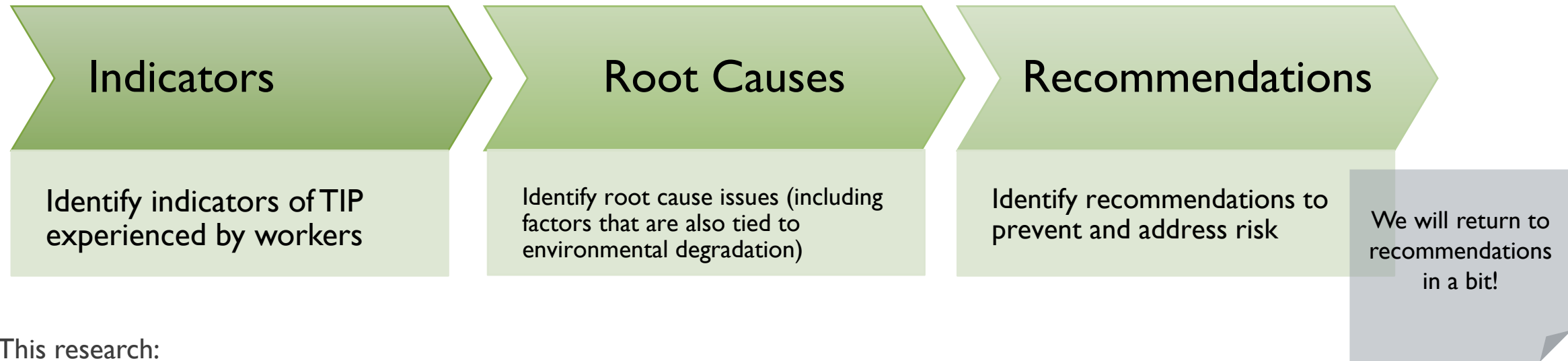
Methodological Framework – Use of Indicator Approach

<i>Indicators of involuntary work*</i>	<i>Indicators of threat and menace of any penalty**</i>
<ul style="list-style-type: none">→ unfree recruitment at birth or through transaction such as slavery or bonded labor;→ situations in which the worker must perform a job of different nature from that specified during recruitment without a person's consent;→ abusive requirements for overtime or on-call work that were not previously agreed with the employer;→ work in hazardous conditions to which the worker has not consented, with or without compensation or protective equipment;→ work with very low or no wages;→ work in degrading living conditions imposed by the employer, recruiter, or other third-party;→ work for other employers than agreed;→ work for longer period of time than agreed; and→ work with no or limited freedom to terminate work contract	<ul style="list-style-type: none">→ threats or violence against workers or workers' families and relatives, or close associates;→ restrictions on workers' movement;→ debt bondage or manipulation of debt; withholding of wages or other promised benefits;→ withholding of valuable documents (such as identity documents or residence permits); and→ abuse of workers' vulnerability through the denial of rights or privileges, threats of dismissal or deportation.¹⁰ <p>**coercion used to impose work on a worker against a person's will</p>

■ *Guidelines Concerning the Measurement of Forced Labour.* International Labour Organization and the International Conference of Labour Statisticians (ICLS). (2018).

- Provide indicators of involuntary work and menace of penalty.
- Can be used to identify individual cases of forced labor as a result of human trafficking or to understand risk across a population

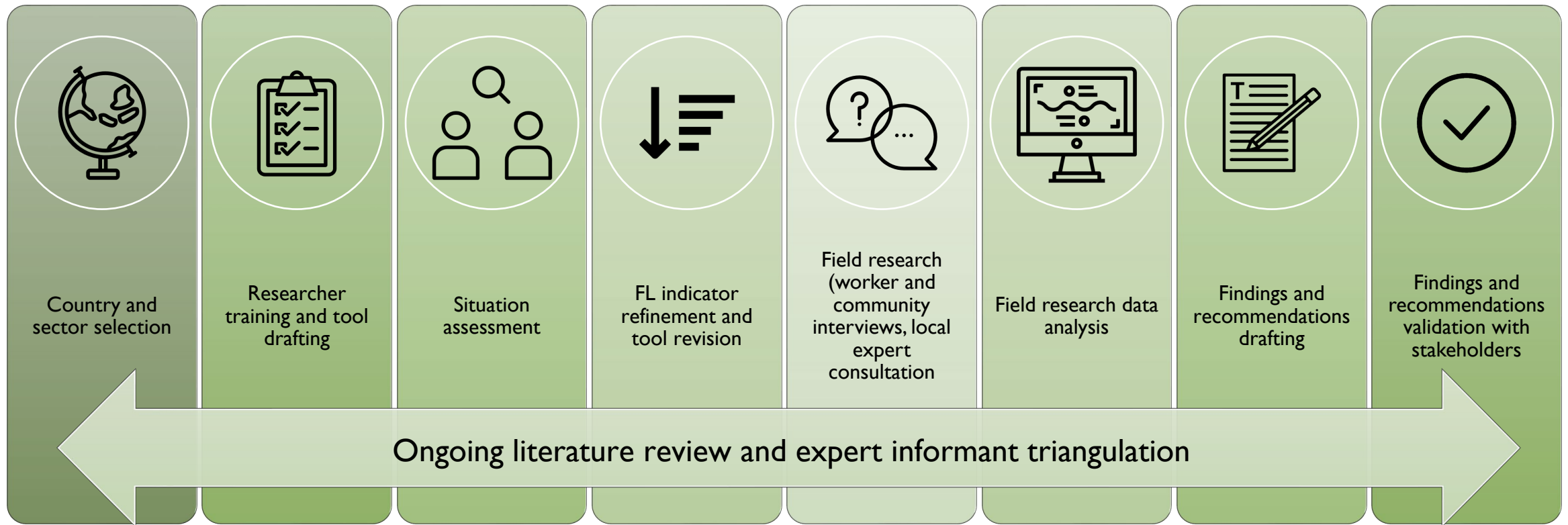
Using Indicators to Draft Recommendations



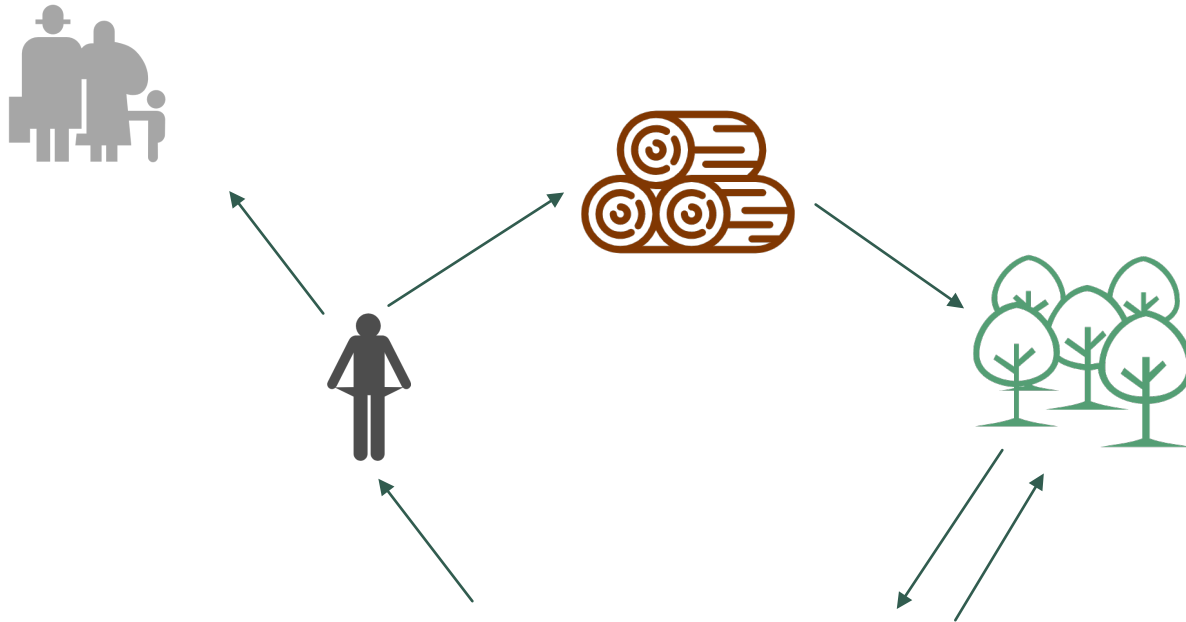
■ This research:

- Identified **patterns of indicators of forced labor** present in the **across population** of workers
- Described **how indicators operate in practice**
- Noted **contextual issues contributing to vulnerability** to forced labor indicators (root cause issues)
- Drafted **stakeholder recommendations** to address patterns of indicators identified and their root causes

Methodological Framework – Research Process

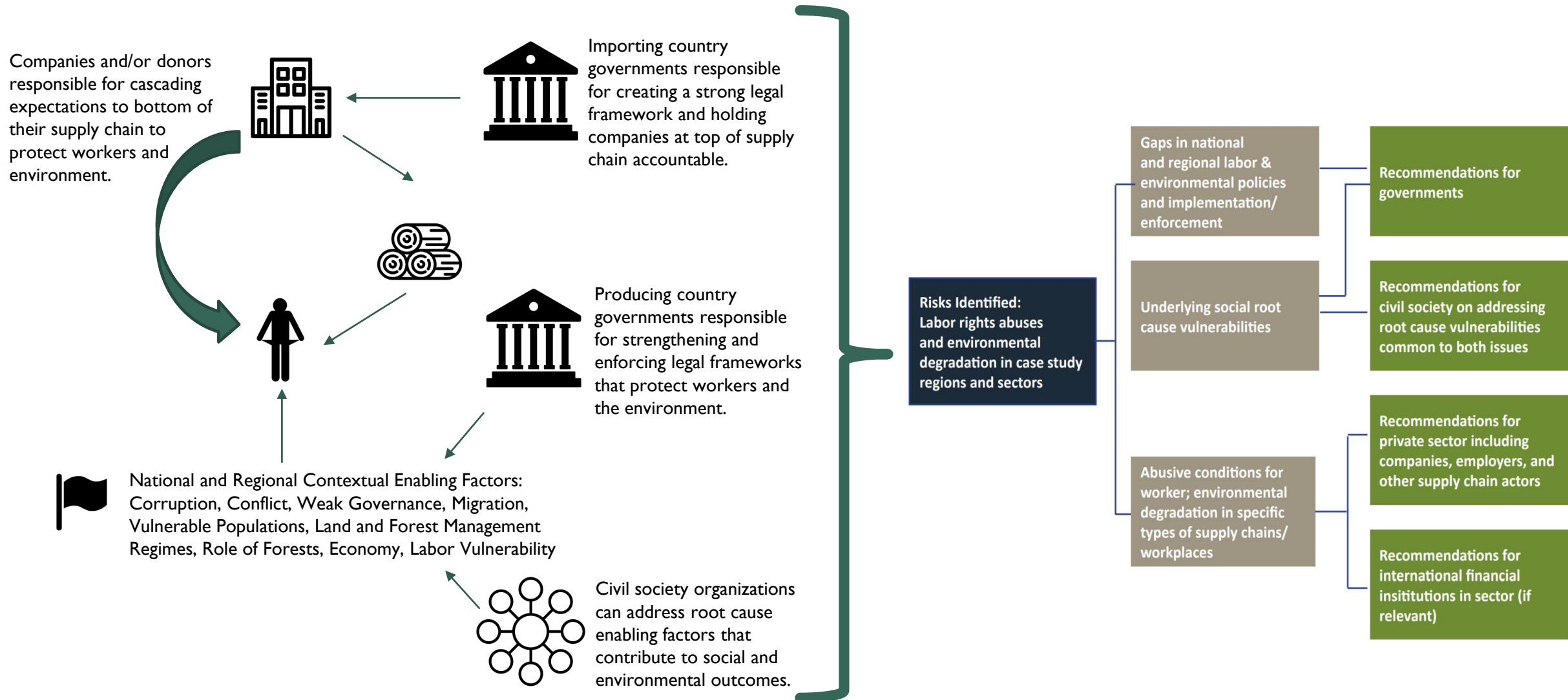


Methodological Framework – Analytical Framework



National and Regional Contextual Enabling Factors: Corruption, Conflict, Weak Governance, Migration, Vulnerable Populations, Land and Forest Management Regimes, Role of Forests, Economy, Labor Vulnerability

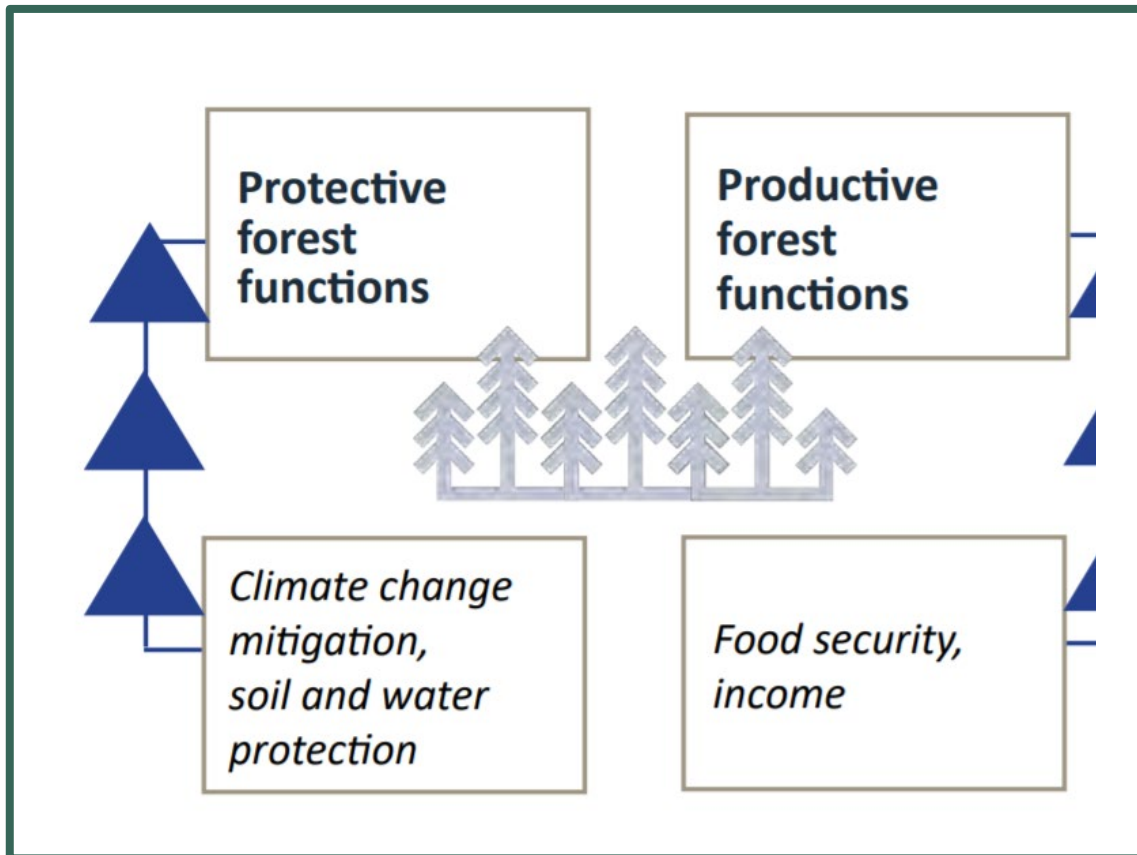
Framework for Recommendations





Themes from
Research:
Contextual Issues
and Forced Labor
Indicators Identified

Themes from Capstone Report – Contextual Issues: Linkages between Role of Forests, Poverty, and Vulnerability



- Existing poverty, loss of livelihood options, and food insecurity are “push” factors for TIP vulnerability.
- Deforestation or degradation of forested areas also drives poverty by decreasing livelihood options and food security, creating a downward spiral.
- Lack of employment options can push workers to accept risky jobs locally or to migrate in search of employment and can prevent workers from leaving exploitative jobs.

Examples from field research:

- Lack of alternative jobs and food insecurity consistently cited as “push” factor; case study area in Mozambique one of the most food insecure in the country.

Notes from the literature:

- Small-holder agriculture does contribute significantly to deforestation, but changes to tree coverage from subsistence farming are not necessarily permanent, as opposed to commercial operations.
- Human outcome indicators more important for predicting deforestation.



Themes from Capstone Report – Contextual Issues: Corruption

- Corruption is a driver of both environmental degradation and TIP risk.
 - Helps traffickers to recruit, transport and exploit their victims;
 - Corrupt criminal justice authorities may obstruct the investigation and prosecution of cases, and/or target victims instead of perpetrators;
 - Associated with supply chain participation of organized crime and linked to conflict and political instability
 - Allows illicit harvesting and enables smuggling;
 - Impedes poverty alleviation/development programming;
 - Impedes implementation of protective environmental policies.

Examples from Case Studies:

- In Kachin State, corruption leads to land grabs and displaced populations
- Corruption of local law enforcement can criminalize victims instead of perpetrators
- In Mozambique, corruption and weak governance allowed logging operations to access community land
- Multiple implications in Mozambique cases



Themes from Capstone Report – Contextual Issues: Conflict and Instability

- Conflict can decrease rule of law and increase human vulnerability.
- Decreased rule of law prevents adequate oversight of labor, development, land, and forest policies.
- Can leave some areas of a country fully outside government control, enabling illicit activities.
- Proceeds from logging (and other natural resource extraction) can motivate conflict and/or can be used to fund conflict

Examples from Case Studies:

- Myanmar as example of post-conflict state, large displaced population of vulnerable ethnic minorities.
- Tete province in Mozambique experiences ongoing political conflict which has lessened capacity for resource management; it is among the poorest regions in Mozambique.

Notes from Literature:

- FARC case study in Colombia
- Recent research from Global Initiative Against Transnational Organized Crime on links between organized crime and illegal logging in Chihuahua, Mexico.



Themes from Capstone Report – Indicators of Forced Labor: Wage Withholding, Deception about Wages, and Debt

- Deception about wage payment structures and deductions indicators of involuntariness.
- Withholding of wages used as menace of penalty to prevent workers from leaving.
- Often leads to associated problems like coercive overtime or unpaid child/family labor, particularly when quota/piece-rate pay structure is used.
- Linked to poverty and overall dependence/lack of options. Can be exacerbated by food insecurity.

Examples from case studies:

- Deductions for day laborers and 10 month pay structure for banana plantation workers
- Deception about earnings structure and non-payment of earnings in Mozambique.



Themes from Capstone Report – Indicators of Forced Labor: Abuse of Vulnerability and Threat of Denunciation to Authorities

- Workers with fewer livelihood options in isolated areas with endemic poverty → higher desperation and dependence.
- Participation in illicit activities (sometimes without consent/prior knowledge) means that workers may fear criminalization.
- Corrupt law enforcement leading to further victimization – “on the side of the bosses, not the workers”

Examples from Case Studies:

- Workers in Myanmar and Mozambique afraid to go to police
- Some logging workers in Mozambique deceived about illicit nature of work.
- Physical abuse reported by managers and police.
- Anecdotal sexual abuse reported.
- Exacerbated for migrant workers.



Max Travers
Lead Researcher,
Myanmar Case Studies,
Verité

BANANA
PLANTATIONS
IN KACHIN
STATE,
MYANMAR



KACHIN STATE CONTEXTUAL BACKGROUND



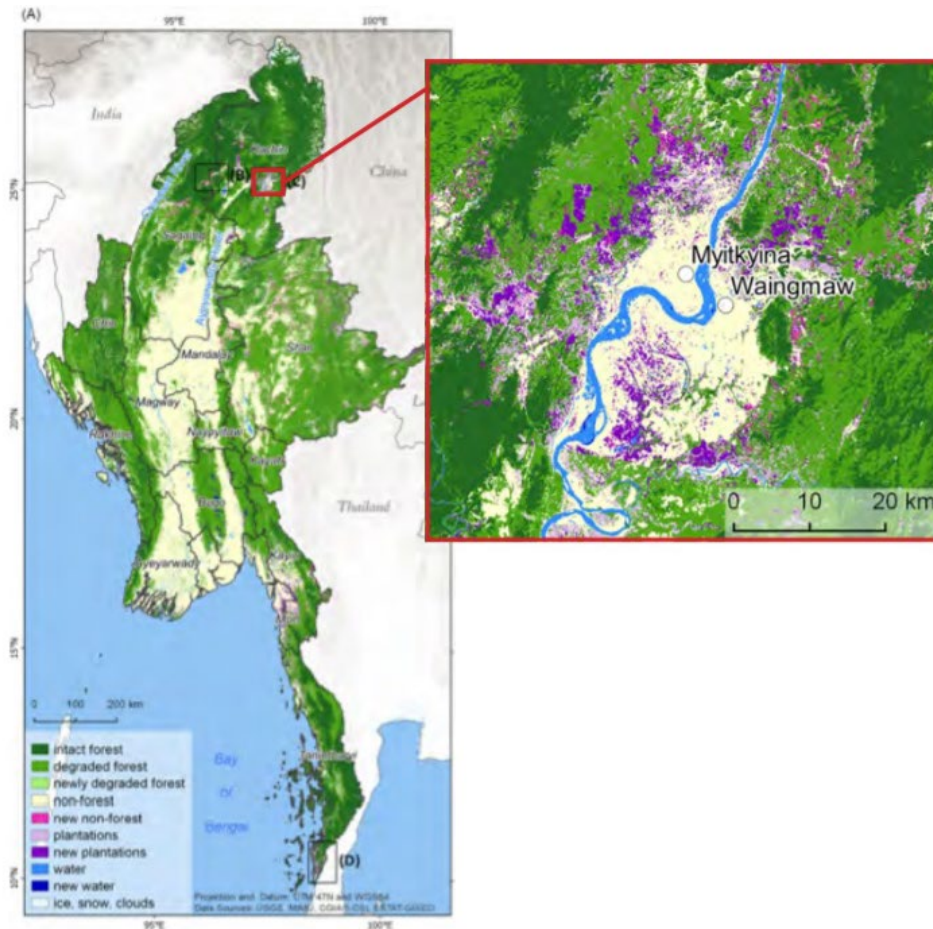
- Kachin State is a resource rich state located in northern Myanmar
- Decades long internal conflict restarted in 2011 between the Kachin Independence Army (KIA) and Myanmar military, including in areas surrounding banana plantations, leading to 100,000 internally displaced persons (IDPs) in the state
- Conflict resource economy in areas controlled by KIA, Myanmar military, and military aligned militia groups
- Starting in 2008, Chinese companies began setting up banana plantations for export to China. Today, plantations cover approximately 275 square miles in the state and represented USD 130 million in exports in 2018

LAND RIGHTS AND CORRUPTION

- Lack of official registration and oversight of plantation companies
- Chinese companies (through Myanmar proxy companies) set up plantations in areas generally controlled by the Myanmar military and military-aligned militia groups
 - Many banana plantations exist on land that has been designated as “virgin, vacant, fallow”
 - Locals pressured into selling or leasing land
 - IDP land confiscated



DEFORESTATION AND ENVIRONMENTAL DEGRADATION



- Deforestation associated with banana plantations. Over 100,000 acres of deforestation associated with agricultural crops including banana plantations in case study area (Waingmaw Township)
- Pesticides in local water sources, affecting livelihoods (livestock, fishing, farming) and community health
- Strong effects on productive and protective forest functions for community

WORKER DEMOGRAPHICS

Type of Worker	Demographics	Tasks	Pay Structure
Permanent Worker	Primarily Internal migrant workers, w/ local community members and some ethnic Kachin IDPs also represented.	All cultivation-related tasks.	Paid by “VWeight” or “Plant” based salary structure; paid full earnings at the end of 10-month period.
Day laborers	Local community members from nearby villages. Occasionally ethnic Kachin IDPs work in this system.	Tasks beyond capacity of permanent workers.	Paid a daily rate at end of each day.
Seasonal workers	Primarily workers from neighboring townships and regions/states.	Harvest-related tasks.	Paid a daily rate at the end of each day or in a piece rate system.

Labor Findings



“Yes, we could quit but we might lose a lot of our money. People who work on weight basis don’t usually drop out of work no matter the kinds of situations they face.”

- Lack of available livelihood options leads to work on banana plantations or migration to other risky labor situations, such as migrating to China, or internal migration to work in sectors including jade, gold, or amber mining
- Deception in recruitment
- Wage payment system leads to excessive amount of time waiting to be paid full salary (10 months).
 - Minimum wage violation
 - Forced overtime
 - Financial penalties and deductions
- Hazardous working and living conditions
- Worst forms of child labor



Dr. Maureen Moriarty-Lempke

Senior Fellow, Duke University Center for
International Development

Senior Associate, Land and Security, CDA
Collaborative Cambridge

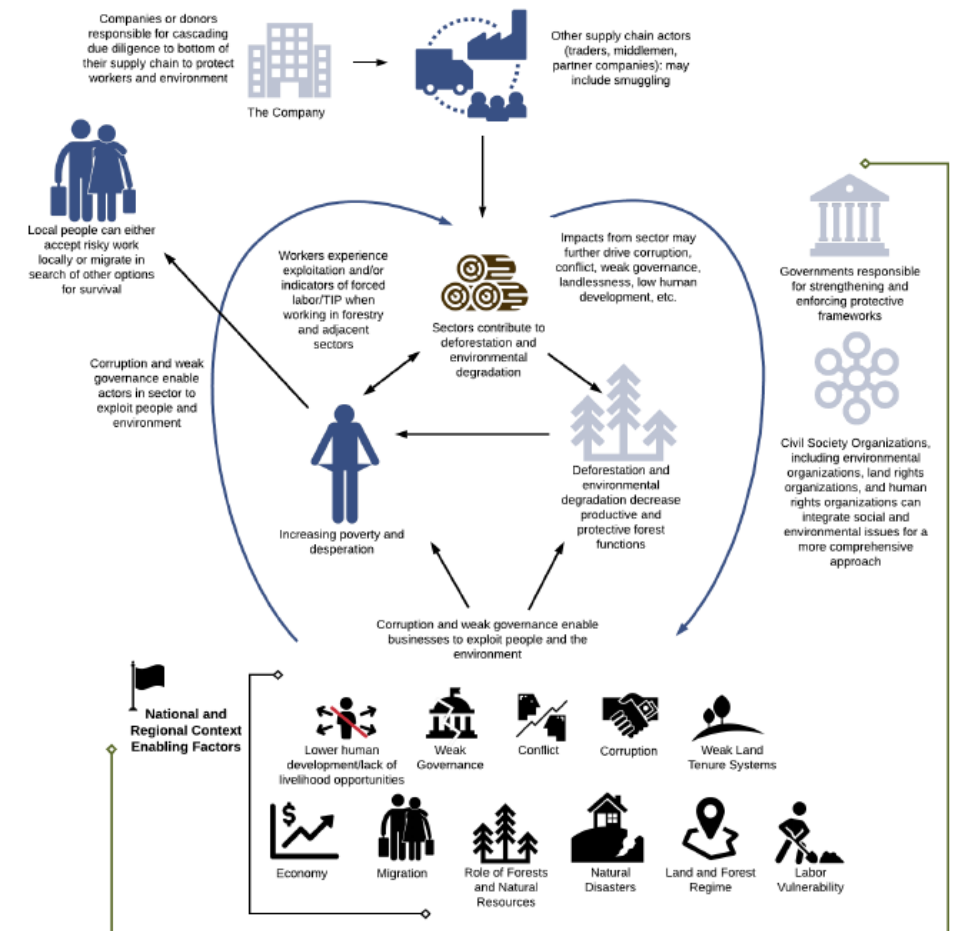
Case Study On Illicit Harvesting Of *Pterocarpus Tinctorius* In Mozambique



- In Tete province, illicit timber exploitation thriving in context of corruption, weak governance, and poverty in a post-conflict state, enabling a range of activities that underpin both labor rights abuses and deforestation.
- Tete has the third largest forested area (3,827,883 ha) in Mozambique, ranks fourth in productive forest area (2,175,199 ha), fifth in total volume of commercial species.
- Next location in series of countries that have experienced a boom and bust cycle of “rosewood” species exploitation. Preceded by Zambia, Malawi.
- Illegally harvested Nkula (a rosewood lookalike species) travels to China through complex / disparate supply chains. *Hongmu furniture*

Notable National And Regional Enabling Factors

- Economy- Highly reliant on subsistence agriculture. Tete is one of the most food-insecure areas in Mozambique
- Natural Disasters- Cyclone Idai increased food insecurity creating livelihood vulnerabilities
- Land Tenure and Rights-
 - Insecure land rights
 - Low levels of land rights' registration
 - Land and Forest Regime- Despite helpful law capacity to enforce the law is limited. It
 - Benefits that communities can gain from forests are limited and made worse by the lack of the full recognition of their rights to natural resource



Corruption

Utilizing the TASP Framework: Types, Activities, Sectors, and Places

Type

- Self-dealing
- Patronage
- Misuse of information
- Nepotism, clientelism, and favoritism

Activities

- Controlling licensing/regulation/issuing of simple licenses
- Administrative (legal compliance, inspection, export)

Sectors

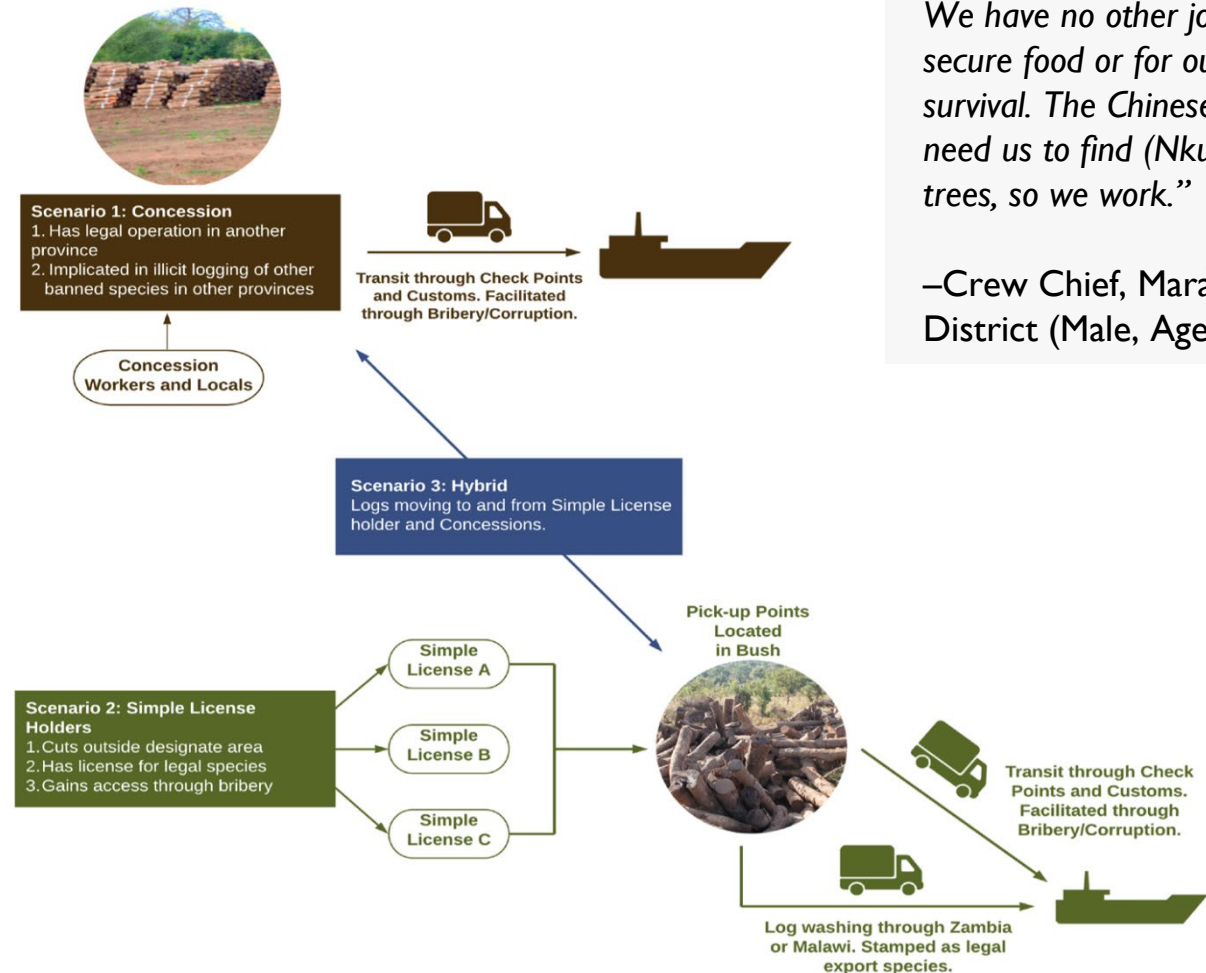
- Forest
- Financial- IFF's/ Misinvoicing
- Transport
- Customs and Export

Places

- Logging Sites, Workplaces
- Tete
- Beira Ports
- Regional Actors in Zambia, Malawi
- China

Selection of Communities and Business Actors and Structures

Workers and community members interviewed by Verité researchers in Macanga and Marávia described multiple types of and relationships between business actors engaged in *Nkula* extraction.



“Everybody here is in the wood business...We had no way of getting money. We have no other job to secure food or for our survival. The Chinese need us to find (Nkula) trees, so we work.”

—Crew Chief, Marávia District (Male, Age 32)

Summary of Types of Workers

Type of Worker	Origin	Job Tasks	Employment Basis
General Laborers	Predominantly Mozambicans local to Tete, with a smaller number of non-local Mozambicans	<p>Cooking, laundry, water fetching, security, odd jobs</p> <p>Security guards sometimes also assisted in log peeling</p>	<p>Local Mozambicans working as general laborers appear likely to be engaged on seasonal/as-needed basis</p> <p>Non-local Mozambicans are typically permanent workers who had previously worked for the company's legal concession elsewhere in country</p>
Timber Workers	A mix of local, Tete-based workers, non-local Mozambicans, and transnational migrants	Tree tracking, cutting, log dragging, log peeling, log loading	<p>Workers local to Tete were typically engaged on a seasonal basis</p> <p>Non-local Mozambicans typically had an existing formal employment arrangement with the company that held a concession elsewhere</p> <p>Transnational migrants were likely to have been engaged on a seasonal, informal basis</p>

"We have to stay connected to the work while awaiting payment for fear of not receiving money if we leave here. Going to court is not an option because he (the trader) has money and we have nothing."

—Chainsaw Cutter, Chiuta District (Male, Age 24)

Labor Findings

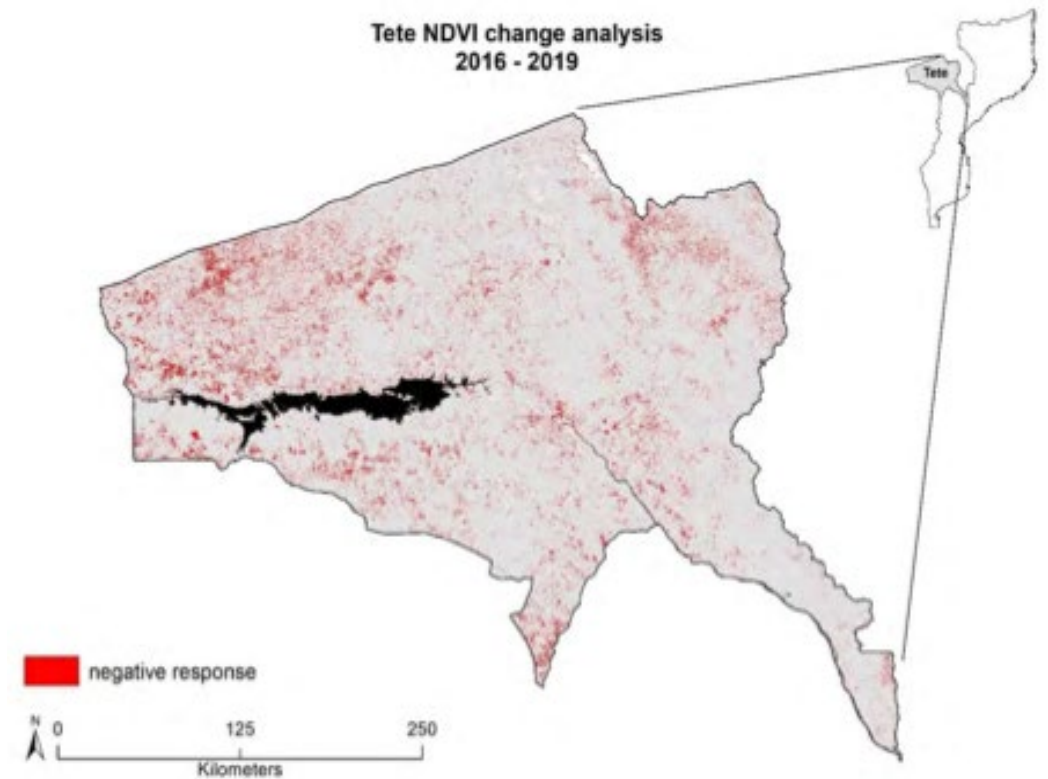
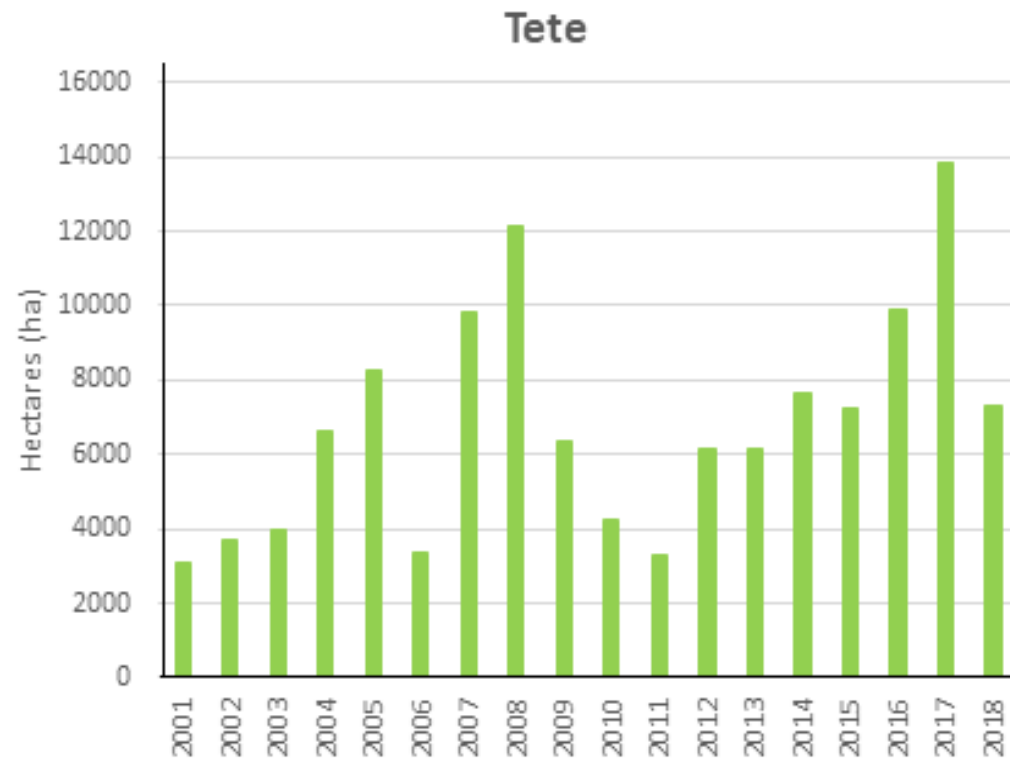
Across various supply chain models, workers engaged in illicit logging are vulnerable to a number of labor rights abuses, including forced labor. Abuses present among illicit logging workers include:

- Deception about nature and conditions of work (including wages, hours, and sometimes the legality of the work)
- Work for low wages (temporal dimension to species exhaustion)
- Abusive overtime without consent
- Withholding of wages
- Abuse and harassment
- Work in hazardous conditions without previous consent;
- Threats of denunciation to authorities.
- Children also reportedly participate in some illicit logging activities, including hazardous activities

“The Police protected Chinese, not us workers. We stopped complaining to the police since it was known that they were on their side....”

–Log Peeler, Maravia District (Male, Age 43)

Environmental Consequences Of Illicit Logging In Tete





High Level Recommendations



High Level Recommendation: Supply Chain Accountability

Companies should:

- Prioritize traceability and risk assessment for supply chains (timber/wood products as well as other “forest adjacent” supply chains such as palm oil, soy, cattle, rubber, cocoa, and other forms of plantation-based agriculture);
- Risk assessments include social and environmental risks related to the unique combination of sector and geography or production; and
- Continue to uphold and strengthen commitments to purchase only legally logged timber.

High Level Recommendation: Support Communities and Improve Worker Livelihoods

Companies should engage with initiatives that support communities, workers and indigenous people;
Identify strategies to work towards living incomes and wages for raw material producers and workers as a goal.



Living Wage Lab,
Sustainable Food
Lab, ISEAL Alliance



Civil society organizations should prioritize seeking information directly from workers and communities and taking an approach that integrates both social and environmental issues; work with civil society in worker sending communities

Governments should take a rights-based approach to engagement with indigenous communities

High Level Recommendation: Corruption and Governance



- Companies and CSOs should integrate anti-corruption angle into social or environmental programs
- Governments should consider specific integration of elements of corruption that enable both deforestation and vulnerability to trafficking:
 - risk of bribery among local law enforcement agents in forested areas;
 - smuggling of illegally harvested timber; and
 - corruption among other government bodies responsible for oversight of environmental and social efforts.



- Law enforcement and judicial processes should be victim-centered trauma-informed. Particularly when workers are migrants or engaged in illicit activities, there is a chance victims themselves will be criminalized, hindering their freedom to report abuses.
- Law enforcement efforts and prosecution should also make efforts to equitably address the vulnerabilities of groups that tend to be under-served by efforts to address trafficking in persons. Per guidance from United States Advisory Council on Human Trafficking, underserved groups with relevance to case studies include: labor trafficking victims, boys and men, and indigenous populations.

High Level Recommendation: Considerations for Law Enforcement and Prosecution



Please use the Q&A box in Zoom. If you registered with your email address, we will get back to you after the webinar if we do not get to your question today.

If you would like to share any research or resources pertaining to this webinar, please add the link(s) in the Q&A window or email mtravers@verite.org.

Question and Answer

Thank You for Joining Us

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