# Employee outsourcing hides slaves in the workforce, shows research

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Credit: Tim Douglas from Pexels

Failure to monitor outsourced recruitment is resulting in companies inadvertently employing victims of modern slavery, according to new research led by our School of Management.

Interviews with experts in business, NGOs, trade unions, law firms and the police showed that while companies can increasingly trace where their products come from, many are in the dark about the backgrounds of their staff.

The research, conducted with the University of Sheffield, suggests that layers of outsourcing, subcontracting and informal hiring of temporary staff are to blame. This, say the researchers, enables victims of slave labour to be hidden within the workforce of companies and organisations, even those with the best of intentions.

Statistics recently released by the National Crime Agency showed that the number of people reported as potential victims of slavery and human trafficking in the UK has more than doubled in the past three years, with 3,805 people referred for help in 2016.

## Companies must monitor the 'labour supply chain'

The researchers concluded that the key issue in tackling modern slavery is understanding the labour supply chain – the often unregulated networks through which contingent and sometimes forced or trafficked workers are recruited, transported, and supplied to business by third party agents.

Lead author, Professor Andrew Crane, Director of our Centre for Business, Organisations and Society, explained: "Companies have little hope of detecting modern slavery practices unless they adopt a new approach that focuses specifically on their labour supply chains – they need to be able to trace the origin of their employees in the same way as most now can for their products.

"Twenty years ago most high street retailers did not have a clue where the products they sold actually came from. Since then, there has been a

revolution in responsible business practices and companies have invested millions of pounds to trace the source of their products and tackle the myriad sustainability issues they found there. To prevent the misery of modern slavery from blighting our workforces companies must apply that same focus to their staff."

The study showed that most incidences of forced labour were several steps removed from the core workforce at the producer [company](). Within the agricultural sector these employees could potentially only be on site for a matter of days or weeks, making it difficult for producers to detect abuse.

Companies thought they were able to shield themselves from modern slavery because of the investment they had made in responsible product sourcing but in reality their focus on tracing the product supply chain does not equip them to easily trace where workers have come from, or the types of exploitation they have been exposed to.

One CEO of a UK hotel chain explained to researchers: "We have pretty much solved traceability of the food served in our restaurants. I can tell you the farm where the steak on your plate came from, probably even the name of the cow. But we have no idea where the workers came from that work in our kitchens."

The workers in these kitchens may well have been supplied by unscrupulous agents who subject workers to highly exploitative employment practices, such as withholding their passports, forcing them to work for little or no pay, threatening them or their families, or tricking them into racking up huge debts through deductions for accommodation, food, transport and other "services". Some will even have paid to get the job in the first place.

## The role of government

The researchers say government needs to instigate better coordination between labour market enforcement and immigration law. Currently, immigration rules create vulnerabilities among migrants that can be exploited by traffickers in ways that are difficult to police with existing labour market enforcement practices.

For companies, researchers say the study highlights that the current models of social auditing are unfit for purpose in detecting and preventing modern slavery.

Co-author Dr Genevieve LeBaron, from the University of Sheffield's Department of Politics, added: "Leading UK companies are starting to belatedly wake up to the fact that their existing systems for detecting worker abuse simply are not fit for purpose for uncovering forced labour. But, as new initiatives emerge, the critical factor determining their success will be whether they meaningfully address the labour supply chains that feed their business.

"It is these chains that make forced labour seemingly invisible even when the workers subjected to them are right in front of us in the farms, factories and construction sites that surround our communities."

  **More information:** Andrew Crane et al. Governance gaps in eradicating forced labor: From global to domestic supply chains, *Regulation & Governance* (2017). DOI: 10.1111/rego.12162

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