

The Fight against Modern Day Slavery: Supply Chain Transparency in the United States and United Kingdom

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Abstract

Modern Day Slavery is an indefensible global problem and a lucrative criminal enterprise that must be addressed and abolished. Although slavery is illegal in every country and has technically been abolished worldwide, it somehow continues to flourish in the modern world. It is estimated that up to 40 million people may be enslaved, living a life without agency. Modern Day Slavery is particularly heinous as it uses control rather than ownership, eliminating slave holders' vested interest in the victims' well-being and making slaves' lives disposable. Wealthy, developed nations may be able to better control slavery within their borders, but allowing businesses to profit from slave labor through the importing of slave-tainted goods enables Modern Day Slavery to be perpetuated. In fact, it is estimated that G20 countries may be importing up to US\$354 billion of forced-labor-produced goods annually. With strong governance and ample resources, it seems that developed nations should be leading in the fight to defeat the practice of Modern Day Slavery. Economic superpowers are taking some steps to combat slave-tainted goods from entering their markets by regulating domestic businesses. This paper will provide a comparative analysis of supply chain transparency legislation and regulations in the United States and United Kingdom, attempt to evaluate their effectiveness at reducing the use of slavery in business supply chains, and offer possible recommendations to better hold businesses and governments accountable.

1. Introduction

To many, slavery is a disturbing injustice that occurred in the past, is part of a world that they never experienced, and was abolished and abandoned long before they were born. In reality, slavery still exists and is a very present and pressing issue. Modern Day Slavery and human trafficking are deeply embedded in globalization and therefore affect everyone, directly or indirectly. Estimates on the number of people currently enslaved or being trafficked range from 25 million to around 40 million.¹ According to the International Labour Organization (ILO), Modern Day Slavery disproportionately affects women, with 71% of victims being female.² The abhorrent practices of human trafficking and slavery are an indefensible global problem and a lucrative criminal enterprise that must be addressed and abolished.

What are economic superpowers doing to combat slave-tainted goods from entering their markets and what regulations are they placing on their domestic businesses? This paper will provide a comparative analysis of the supply chain transparency legislation and regulations in the United States and the United Kingdom, and attempt to evaluate their effectiveness at reducing the use of slavery in business supply chains and thus reducing slavery worldwide. The United States and United Kingdom are both part of the G20 international forum, which is made up of countries that "collectively account for nearly 80 percent of world trade."³ They both also have some form of transparency legislation requiring businesses to disclose supply chain information or import legislation prohibiting the distribution and sale of goods produced by slave labor.⁴ It is evident that while there are efforts to end slavery worldwide, not enough has

been done to make lasting change. While discouraging, this is no reason to give up the fight. If anything, it should encourage more modern-day abolitionists to step up, take the charge, and fight against the horrors of slavery.

Kevin Bales, a professor of Contemporary Slavery and Research Director of the Rights Lab, is one of the most well-known researchers and scholars on the subject of Modern Day Slavery.⁵ He defines modern slavery as “the total control of one person by another for the purpose of economic exploitation.”⁶ The definition is broad enough to encompass the varying forms of slavery in the modern world, while still excluding other forms of economic exploitation from the umbrella term of Modern Day Slavery. Bales’ choice of wording seems to make a bold statement that communicates the unacceptable and inexcusable nature of the practice of modern slavery. Authors Todd Landman and Bernard Silverman reference the Bellagio-Harvard Guidelines on the Legal Parameters of Slavery because of its focus on “the notion of control and lack of agency for victims of slavery, where different forms of coercion maintain power over individuals and prevent them from leaving the conditions of their enslavement.”⁷ The modern slave’s lack of agency stands in contrast to the ownership construct of old slavery and is an important concept to help better understand and recognize forms of Modern Day Slavery.⁸

Chattel slavery, an earlier and more commonly understood form of slavery, was centered around ownership. Official payments were made, contracts were signed, and a slave was treated like an investment. Because slavery was legal during that time and the cost of buying slaves was so high, owners had reason to at least provide their slaves with enough to stay alive.⁹ In contrast, Modern Day Slavery is centered around control, and victims are cheap and readily available. In fact, Bales defines the victims of Modern Day Slavery as “disposable.”¹⁰ Because their price is so low, and because slavery is technically illegal everywhere, slave holders no longer need to treat slaves as an investment. Instead of keeping them alive and healthy, it makes more sense from a business perspective for a modern slave holder to buy a new slave and dispose of the old one.¹¹ The plethora of inexpensive victims to choose from and the constant demand for slaves sets up a never-ending cycle of slavery.

The demand for slavery seems to be driven in part by the globalized market that emphasizes businesses’ ever-increasing desire to accumulate wealth, which is encouraged by consumers’ focus on price.¹² As traditional societal values are influenced by financial considerations, people may be more likely to purchase products based mainly on their low price, without considering how they were sourced. It could be argued that the exploitation of slavery in companies’ supply chains connects the majority of people in the developed world to Modern Day Slavery. According to the *Global Slavery Index*, “G20 countries are importing US\$354 billion worth of at-risk products annually.”¹³ While unfortunate, consumers are not fully to blame. It would be ideal for consumers to thoroughly research goods and businesses before making purchases to ensure that ethical labor was used, but many “[consumers] look for bargains, and they do not usually stop to ask why a product is so cheap.”¹⁴ Because consumers are constantly being provided inexpensive, easily available products without needing to question if the product was ethically sourced, Modern Day Slavery has become woven into common consumption patterns. Poverty may force some consumers to purchase only the cheapest goods, leaving them little choice. Even if they somehow know that goods are tainted with slave labor, it may be the only option they can afford.

The task of addressing slavery in supply chains seems to be a challenging problem to solve. Three approaches to solutions include consumer pressure, company supply chain transparency, and government policies and legislation. Consumer pressure and spending habits have had some effect on influencing a business’ use of slave labor in the supply chain. In fact, the initiative to encourage large corporations to release their list of suppliers started as a consumer-led student movement.¹⁵ However, as mentioned, this places much of the responsibility on the consumer. Increased consumer pressure can push businesses to voluntarily research their supply chain operations to ensure that slavery does not exist within them. However, many will not do this voluntarily, which then requires regulations and legislation to be passed.¹⁶ The governments of developed countries may be better at controlling slavery within their borders, but by allowing their businesses to utilize slavery on foreign soil, the problem is perpetuated.¹⁷ Because developed countries are some of the biggest importers and have the strongest and most reliable governance, it seems reasonable that they should take the initiative to work towards measures of abolishment.

2. Literature Review

The problems surrounding Modern Day Slavery have an essence of brutal simplicity. Most people would agree that any form of slavery is unacceptable, and yet the number of trafficked and enslaved people continues to increase.¹⁸ This is not to say that slavery can be fixed with simple solutions; it is so woven into the fabric of modern society that its complete eradication is and will continue to be a difficult problem to solve. To better understand Modern Day

Slavery and human trafficking, as well as realistic strategies to combat them, it may be useful to contextualize both by reviewing relevant literature.

Kevin Bales attributes the growth of slavery to the post-World War II population boom and the “rapid social and economic change” resulting from modernization.¹⁹ While modernization and globalization have significantly helped much of the world develop, they have also had detrimental effects on marginalized communities. As traditional ways of life become lost to industrialization and powerful corporations, poorer communities struggle to survive.²⁰ Developing countries rightly put emphasis on economic growth but may pay less attention to ensuring “sustainable livelihoods” for their populations.²¹ This has led to an ever-increasing wealth gap, and an unhealthy, yet dependent, relationship between developed and developing countries.²² Sadly, impoverished people are the most susceptible to slavery. With little money, minimal education, low social capital, and a bleak future ahead, they may be pressured into enslavement. Bales also claims that many international corporations may feign ignorance regarding slavery by outsourcing labor to factories in developing countries.²³ The amount of money saved by businesses’ use of slave labor is tremendous; “no paid workers, no matter how efficient, can compete economically with unpaid workers—slaves.”²⁴ If the trend of using slave labor to compete in the global market remains unchecked, businesses will continue to profit from the enslaved.

Similar to Bales, Louise Shelly frames human trafficking in a global context and credits its fast-growing nature to the supply and demand created by globalization.²⁵ Human trafficking is an international problem reaching every continent and is abused by producers that increasingly rely on slave labor to unfairly remain competitive in a global market seeking to appeal to consumers with the least expensive products.²⁶ Like Bales, Shelly emphasizes the substantial role legitimate businesses play in supporting Modern Day Slavery and human trafficking.²⁷ A business’ use of slave labor not only reduces expenses, but also provides it with a forcefully “compliant labor force” that offers little resistance.²⁸ Anti-trafficking and anti-slavery laws exist in almost every country, but attention to the problem and enforcement of the legislation seem to be minimal when compared to other forms of transnational crime, such as drug trafficking.²⁹

David Doorey provides a history of the 1990’s supply chain transparency movement in which students pressured universities to ensure licensed apparel was ethically sourced and to offer fully transparent supplier lists.³⁰ He questions whether releasing a fully transparent supplier list to consumers would benefit or disadvantage corporations and provides a brief overview of the United Students Against Sweatshops movement that started in the late 90’s.³¹ The article highlights examples of the impact negative consumer campaigns have had on corporations with case studies on both Nike and Levi Strauss, and their eventual compliance with demands for transparency. Many companies that resisted the movement claimed that making supplier lists public would force them to release proprietary information.³² While not necessarily guaranteeing the bettering of labor conditions in factories abroad, supply chain transparency can be the first step in promoting ethical labor practices while also allowing companies to appear legitimate and accountable in the eye of the consumer.³³

Although international treaties and agreements such as the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization Forced Labour Convention of 1930, and UN Sustainable Development Goal 8.7 have helped set a global framework for treating workers ethically and eradicating Modern Day Slavery,³⁴ there are currently no international agreements that govern global supply chain transparency.³⁵ A global treaty or convention may not be legally enforceable, but it would at least give nations a guiding structure regarding steps they should be taking to ensure their businesses are providing transparent supply information and reducing the number of slave-tainted goods entering their markets. The lack of international agreements relating to supply chain transparency, the fact that the movement has only been around for several decades, and the lack of established ethical labor practices being mentioned in free trade agreements helps frame the importance and urgency of the issue.³⁶ The United States and the United Kingdom are two G20 countries that have taken some measures to reduce slave-tainted goods from entering their markets and also hold their businesses to at least some standard of supply chain transparency.³⁷

To regulate slave-tainted imports and to monitor public procurement of goods made with slave labor, the United States enacted Section 307 of the Smoot-Hawley Tariff Act of 1930, and Executive Orders 13126 and 13627.³⁸ Section 307 prohibits the importation of goods made with forced or child labor from any country, with possible “criminal investigation” for the importers.³⁹ Executive Order 13126 aims to stop goods manufactured with forced or child labor from being obtained by any federal agencies. It also requires the Department of Labor to maintain a list of at-risk goods that may have been produced with child or forced labor.⁴⁰ Executive Order 13627 prohibits “contractors and subcontractors from engaging in specific trafficking-related activities.”⁴¹ The order also ensures that contractors and subcontractors with foreign work that exceeds US\$500,000 “maintain compliance plans appropriate for the nature and scope of the activities performed.”⁴²

Supply chain transparency laws in the United States include both state and federal legislation. The United States enacted the California Transparency in Supply Chains Act of 2010 (CTSCA) and proposed the Business Supply Chain Transparency on Trafficking and Slavery Act of 2015 (BSCT). The CTSCA was the first piece of domestic legislation relating to supply chain transparency.⁴³ The act requires large companies operating within California to publicly release information regarding efforts they are taking to combat slavery in their supply chains, and also intends to educate consumers on responsible purchasing.⁴⁴ Retailers or manufacturers doing business in California and with “annual worldwide gross receipts exceeding US\$100,000,000” must comply with the act.⁴⁵ Companies must publish, either on their website or through written disclosures, their efforts to combat slavery “in five areas: verification, audits, certification, internal accountability, and training.”⁴⁶

The Business Supply Chain Transparency on Trafficking and Slavery Act of 2015 was proposed to the U.S. House of Representatives in 2015 but was never enacted. The bill was introduced to amend the Securities Exchange Act of 1934, requiring certain companies to publish steps taken to reduce risk of slavery being used in their supply chains.⁴⁷ The act acknowledges that the Smoot-Hawley Tariff Act of 1930 is rarely enforced, with “fewer than 40 enforcement actions on record in the past 80 years” and that there is a lack of available information about slavery used in the supply chains of U.S. businesses.⁴⁸ If the legislation had been enacted, companies making over US\$100 million in annual revenue would have been required to publicly disclose both with the U.S. Securities and Exchange Commission and on their website, to what extent measures were taken to combat Modern Day Slavery in their supply chains.⁴⁹

The United Kingdom has also ratified legislation to prohibit public spending going to companies using slave labor or purchasing of slave-tainted goods. These regulations include the Public Contracts Regulations of 2015 (England and Wales) and the Public Contracts (Scotland) Regulations of 2015.⁵⁰ The United Kingdom also passed the Modern Slavery Act of 2015 (MSA), which has been regarded as a “game changer” in terms of addressing the issue of Modern Day Slavery, especially emphasizing slavery’s role in businesses’ supply chains.⁵¹ Section 54 of the Modern Slavery Act requires businesses operating within the United Kingdom with an annual revenue of £36 million or more to publish a “slavery and human trafficking statement” at the end of each financial year.⁵² The statement must be approved by a board of directors or the “equivalent management body” and must be publicly available on the company’s website or mailed within 30 days to anyone who requests it.⁵³

Colleen Theron assesses U.K. businesses’ response to and implementation of the MSA’s requirements, and notes the ambiguity surrounding the definition of the word ‘slavery’, and the fact that the MSA doesn’t include its own definition.⁵⁴ She cites increased trade liberalization as a key reason in the heightened chance of slavery occurring in modern supply chains and states that, according to the Hult International School and the Ethical Trading Initiative, in 2016, 77% of U.K. businesses monitoring their supply chains believed slavery was present at some point.⁵⁵ After providing an overview of domestic legislation from various countries attempting to combat slavery in supply chains, focus is placed on the MSA and specifically its transparency in supply chains requirements. Theron provides a case study of how companies in the U.K. jewelry sector have reacted to the MSA, and then concludes that although somewhat weak and unenforced, the MSA provides businesses a framework and some motivation to make sure their goods are ethically sourced.⁵⁶

The article “International Supply Chains: Compliance and Engagement with the Modern Slavery Act” also focuses on the MSA and seeks to determine how effective it is in promoting transparent and ethical supply chain management for U.K. businesses, particularly the textile and fashion industries.⁵⁷ In the fashion industry, brand owners usually have close relations with their first-tier suppliers, but how and with whom those suppliers sub-contract is largely unknown.⁵⁸ Because of this, fashion brands may easily outsource parts of their production without responsibility and the guarantee of ethical labor standards.⁵⁹ After referencing the MSA’s relation to the CTSCA and giving a brief overview of section 54 of the MSA, the authors analyze a sample of businesses from the United Kingdom’s fashion and textile industry and find that below half of the required businesses provided a modern slavery statement between 2016 and 2018.⁶⁰ The authors examine the statements from the sample companies and conclude that section 54 of the MSA is not as “effective as intended” because of its “lack of enforceable reporting standards” and its “absences of meaningful penalties.”⁶¹

Kendall and Funk highlight the importance of the CTSCA, the Federal Acquisition Register’s (FAR) anti-trafficking provisions, which were the result of Executive Order 13627, and the United Kingdom’s MSA in holding businesses responsible for the utilization of slave labor.⁶² The economic strength of the United States as the world’s largest importer places it in an optimal position to support ethical labor initiatives.⁶³ The authors provide brief overviews of the two acts and set of provisions, and then close with providing a suggested framework for a more thorough “compliance program” so that the various pieces of legislation currently in place could be as effective as possible.⁶⁴

The article “Regulating Supply Chains” mentions the issue of a lack of traditional governance regarding ethical labor in supply chains and proposes “best practices” that governments and businesses could follow in order to “prevent labor abuses.”⁶⁵ The proposals include joint liability, human rights due diligence, ‘hot goods’ legislation, public

procurement and supply chains, and international economic cooperation.⁶⁶ With these mechanisms, ethical labor in supply chains has the potential to be promoted across three dimensions: “promoting human development and socio-economic cohesion, enabling economic growth, and supporting democratic involvement.”⁶⁷

3. Analysis

Considering David Doorey’s assessment, it seems that companies’ factory disclosure and supply chain transparency are not only ethically and morally correct procedures, but they may also be better for business during an era in which negative consumer campaigns may wield significant influence. When the supply chain transparency movement started, many companies resisted, and claimed that releasing supplier lists would force them to reveal proprietary information that could have detrimental effects on business.⁶⁸ As more companies began to release supplier lists without facing major negative consequences, the proprietary information argument began to lose its merit and relevance.⁶⁹ In fact, some companies began to realize that they shared factories with their competitors, and that through collaboration with each other and non-governmental organizations, they could better enforce ethical labor policies in foreign factories.⁷⁰ However, just because having a transparent supply chain is morally sound and may appease consumers does not necessarily mean companies will voluntarily provide transparency. Small businesses may not have the time or resources to thoroughly research their supply chains.⁷¹ In addition, disclosing a factory list does not necessarily ensure ethical labor was used, especially without some form of standard legal enforcement.⁷² It would be impractical to assign consumers the entire responsibility for holding businesses accountable, because it would require an unrealistic amount of personal time and resources. Supply chain transparency legislation appears to be an essential mechanism in the fight against Modern Day Slavery and in the worldwide promotion of ethical labor.

With section 307 of the Smoot-Hawley Tariff Act of 1930, the United States is the only G20 country that has legislation banning the import of slave-tainted goods.⁷³ The Trade Facilitation and Trade Enforcement Act of 2015 modified section 307, which had originally allowed some slave-tainted products to be imported, if the United States could not sufficiently acquire those goods elsewhere.⁷⁴ While having legislation that bans forced-labor-produced goods is extremely important in the fight to eradicate slavery, it is only effective to the extent it is actually enforced. As of January 28, 2021, the United States Customs and Border Patrol’s Withhold Release Orders list only contained 47 active orders of suspected slave-tainted goods.⁷⁵ It is difficult to quantify how effective section 307 is at stopping the importing of slave-tainted goods, but 47 findings seems to be a relatively low number when considering G20 countries may be importing an annual US\$354 billion worth of forced-labor-produced goods, and that the United States is the world’s largest importer.⁷⁶

Public procurement regulations, such as United States’ Executive Orders 13126 and 13627, and the United Kingdom’s Public Contracts Regulations of 2015, aim to prohibit government spending on goods and services that directly support Modern Day Slavery.⁷⁷ Executive Order 13627 strengthens the Federal Acquisition Registrar’s anti-trafficking provisions, prohibiting the use of forced labor in a federal contractor’s supply chain, and laying a solid framework for compliance plans and government “remedies for non-compliance.”⁷⁸ Without nationwide supply chain transparency legislation requiring compliance from companies in every state, Executive Order 13627 seems to be the United States’ most far-reaching piece of supply chain transparency regulation, though it is still limited to government contractors and subcontractors. According to the U.K. law firm Osborne Clark, in a manner different from the United States’ public procurement policy, articles 56 (2) and 57 (8) (a) of United Kingdom’s Public Contracts Regulations of 2015 work in tandem with the MSA by giving the government the right to deny contractors business if they have not complied with the MSA.⁷⁹ It seems that government contractors in the United Kingdom are treated the same as other U.K. companies that are required to abide by the MSA, while government contractors in the United States must follow legislation specifically related to them because of the lack of federal supply chain transparency legislation.

While holding an important and essential role as the first piece of supply chain transparency legislation, the California Transparency in Supply Chains Act of 2010 is still somewhat narrow in its scope.⁸⁰ California is technically the sixth largest economy in the world, but it is the only state in the United States that has enacted some form of supply chain transparency legislation.⁸¹ The act specifically targets large retailers and manufacturers in California earning more than US\$100 million in annual revenue, assuming that they are the most likely to be benefiting from Modern Day Slavery and also have the required resources to combat it.⁸² Ideally, in terms of human rights, it seems that annual revenue should have little importance as to whether or not a company ensures its products or materials are ethically sourced; there is no excuse for profiting from forced labor. There have also been concerns raised regarding the extent to which the act is enforced, and the ambiguity of the language it uses. The vagueness of a business’ needing to disclose the extent of its efforts in five areas could have a potentially negative effect; a company could disclose that it

took no steps to combat slavery in its supply chain, and still technically fulfill all requirements of the act.⁸³ On the other hand, a company that has taken steps to eradicate slavery in the supply chain but reports incomplete or inaccurate data due to the vague guidelines, may be faced with a class-action lawsuit.⁸⁴ This means that it could be more legally sound to report no steps taken to combat slavery in the supply chain. While it is rare that a company required to comply with the CTSCA would report that it took no steps to ensure ethical labor, the fact that it is even a plausible option may call into question the effectiveness of the CTSCA.

The proposed U.S. Business Supply Chain Transparency on Trafficking and Slavery Act of 2015 would have worked at the national level, requiring companies making over US\$100 million in annual revenue to disclose their efforts to combat slavery in their supply chains in annual reports to the U.S. Securities and Exchange Commission.⁸⁵ Similar to the CTSCA, companies could still meet the requirements of the act by filing a report stating they had done nothing to eradicate slavery in their supply chains.⁸⁶ Once again, this is highly improbable as reports would be available to the public and could be detrimental to the companies' public images.⁸⁷ Just as the CTSCA, the BSCT was also composed of ambiguous and vague requirements, meaning reports could vary widely, both in terms of quality and content. Some businesses would try their hardest to ensure that slavery was eliminated from their supply chains and others would put in little or no effort. Many required companies would fall somewhere in between, which then highlights another dilemma: businesses taking minimal measures to ensure ethical labor may gain a positive public image without significantly changing their operations to eradicate slavery within their supply chains.⁸⁸ Furthermore, the BSCT offered no effective punishment, as the only companies that would have been penalized were those that fail to produce a report.⁸⁹ While the BSCT would have been a critical national step toward normalizing the process of supply chain transparency within U.S. businesses and working toward eradicating the use of slavery in supply chains, it was never enacted. It also appears that the negative aspects of the BSCT are almost identical to those of the CTSCA. Ambiguous and vague requirements that lack any real punishment minimize the effectiveness of the act.

As previously noted, the United Kingdom's Modern Slavery Act of 2015 has been referred to as a "game changer" in directly addressing Modern Day Slavery and requiring certain businesses to report on their supply chain procedures.⁹⁰ Originally, no section of the act required businesses to publish transparency in supply chain reports. However, after pressure from various organizations, the U.K. government added section 54, requiring that businesses "prepare a slavery and human trafficking statement for each financial year" that includes six sections: the business structure and supply chains, its anti-slavery policies, its due diligence process to eliminate the use of slavery in supply chains, a list of problematic areas in the supply chain and what measures were taken to fix them, the effectiveness of methods to ensure no slavery was used, and staff training.⁹¹ The report must then be reviewed and signed by a board member and posted on the company website.⁹² According to the *Corporate Leadership on Modern Slavery* report, some positive impacts fostered from the MSA include a doubling of "CEO engagement with modern slavery", the formulation of "new activity to address modern slavery risks", and a 58% increase in communication between companies and suppliers.⁹³ While it appears the MSA has played an instrumental role in holding U.K. businesses accountable, promoting transparent supply chains, and furthering the discussion of Modern Day Slavery, it has also been met with criticism.

As with the CTSCA and the BSCT, some of the language used in the MSA is vague and ambiguous; this seems to be a recurring theme in supply chain transparency legislation. The act only applies to "commercial organisations" that supply goods or services, have annual revenues of more than £36 million (US\$49.8 million), and do business in the United Kingdom.⁹⁴ However, the MSA never defines what 'business' entails, which could be problematic.⁹⁵ It also appears that the MSA may lack substantial punishments for businesses that do not comply. Failure to comply could technically result in a court case levied by the U.K. Secretary of State and payment of an "unlimited fine", but there is no specific penalty for company directors.⁹⁶ The extent to which the government holds required companies accountable for not producing a report is also questionable. In a 2019 case study, it was reported that only 35% of a sample of required companies from the U.K. fashion and textile industry had published a modern slavery statement in 2017. Of those businesses, only 62% had the document both signed and located on their websites.⁹⁷ Just as with the CTSCA and BSCT, the requirements for the MSA statement could technically be fulfilled by a business reporting it had taken no steps to address the issue of slavery in its supply chain.⁹⁸ It appears that while the MSA has accomplished the goal of furthering discussion of ethical labor and promoting transparency in supply chains, its lack of enforcement and penalties along with its ambiguous language may have stunted its effectiveness.

When compared to the CTSCA, the MSA's annual revenue requirement of US\$49.8 million means that it covers a significantly wider range of businesses. The CTSCA also does not require companies to regularly update their information on supply chain transparency, while the MSA requires new statements for each financial year.⁹⁹ From a broader perspective, the MSA requires compliance from certain businesses within the entire United Kingdom while the CTSCA only requires compliance from businesses within the state of California. When simply comparing both pieces supply chain transparency legislation from the United States and the United Kingdom, it would appear that

section 54 of the MSA provides a more wide-reaching, and strongly worded piece of legislation that has the potential to change businesses' ethical labor practices and root out potential instances of slavery in the supply chain. However, because of the United States' having separate public procurement legislation and an import ban on suspected-slave-produced goods, it is technically doing more than the United Kingdom to prohibit slavery from entering its market.¹⁰⁰ The fact that both pieces of legislation lack any definitive guidelines as to what transparency in supply chain statements should include and how they should be evaluated means that they may have limited effectiveness in reducing slavery worldwide. The unequal nature of transparency in supply chain statements from United Kingdom businesses shows just that: some businesses take the act less seriously than others and are legally allowed to do so. It seems unfair that some businesses take it upon themselves to develop effective anti-slavery mechanisms within their supply chains, while others can take fewer or no measures at all, yet technically fulfill the acts' requirements.

4. Discussion and Conclusion

While an essential mechanism in the fight against Modern Day Slavery, it appears that anti-slavery and supply chain transparency legislation and regulations in the United States and United Kingdom have not yet achieved their full potential effectiveness. Possible effective solutions to reduce the use of slavery in supply chains could come from three different areas: intergovernmental agreements, strengthened government regulations on businesses, and consumer buying power and awareness campaigns. On a global level, international treaties regarding supply chain transparency could be agreed upon so that, at the very minimum, governments have a framework they could follow to ensure that their businesses are not profiting from slave labor. Governments could also work directly with other governments by including ethical labor standards in free trade agreements, thus holding both governments and businesses accountable for working toward the eradication of slavery in supply chains.

On a domestic level, two possible solutions could stem from governments' use of the law as both a carrot and a stick. Instead of just using the law as a punishment, as it is traditionally implemented by many governments, it may also be beneficial to use it as a carrot if governments truly wish to promote ethical labor standards and a lasting change.¹⁰¹ The CTSCA and MSA already somewhat apply the carrot method, as they potentially offer businesses an opportunity to publicly validate their brands as ethically responsible.¹⁰² However, as demonstrated in the lack of consistent, meaningful transparency in supply chain reports, many companies may not consider the ethical-brand-image incentive to be essential. One possible carrot solution could be offering tax incentives to companies that ensure the use of ethical labor throughout their supply chains.¹⁰³ It is unfortunate that businesses may require a monetary incentive to combat slavery within their supply chains, but it seems to be a realistic measure in a global economy centered around money. In terms of stick methods, the United States and United Kingdom governments should be better enforcing their enacted supply chain transparency legislation and potentially adding harsher penalties for required companies that do not comply. It could also be useful to add extra penalties for companies that may report no-steps-taken to ensure ethically sourced labor in their supply chains. The United States should enact supply chain transparency legislation at the federal level to achieve nationwide compliance, or more states should enact their own laws to discourage the practice of slavery in supply chains. The United Kingdom may want to consider enacting some form of 'hot goods' legislation, which could be comparable to the United States' section 307 of the Smoot-Hawley Tariff Act of 1930, to essentially offer an import ban on slave-tainted goods.¹⁰⁴ Both the United States and the United Kingdom may also want to enact some form of Human Rights Due Diligence (HRDD) legislation, which would take requirements of each country's supply chain transparency legislation one step further and order companies to actually act on their findings from supply chain transparency reports instead of just publishing them.¹⁰⁵ With HRDD legislation enforcing greater accountability and potential punishments for businesses that utilize and profit from slave labor, companies would need to be extremely vigilant in their efforts to ensure the use of ethical labor in their supply chains.

Finally, on a consumer level, reliable, third-party verification systems could be created to better inform customers on the ethics behind the products that they purchase. Not only could this type of verification system give consumers peace of mind, knowing that a business has been thoroughly reviewed by a trusted source, it also could create job opportunities. If goods verified free from slave labor became more common, there could be an increasing demand for trustworthy third-party businesses and auditors. Increased verification of ethical labor could also strengthen the effectiveness of consumer awareness campaigns. With the supplementary knowledge of companies' ethics, consumer campaigns could more easily target the companies that profit from slavery and raise awareness so that those wishing to only support ethical business could do so without question. It seems that the only way ethical and transparent supply chain procedures will become the norm is through full cooperation between governments, businesses, and consumers.

Holding substantial positions of power, governments and businesses must step up and lead the fight against Modern Day Slavery. Peoples' lives and livelihoods depend on it.

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