

JRF Programme Paper
Forced labour

**FORCED LABOUR IN THE
UK: THE BUSINESS ANGLE**

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This paper:

- examines the business structures, processes and pressures that may drive or facilitate the use of forced labour in the UK;
- considers policies that may be used in response to these;
- makes recommendations to the business community, government and trade unions and migrant community organisations to help reduce exploitation and forced labour in the UK

The Joseph Rowntree Foundation (JRF) commissioned this paper as part of its programme on forced labour, which aims to influence the development of policy and practice to reduce forced labour in the UK.

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Introduction

In recent years there has been a growing consensus on the existence of contemporary forms of slavery in the UK (Craig *et al.*, 2007). Research in this area has tended to focus on trafficking, and in particular on sexual exploitation. Yet forced labour can and does occur beyond instances of trafficking in a wide range of industries and as such needs to be tackled as a distinct problem. Indeed, the government recently recognised, through the introduction of the Coroners and Justice Act (2009), which came into force on the 6 April 2010 that forced labour is a problem in the UK. A new criminal offence was created for subjecting an individual to forced labour or domestic servitude and carries the same sentence as trafficking. Importantly, it applies irrespective of whether the individual has been trafficked and irrespective of the immigration status of the individual. As such, the Act was welcomed by human rights organisations (Liberty and Anti-Slavery International, 2009). However, its impact and effectiveness in responding to forced labour remains unclear, in part because of the difficulties associated with identifying and providing evidence on forced labour that can be used for criminal proceedings.

Contextualising the research

There is evidence of forced labour occurring in the UK. Thus far, research on forced labour has focused largely on exploitation and in particular on the employment conditions and practices that workers experience when they are subject to forced labour (Skrivankova, 2006; Wilkinson, et al., 2010). Insufficient attention has been paid to the role of business in this process. The exception to this is a report by Anderson and Rogaly (2005) which explores the common characteristics of industries in which forced labour is occurring and examines the impact of these characteristics on the use of labour. Drawing on such research and knowledge of business and employment practices more widely, this report represents a further exploratory foray into the role of business in forced labour. It aims to:

- enhance current understanding of the business structures, processes and pressures which may drive or facilitate the use of forced labour in the UK;
- consider policies which may be used in response to these drivers and facilitators.

This report forms part of a series of research on forced labour in the UK which has been funded by the Joseph Rowntree Foundation (JRF).

The research took place between April and September 2011 and was carried out by the National Institute for Economic and Social Research (NIESR) which is based in Westminster, London.

Methodology

This report draws on a combination of primary and secondary research. Initially, a desk-based literature review of forced labour in the UK was conducted. Subsequently, a round table discussion on forced labour and business was convened in July 2011. Participants included experts on forced labour, employer representatives, employers, trade unionists and NGO representatives (see acknowledgements for a list of individuals). In addition, a few follow-up discussions were held with employers and their representatives.

Forced labour in the UK

Definitions

The international definition of forced labour is enshrined in the International Labour Organization's (ILO) Conventions No. 29 on forced labour and No.105 on the abolition of forced labour. Convention No. 29 (1930) defines forced or compulsory labour as:

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 (Article 2.1).

The ILO has identified six indicators of forced labour:

1. Threats or actual physical harm to the worker.
2. Restriction of movement and confinement, to the workplace or to a limited area.
3. Debt bondage, where the worker works to pay off a debt or loan, and is not paid for his or her services. The employer may provide food and accommodation at such inflated prices that the worker cannot escape the debt.
4. Withholding of wages or excessive wage reductions that violate previously made agreements.
5. Retention of passports and identity documents so that the worker cannot leave or prove his/her identity and status.
6. Threat of denunciation to the authorities, where the worker is in an irregular immigration status.

Anti-Slavery International (ASI) has argued that in cases where any one of these indicators is present, this may be indicative of forced labour and further investigation is required. In instances where two or more indicators exist, ASI has stated that the case should be defined as forced labour (Skrivankova, 2006).

In the context of the changes wrought by globalisation, feminisation of migration and greater labour mobility, the ILO has provided further clarification on how to interpret the definition contained in Convention No. 29. Two elements, the use of coercion and the denial of freedom, are now considered to be common to situations of forced labour (Skrivankova, 2010). Coercion can take a variety of forms ranging from subtle, psychological pressure, to debt bondage and physical threats. The denial of freedom relates to the freedom of the worker to leave the employment relationship. The subjective nature of concepts such as freedom of choice and consent can make it

difficult to evaluate this component of forced labour. However, generally speaking a worker must possess bargaining power vis-a-vis their employer without the menace of penalty.

Coercion and the denial of freedom are not fixed; unyielding concepts and as such exploitative labour practices can take a variety of forms. Similarly, the reality of forced labour is also fluid and can entail a continuum of exploitative experiences and situations. The continuum relates not only to the exploitation that a worker may experience but also the types of interventions that are appropriate to tackle the situation (Skrivankova, 2010). Such a perspective helps to move away from a situation where decent work is seen as the antithesis of forced labour since the reality is considerably more complex than this.

UK definition

As indicated above, the UK government created a new offence which criminalises forced labour and related practices. Section 71 of the Coroners and Justice Act (2009) states that:

[the] offence consists of holding another person in slavery or servitude or requiring another person to perform forced or compulsory labour. The circumstances must be such that the defendant knows or ought to know that the person is being so held or required to perform such labour. The offence applies to legal persons (e.g., companies) as it applies to natural persons.

The terms 'holds another person in slavery or servitude' and 'requires another person to perform forced or compulsory labour' are defined in accordance with Article 4 of the European Convention on Human Rights.

Section 71 of the Coroners and Justice Act (2009) also states that in the case of subcontracted labour, the subcontractor (as the employer) is viewed as the principal offender, but the contractor can also be liable for aiding and abetting the subcontractor if they knew that the subcontracted workers were being subject to forced labour.

As with the ILO definition, the Ministry of Justice has stated that an element of coercion or deception must be established in order for a case to be recognised as forced labour. Section 71 of the Coroners and Justice Act (2009) provides a range of indicators which are used to establish whether someone is being held in servitude or subject to forced labour. These include the basic indicators used by the ILO as well as additional factors such as the imposition of excessive working hours by the employer, unwarranted and

unexplained deductions from wages and the worker being given false information about the law and their employment rights.

Evidence of forced labour in the UK – which industries are involved?

Forced labour has been reported in low skill, low wage occupations within various industries in the UK including care, construction, cleaning, entertainment, health, food and agriculture, domestic work and hospitality. Evidence varies from anecdotal to well documented. Moreover, the scope and extent of forced labour remains largely unknown. This is partly due to the hidden nature of forced labour and other exploitative employment practices. In some industries such as domestic work, forced labour is virtually invisible because the work takes place within private households. However, there are other factors at play which make identifying forced labour difficult. There is a high concentration of migrants in these industries, some of whom have insecure or irregular immigration status and as a result may not be forthcoming about exploitative working conditions and poor treatment. Further, individuals who have been subjected to forced labour may not necessarily see themselves as 'victims' and will not come forward as such. Instead, they may well tolerate their poor working conditions because they view them as temporary (Jarman *et al.*, 2011).

The following section presents evidence on forced labour in the industries where the evidence was most robust. Little of this evidence relates to people directly employed by businesses, for example in minority ethnic restaurants (see Kagan *et al.*, 2011) or, as in the case of domestic workers, by individuals. Further, primary, research is needed to enhance our knowledge of direct employment of forced labour. Instead, most evidence relates to workers supplied by temporary employment agencies.

Our focus is on the industries where forced labour actually operates. As agency workers are employed by the agency (and not by the company where they work), strictly, they are employed in the 'administrative and support services activities' industry¹. However, we focus on the industries in which forced labour actually conducts work, rather than the 'legal' employer of forced labour (the agencies), as it is the needs of the former industries which help to explain the use of forced labour and of agencies.

Care and health

Although no systematic research has been conducted on forced labour in the care industry, previous studies indicate that such practices exist. For example, the Home Affairs Committee on Human Trafficking (2008–9) found evidence of debt bondage in the care industry where Bulgarian care workers had paid £2,000 for jobs to be arranged

in the UK, which was then deducted from their wages along with very high interest rate charges. There was also considerable deception about the pay promised to these workers both at the time of recruitment and as shown on their work permits. Such practices may extend beyond the care industry and into the health industry. For example, Fitzgerald (2007) found evidence of Filipino nurses being told to sign tenancy agreements that offered accommodation at three to four times the market rate, or risk being sent home.

In addition, previous research has shown that employment agencies exploit migrant care workers by routinely forcing them to work excessive hours with no sick or holiday pay. In cases where workers live in, they may be expected to be on call 24 hours a day with no extra pay. As in the construction industry (see below), there is also evidence of bogus self-employment which renders workers completely reliant on the agency for work and results in a total loss of their employment rights (Oxfam and Kalayaan, 2009; Gordolan and Lalani, 2009).

Construction

Previous research has found evidence of exploitation in the construction industry and, in some instances, forced labour (Anderson and Rogaly, 2005; Wilkinson, et al., 2010; Elliott and Martinez, 2011). For example, there is evidence of violence being used against Polish workers in the North East of England who were demanding wages that were owed to them (Fitzgerald, 2006).

Migrants are being actively encouraged and in some cases compelled by employers and agencies to falsely register as self-employed. A recent report by UCATT found that Bulgarian and Romanian migrants were particularly vulnerable to this phenomenon because of the difficulties they encountered in obtaining an accession worker card. In order to obtain an accession worker card, an individual must have a work permit. A2 migrants (those from Bulgaria and Romania) have reported difficulties in finding employers who are willing to go through the process of applying for work permits when there are other workers available who have the right to work (Elliott and Martinez, 2011). This phenomenon has resulted in a complete loss of employment rights for these workers, not to mention health and safety implications, since such workers rarely receive appropriate training on site. It has also enabled unscrupulous gangmasters (some of whom are thought to have moved over from the food and agriculture industry) to exploit these workers further, for example through enforced excessive working hours (Fitzgerald, 2007; Wilkinson, et al., 2010).

Domestic work

The existence of forced labour in this industry is well documented. Kalayaan, a London-based charity which provides advice, advocacy and support services to migrant domestic workers in the UK, identified 118 individuals who were subject to forced labour between January 2008 and December 2010. This was in addition to 157 migrant domestic workers who had been identified as being trafficked to the UK for domestic servitude by Kalayaan between May–September 2008 during Operation Tolerance and from April 2009–December 2010 (Lalani, 2011).

Food and agriculture

There is a high concentration of low-wage and insecure work in the food and agriculture industries, and in particular on farms and in food processing and packaging factories. In addition, the poor working conditions in parts of the industry, particularly for agency workers, are well documented and have been the subject of much media attention. Indeed, it was in the aftermath of the Morecambe Bay tragedy in February 2004, when an estimated 21 Chinese cockle-pickers drowned while being exploited by gangmasters that the Gangmasters Licensing Authority (GLA) was set up. Recent research indicates that exploitation of workers, and in some cases forced labour, continues to occur (EHRC, 2010; Wilkinson, et al., 2010; Scott *et al.*, forthcoming) found evidence of 14 forced labour practices across five sites in the UK. The majority of these workers were either A2 and A8 (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) migrants or Chinese workers. Practices found included debt bondage, non- and under-payment of wages, documentation abuses, tied accommodation and threats of denunciation to the authorities.

Hospitality

The existence of poor working conditions and exploitation within the hospitality industry is well documented (see for example CAB, 2004; Wright and Pollert, 2005; Bomford, 2009). Research on forced labour specifically is more limited, although recent reports have found evidence of hotel agency workers experiencing forced labour (Wilkinson, et al., 2010). There have also been reports of individuals who are directly employed by minority ethnic restaurants experiencing forced labour (Kagan *et al.*, 2011; University of Nottingham and ILO, 2009; The Telegraph, 2010).

Business and employment structures that facilitate forced labour

Introduction

Definitions

Gangmasters: The agricultural and horticultural industries have used gangs of casual workers to meet irregular demand for labour since the early nineteenth century. Traditionally, a gangmaster would negotiate directly with the farmer over payment for the work required and profits were usually made by taking piecework from the farmer and paying wages to the workers in the gang. Today, the term gangmaster is used to describe an individual who supplies casual labour to any industry.

Labour providers: The term is used to describe organisations that provide temporary, contract and seasonal workers to a range of industries including agriculture and food processing.

Temporary work agency: A temporary work agency supplies agency workers to work temporarily for a third party (the hirer). Agency workers work temporarily under the supervision and direction of the hirer but only have a contract with the temporary work agency.

These three terms are now commonly used interchangeably.

This chapter identifies business and employment structures that are likely to facilitate and encourage the use of forced labour in the UK. In doing so, it provides a closer examination of the characteristics and labour supply factors common to the industries identified in the previous chapter. It also examines these industries' use of agency and subcontracted labour given that much of the evidence highlighted in the previous chapter involved agency workers rather than cases where individuals had been directly employed by businesses.

Our approach was to try to identify the generic factors facilitating forced labour, rather than specific factors applicable in individual cases. The key characteristics identified were:

- Pressure on costs has led to an intensification of work in several industries. This, combined with variability in labour demand, has led to the development of a dual labour market system.
- There is a high concentration of migrant workers in low-paid, low-skilled work who are more vulnerable to exploitation and forced labour.
- The use of agency and subcontracted labour and the way this can create a grey area in which the formal and informal economies meet and where labour exploitation can occur.

The specific factors underlying these will vary with industry and individual organisation. For example, for each organisation within an industry, cost pressures may be driven by globalisation, purchaser power, both or neither. For encouraging forced labour, the key is that these cost pressures exist, not their source. Moreover, because of variability within industries and the lack of detailed information on organisations in the forced labour literature, the link between forced labour and specific factors is less identifiable. Hence our focus on the generic factors. However, some major specific factors underlying the generic factors are described.

Industry characteristics

The industries identified in the previous chapter share certain characteristics, some of which can render workers vulnerable to exploitation and forced labour. Perhaps most importantly, employers and owners in these industries are frequently operating in highly competitive markets in which there is pressure to reduce costs and increase productivity (Anderson and Rogaly, 2005).

In the food industry and in agriculture, the power and dominance of a few buyers (the large supermarkets) puts pressure on producers to minimise costs, leading to both downward pressure on wages and the use of temporary labour. In the care industry pressures result, variously, from the undervaluation of women's work (putting downward pressure on wages), state budgeting and subcontracting policies (emphasising cost, with restricted budgets) combined with the lack of resources among people needing care and ease of entry of care providers into the industry (resulting in greater competition).

Such a competitive climate has led to an absolute intensification of work in some industries. In the food industry, for example, the increased use of gangmasters and piece rates are symptomatic of this phenomenon as are other practices such as housing workers on site and employing them on an 'as and when' basis, often with very little notice and with a greater threat of negative consequences in cases of non-compliance (Rogaly, 2008). Some agencies use travel and subsistence schemes to deduct

expenses that are not justified by the HMRC. Doing so enables these agencies to undercut others by supplying labour at costs lower than the GLA indicative rates (EHRC, 2010).

Box 1: Intensification of work in the hotel industry

In the hotel industry, for example, significant pressure to reduce costs has led to many service providers bidding for hotel contracts on the national minimum wage. Such practices are linked to the structure of the industry and, in particular, to the disengagement between hotel ownership and responsibility. Since large hotel chains are now primarily involved in hotel management rather than ownership, their main business objective is to maximise earnings through increasing the number of hotel management contracts (ILO, 2010). This puts pressure on hotels to keep costs low in order to maintain competitiveness.

In addition, labour tends to make up a significant proportion of total operating costs in several of these industries. For example, labour costs typically account for 80 per cent of the total invoice value of larger contract cleaning companies, while in the care industry staffing costs in care homes can equate to between 45 and 60 per cent of fees depending on the ratio of nurses to care assistants (Anderson and Rogaly, 2005). High labour costs do not in and of themselves increase workers' vulnerability to forced labour. Rather, it is the nature and pattern of labour use which can do so. Indeed, production is often time-bound in industries such as construction, food processing and agriculture/horticulture and is characterised by short, intense periods of work (Anderson and Rogaly, 2005). As such, there can be high variability in labour use because of seasonal patterns of production and consumer demand. This has led to an increased use of agency and subcontracted labour (to match labour supply to demand and so to minimise costs, i.e., a lean approach to staffing), longer supply chains and less regulated, more insecure work.

A further characteristic which appears to facilitate forced labour is the isolation of workers (whether of the whole workforce or of a sub-group). Isolation is a particular problem in domestic work, because of the nature of the workplace and the fact that many domestic workers also live in their employer's household. It also occurs in other industries such as agriculture, care, and construction, either through the location or provision of accommodation. Moreover, tied accommodation in particular may have the effect of facilitating forced labour through isolation, dependency and debt bondage.

Occupation and employment characteristics

With few exceptions, forced labour has only been identified in low-skilled, low-paid, insecure work. Low skill requirements facilitate exploitation. Low-skilled workers have little power vis-à-vis their employer, because of the ease of replacing such workers. Unionisation can mitigate this, but is rare in low-skilled work. Moreover, migrants are concentrated in low-skilled work, increasing the scope for exploitation (see below). Some of the industry characteristics mentioned above impact on the employment characteristics within these industries. In particular, a combination of the pressure to reduce costs and the variability in labour demand has resulted in the development of a dual labour market system in some of the industries identified in this report. Businesses now commonly employ a core of permanent staff alongside a variable workforce. It is within this variable workforce that the least desirable and insecure forms of employment are concentrated (Geddes and Scott, 2010).

Box 2: Dual labour market in the construction industry

In the construction industry labour arrangements tend to be casual and are divided between those who are directly employed and those who are classified as 'self employed', including many A8 and A2 nationals. Approximately 58 per cent of the nearly 750,000 self-employed are thought to be 'bogusly' self-employed since in reality they are dependent workers who do not have the level of autonomy over their work that is usually associated with genuine self-employment (Chan *et al.*, 2008; TUC, 2008). Such workers have experienced a complete loss of their employment rights and in some cases have been severely exploited (Wilkinson, *et al.*, 2010).

Labour supply factors

Labour supply factors also come into play when examining workers' vulnerability to forced labour in these industries. Of key relevance is the fact that there is a high concentration of migrant labour in the industries identified in this report. The reasons for this are complex and relate to the idea that labour demand and labour supply are 'mutually conditioning', or rather 'that what employers want is partly influenced by the characteristics and qualities different types of workers are perceived to be able to provide to the employer' (Ruhs and Anderson, 2010). Such characteristics and qualities may include a willingness of migrants to accept lower wages and poorer working conditions than domestic workers and an awareness that some migrant workers are restricted in their choice of employment and so may be viewed by employers as likely to

be more compliant and easier to retain. These factors impact on who employers recruit and can result in the development of a preference for migrant workers over domestic workers as is already thought to be happening in the agriculture and food processing industry (Ruhs and Anderson, 2010).

Research has shown that migrants are at greater risk of vulnerability at work and in some cases evidence of forced labour was found (Dwyer *et al.*, 2011; TUC Commission on Vulnerable Employment, 2008). This is partly due to the fact that migrants tend to be employed in low-wage, insecure work that is often regarded as low-skilled. Indeed, estimates indicate that approximately 25 per cent of agency workers in the UK are migrants (Vosko, 2008). They tend to be concentrated in specific sectors, for example 70 per cent of agency workers in the food processing industry are migrants (EHRC, 2010).

Migrants' increased vulnerability in the workplace is also a direct result of their immigration status. Those migrants who are on work permits are dependent on their employer for maintaining their immigration status and as such may feel unable to challenge their employers over the terms and conditions of their employment.

Box 3: Migrant domestic workers' vulnerability to exploitation

In domestic work there is evidence of unscrupulous employers using this dependency as a means to exploit workers by paying them lower wages, refusing to give them time off and refusing to pay their tax and national insurance contributions. This vulnerability to exploitation is also linked to the fact that their work takes place in the private household away from the oversight of regulatory bodies. Many migrant domestic workers in the UK also live in their employer's household, which exacerbates their isolation and vulnerability (Lalani, 2011).

For undocumented migrants, the situation can be worse since some employers use the threat of denunciation to the authorities as a means of controlling and exploiting them. Migrants with irregular immigration status are therefore very unlikely to seek redress in cases of unfair or exploitative treatment.

Other factors such as isolation also play a role in migrants' vulnerability to forced labour, particularly in cases where they have only a rudimentary knowledge of the English language. Some migrants may also lack knowledge of their employment rights and their legal status. Unscrupulous employers can take advantage of this in a variety of ways, including threatening to denounce them to the authorities and have them deported. Migrant workers are also less likely to be union members than British workers, for

various reasons including a lack of knowledge about unions and the lack of a tradition of unions in their home country. This means they do not have access to the range of support that unions provide, such as educating individuals about their rights and helping workers to forge agreements over wages and working conditions. Finally, migrants may also lack non-wage resources such as savings, family support and access to public funds, which can impact on their decision to leave their employment in cases of mistreatment.

Agency and subcontracted labour

Why agency and subcontracted labour is used

Over the past decade the use of temporary agency labour has increased significantly. This is the result of a variety of economic and socio-cultural factors (see Arrowsmith, 2006; Koene *et al.*, 2004). The European Confederation of Private Employment Agencies for the UK estimates that in 2005 there were approximately 6,000 officially designated employment agencies in operation sourcing 1.2 million workers a day. This equates to around 5 per cent of the national workforce (McKay and Markova, 2008). Employers now increasingly use agency staff for their normal functioning which means that work that used to be performed in-house is now subcontracted out to agencies. Subcontracting practices generally take one of two forms: employers will either subcontract a group of tasks to an employment agency who will then take management and supervisory responsibility for their employees completing those tasks, or the employer will retain the supervisory responsibility for the agency staff and simply pay the agency for the labour it provides (McKay and Markova, 2008).

Agency and subcontracted labour is used for a variety of reasons. It enables employers to access specialised skills and to meet labour demand when local labour is not available. It also allows employers to better match the workforce to demand, thus reducing labour costs and helping them to reduce other fixed costs such as human resources and payroll. Within the industries identified in this research, agency labour is used predominately to help cut labour costs particularly where there are fluctuating demands in production. An example was given by a leading hotel chain interviewed for this study. The chain had substantially cut costs by using agency staff as required to meet fluctuating hotel occupancy rates, instead of employing permanent housekeeping staff. This gave cost savings of £2–£3 million a year for large London hotels. Interestingly, the hotel chain interviewee indicated that if the economic argument was not compelling, they would prefer not to outsource.

This may not be a view shared by everyone but I would much prefer not to have outsourcing. I would want to be accountable for how we look after our people directly. Now I have this hands-off relationship with an agency, we don't like certain things they do and there's a process to go through. You know in your guts, you just have an instinct that some of these people are not looked after properly.

Meeting with major hotel chain, September 2011

Impacts of using agency and subcontracted labour

The use of agency labour to meet fluctuating demands in production can result in a situation where employers effectively pass the cost and risk associated with greater labour flexibility onto workers, with agency workers being employed on an 'as and when' basis. Since agencies are competing primarily on the basis of labour costs, this has driven down both agency worker wages (as evidenced by the growing trend for bidding on contracts in which workers are paid the national minimum wage) and agencies' profits. The result is that some agencies will try to undercut their competitors through poor and sometimes illegal employment practices. For example, Wilkinson, et al., (2010) found evidence of migrant workers being asked to work 'compulsory' overtime at little or no notice or risk losing their job. Other accounts are given of workers being permanently on call via mobile phone; of having to call into work at pre-designated times at their own expense; of going to work at unsociable hours only to be told that they are not needed, and of being taken out to factories and fields for a few hours work before being taken home again.

The proliferation of subcontracting has created a grey area in which the formal and informal economies meet and where labour exploitation can occur (Anderson and Rogaly, 2005). Wilkinson, et al., (2010) states that severe exploitation remains within the industries in which the GLA currently operates and in some cases evidence of forced labour was found including intimidation of workers with threats of violence, attempted forced evictions from tied accommodation and debt bondage. The research also indicated that in industries such as hospitality and construction which are beyond the remit of the GLA, levels of exploitation are likely to be even higher. The fact that there is no fixed pattern for such exploitation also makes it harder to identify. Situations of forced labour can arise through persons employed by a labour user or provider, through persons connected to individuals within these organisations or independent third parties. Thus, for example, in cases where one individual is acting as a 'language gateway' between a group of workers with poor English skills and either a labour user or provider, the opportunity for exploitation is rife (Association of Labour Providers, 2011). Indeed, Scott *et al.*, (forthcoming) found evidence of informal migrant gangmasters

acting as brokers and translators between migrants and formal employment agencies and actually preventing workers from liaising directly with the agency.

Labour subcontracting opens up the opportunity for more informal employment relationships. This can be useful for migrants, particularly if they are working irregularly, since it enables them to access the labour market more easily, for example through the use of social networks. Equally, however, it can also increase the potential for exploitation. For example, Wilkinson, et al., (2010) indicates that payment of facilitation fees to agencies or individuals for finding employment are common. One agency in Hull which was supplying labour to the food processing industry was found to be charging a facilitation fee of £250 per person. Other individuals reported having to pay a weekly fee of £30 to their employer 'just because you work for me'. Such practices also appear to be prevalent within the food processing industry. Indeed, the EHRC found that one in seven interviewees had paid their agency to find work for them or knew someone who had done this (EHRC, 2010).

Subcontracting can also result in situations where there is insufficient clarity about who the employer is and where responsibility for employment conditions and health and safety requirements lie (Anderson and Rogaly, 2005). Confusion over such matters can make it difficult for agency workers to make complaints and evidence from the food processing industry indicates that when such complaints are made, firms and agencies alike are unsure as to who has the main responsibility for dealing with them (EHRC, 2010). It seems likely that such difficulties occur in other industries where similar investigations have not yet been made. In addition to confusion over who the employer is, the use of agency and subcontracted labour can also lead to situations where workers are unaware of their own employment status (Gordolan and Lalani, 2009). This is likely to affect their willingness to come forward in cases of mistreatment.

The lack of regulation around agency labour can result in agency staff receiving substantially different pay and treatment to permanent employees (TUC, 2008). Given this, some employers use agency labour as a means of avoiding their employment obligations. Research by the EHRC into the food processing industry found that a quarter of the employers interviewed admitted to using agency labour as a means of avoiding these obligations. Inequality between permanent and agency staff was found to exist in relation to every aspect of employment including lower rates of pay, allocation of the least desirable jobs, inferior health and safety equipment and treatment as 'second-class citizens' in the workplace. In addition, the study found that some agency workers were engaged under a contract of services and not a contract of employment. As such, they did not have the same employment rights as permanent employees such as the right not to be unfairly dismissed or the right not to be unfairly selected for

redundancy. Despite the lack of an employment contract, many agency workers were paying PAYE and having Class 1 National Insurance contributions deducted from their wages. Indeed, the EHRC describes them as 'doubly disadvantaged, paying all the tax of an employee and receiving none of the benefits, thus increasing their vulnerability to any loss of income' (EHRC, 2010).

Although similar research in other industries remains limited, there is evidence of differential treatment between agency and directly employed staff occurring in the hotel industry where the former are assigned more rooms to clean than the latter. In many cases, agencies are competing primarily on the cost of labour and so this has the effect of driving the wage down below the national minimum wage (Wilkinson, et al., 2010). Such practices are also likely to have an effect on the level of wages for all staff in the long-run. For example, in the construction industry, Wilkinson, et al., (2010) found that agency workers were being used to undercut the wages of permanent workers and in some cases workers were dismissed in favour of cheaper agency construction workers.

Supply chains

The growth in labour-only subcontracting practices has resulted in supply chains in some industries becoming more complex. In some industries this may simply mean that the number of tiers in a supply chain has grown. In other industries, the number of organisations involved in the supply chain may have grown substantially even though the number of tiers in a supply chain has remained the same. The increasing complexity of supply chains has two main impacts on workers. First, it exacerbates the issue of responsibility referred to earlier because it becomes less clear who the employer is and where the employer responsibilities lie, particularly in cases where a subcontracting agency further subcontracts part of their work out to another agency or individual.

Second, as supply chains become longer and more complex, the opportunity for informality and exploitation within employment relationships becomes greater as evidenced by the example cited above involving informal migrant gangmasters acting as brokers between migrants and formal employment agencies. The opportunity for exploitation is rife in cases where subcontracting practices are occurring within the supply chain without the knowledge of the principal contractor. Regulation has a role to play here as does the fact that there is less oversight of employment terms and conditions by the principal contractor as you move further down the supply chain. Even in cases where strong oversight functions exist, the day-to-day business practices and working conditions may be distinctly removed from the site of the focal organisation and thus the opportunity for exploitation is that much greater. As a major food retailer commented, 'generally the more extreme forms of forced labour you may find in the

supply chain, don't necessarily happen on the first tier, that happens either second or third tier down'.

Conclusion

This section has shown that there are industry and occupation characteristics and labour supply factors which seem likely to encourage and facilitate forced labour in the UK. In particular, the highly competitive nature of the industries identified in this report means that there is constant pressure on firms to reduce costs and increase productivity. The underlying causes of this vary by industry and organisations. They include globalisation, purchaser power (dominance by a small number of purchasers) and state subcontracting policies. These pressures, in addition to the high variability in labour demand in these industries, have resulted in the development of lean staffing policies, with segmented labour markets in which a core of permanent staff exists alongside a variable workforce of agency and subcontracted labour. The latter is dominated by migrants and tends to entail low-wage, low-skilled work. It is here that the least desirable and most insecure forms of employment, including forced labour, are found. From the evidence, we suggest that there is a risk of forced labour where this combination of characteristics exist, whether or not forced labour currently exists in those industries and occupations.

Labour providers in these industries have responded to the aforementioned pressure to reduce costs and are now increasingly bidding for contracts in which workers are paid the national minimum wage. Some of these agencies have then used unfair deduction schemes for accommodation and transport to reduce costs further while the most unscrupulous will hold their workers in situations of forced labour. Such employment practices often take place beyond the purview of the contracting firm particularly in cases where supply chains are long and complex. As such, the use of agency and subcontracted labour provides an opportunity for firms to cut costs without having to take responsibility for being directly involved in any unethical business practices, thereby minimising damage to their reputation in the event that details of poor or illicit employment practices involving their subcontractors come to light. Although some firms may merely be ignorant of such practices, others may see it simply as an unfortunate consequence of their profit maximisation strategy. Regardless, the costs and consequences on the individual are high and have created a high degree of precariousness among agency workers.

Implications for policy

Introduction

The discussion in the previous section has clear implications for policy and practice. Drawing on the forced labour and business round table discussion that was convened as part of this research in July 2011, this section discusses employment and business practices that could be used to promote decent work and help reduce agency workers' vulnerability to exploitation. The section concludes by highlighting a range of other tools which can play a role in curbing forced labour including the regulation and enforcement of labour rights, trade unions and immigration law.

Employment practices

Earlier discussion in this report has highlighted the particular vulnerability of agency workers to forced labour. In light of this, this section briefly outlines some employment practices that could help to reduce agency workers' vulnerability to exploitation.

Equal pay and treatment between agency workers and permanent employees

The proliferation of subcontracting practices across the industries identified in this report means that agency workers are likely to continue to make up a considerable proportion of the workforce and as such should receive equal pay and treatment with permanent staff, particularly in cases where they are performing the same roles on a long-term basis as permanent staff. The Agency Workers Regulation (AWR) (2010) which came into force on 1 October 2011 aims to tackle the current gap in legislation. Under the new regulations, agency workers will be entitled to the same basic working and employment conditions of a comparable permanent employee after a qualifying period of 12 weeks. However, it remains unclear whether unscrupulous agencies will simply attempt to bypass the legislation through the use of 11-week contracts or in some cases simply opt- out of the legislation. Further, the AWR will not help those workers who are employed on an informal basis, often without contracts, or those workers who are falsely self-employed.

Formal and detailed service level agreements between agencies and their clients

One way of reducing the informality and exploitation that can be associated with agency work is for the contracting organisation to have formal and detailed service level

agreements with their suppliers. Detailed agreements lay out guidelines regarding performance, delivery and employer liability insurance and should lay out strict guidelines on subcontracting practices. They also clarify responsibility for issues such as registering workers for tax and national insurance purposes, checking that migrant workers have the right to work, and the provision of health and safety training, protective clothing and interpreters for foreign workers (McKay and Markova, 2008). Doing so helps to avoid confusions (which can lead to poor working conditions and in some cases to worker exploitation) over where employer responsibilities lie.

Unsurprisingly, McKay and Markova (2008) found that employers who established detailed service level agreements and who worked more closely with labour providers tended to have more satisfactory relationships. Closer relationships with labour suppliers were reported to help employers identify problems in the workplace and to lead to greater collaboration over improving conditions at work and treatment of workers.

Greater oversight of agency workers' terms and conditions

McKay and Markova (2008) found that the employers they interviewed had limited knowledge of agency workers' terms and conditions. Those employers with clear service level agreements tended to be more aware of such details but even their knowledge was often limited to pay and other basic terms. None of the employers interviewed, for example, were aware of whether the agency made deductions from workers' wages for transport. Unfair deductions for such items can lead to workers being paid below the national minimum wage, which may not necessarily indicate forced labour but certainly requires further investigation. As such, greater oversight of agency workers' terms and conditions could help employers and labour providers to root out worker exploitation. This could be done within the audit process discussed later in this chapter or as a separate oversight function.

Recruitment

The largely unregulated market of temporary employment agencies means that 'cowboy' agencies continue to remain a significant problem in the UK. Such agencies undermine legitimate businesses by giving employers unrealistic views of the costs involved in supplying labour. Participants at the round table discussion felt that there was a role for employers to perform background checks on agencies before engaging their services. This would include collecting information on how and from where the agency is recruiting its workers as well as the rates of pay. Regular audits of the agency

as well as direct engagement with the agency workforce would also be important oversight practices.

Audits

Background

From the mid-1990s onwards, ethical (or social) audits have been used as a tool in industries such as food and agriculture, manufacturing and retail to improve an organisation's social and environmental impact and drive sustainable change. Increasingly, large companies within these industries have commissioned audits of their suppliers' workplaces to assure themselves of the ethical nature of their products by evaluating working conditions and identifying instances of abuse and exploitation. Indeed, the Ethical Trading Initiative (ETI) estimates that companies now typically devote up to 80 per cent of their ethical sourcing budget on auditing alone ².

Audits of suppliers may be performed by someone from within the company or an independent third party and opinions vary as to who should carry out the audit, and how. Generally speaking, the results of the audit are measured against the company's corporate requirements and in some cases against third party codes such as the ETI base code. The ETI base code is founded on the conventions of the ILO and is an internationally recognised code of labour practice which measures a company's compliance with nine key provisions such as the fact that employment should be freely chosen, that working hours should not be excessive and that no inhumane or harsh treatment is permitted. Audits are used to identify areas of high risk and non-compliance against the particular code of practice which the company has signed up to. Companies should then investigate the areas of non-compliance further and take follow-up action to address the matter with the supplier.

Suppliers may have to submit to multiple audits depending on the number of companies they work with and the different codes that those companies adhere to. In some instances, this has led to suppliers complaining of 'audit fatigue.' Industry-wide audit sharing initiatives such as Sedex (a not-for-profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains) have been successful in addressing this problem by encouraging its member companies to exchange and share ethical data on their suppliers. As a major food retailer indicated:

...by reducing the duplication on audits what we've been able to do is focus on improving the quality of audits...so for example we've actually got a whole

programme around shadowing auditors, making sure that they're doing a good job and feeding that back into the Sedex-associated auditor group and trying to really improve the actual audit proposal.

Impacts

Analysis from ETI members' audit findings show that audits can be useful for identifying certain types of employment issues such as health and safety issues as well as breaches in wages and working hours. In contrast, they rarely reveal situations of forced labour, discrimination violations and inhumane treatment³. This is related to the fact that forced labour can be hidden and the exploitation can be subtle, particularly in cases where debt bondage is involved. Interviews with workers may not necessarily be conducted as part of the audit, and even if they are, workers may be unwilling to come forward about their mistreatment for fear of retribution or of losing their job. In addition, the improvement actions taken against non-compliances frequently fail to address the real problem and merely tackle superficial issues. For example, the majority of actions taken to address wage non-compliance by ETI members tackle issues such as provision of wage slips but seldom examine how much money workers are actually receiving. As such, audits may fail to deliver any real change to workers' lives. Further, audits tend to tackle the symptoms of problems rather than the root causes. For example, audits may identify shortcomings in record-keeping but may not necessarily suggest ways in which improvements can be made to administrative or HR processes. More worrying is the fact that there has been a growth in audit fraud. In some cases, this is linked to a zero tolerance policy which some companies have adopted, meaning that those businesses who fail to meet the company's requirements will be dropped as a supplier. The ETI believes that this has encouraged some suppliers to deceive auditors in order to retain business⁴. In other cases, such fraud is linked directly to exploitation and forced labour.

Implications

In light of the limitations to audits mentioned above, some organisations, particularly in the food and agriculture industry, have taken steps to move beyond simply conducting audits and are actively using other workforce engagement strategies to help expose problems that audits fail to uncover and to drive continuous change within the workplace.

Some of the ETI members and other organisations have identified improving human resource processes as a key to changing workplace standards and are working with suppliers on these issues. For example, the Workforce Cohesion Alliance was set up

with the intention of helping the HR community to build a more cohesive workforce in light of the fact that recently arrived migrants and agency workers make up a significant percentage of the workforce in certain industries such as food and agriculture. The aim of the Workforce Cohesion Alliance is to help human resource and senior managers to deal effectively with issues in the workplace that have arisen as a result of these changes in the workforce such as communication problems which can arise when workers possess only a basic level of English.

Box 4: Moving beyond audits: recent example of a workforce engagement strategy

allianceHR, a specialist advisor on labour supply issues, is undertaking a pilot project that plans to help businesses engage more closely with their workforce. David Camp from allianceHR stated that: 'The concept behind it is to help businesses survey their workforce, get opinions from their workforce, include their workforce... a core element of that is looking at employee's satisfaction generally'.

As such, both the managers of the company and the employees will rate the company on its performance across a range of ethical labour standards and employee engagement generally. Although the pilot project is still in its early stages, it is anticipated that this approach will help businesses to identify, 'the more difficult softer areas that auditors find difficult to uncover such as attitudes to freedom of association, discrimination and a positive supervision and management' (meeting with Alliance HR, September 2011).

Some companies are also actively engaging with their suppliers more laterally. For example, a major food retailer interviewed for this project described how they have an in-depth supplier capacity-building and training programme which focuses on working with suppliers to address the root causes of problems in the workplace. One component of the programme involves bringing suppliers together in different countries with the aim of sharing challenging employment issues and encouraging debate around best practice. They also run other activities to ensure that their direct suppliers are responsible labour users and, as such, have worked closely with the Workforce Cohesion Alliance and the GLA.

Beyond business practice

Good employment and business practices clearly have a role to play in promoting decent work. However, there are other tools which can be drawn on in order to tackle

exploitation and forced labour. Some of these are reactive in nature such as the use of employment tribunals by individuals who have been subject to forced labour. Others such as trade union engagement in industries in which forced labour is known to occur are more proactive. The following section focuses on three tools that are particularly relevant to the findings of this paper: regulation and enforcement of labour rights, the role of trade unions and the role of immigration law.

Regulation and enforcement activity

Regulation and enforcement of labour rights within the UK is carried out by several different bodies and agencies including HM Revenue and Customs (HMRC), the Employment Agency Standards Inspectorate (EAS), the GLA and the Health and Safety Executive (see Balch 2012 for a full overview). This section focuses on the activities of the GLA and EAS given the particular vulnerability of agency and subcontracted labour which has been identified in this report.

The Gangmasters Licensing Act 2004 provided for the creation of the GLA to regulate those who supply labour or use workers to provide services in agriculture, forestry, horticulture, shellfish gathering and food processing and packaging. Since coming into effect in 2005, the GLA has been successful in developing and promoting standards for best practice in the supply and use of temporary labour, and has helped to improve worker conditions and reduce exploitation as well as tackling unlicensed and fraudulent labour providers (Balch, 2012). The Act's impact is evident when considering the fact that some gangmasters have diversified their activities into other industries or moved their entire business into other industries beyond the realm of the GLA. Yet the phenomenon of phoenix companies, where rogue gangmasters who have had their licenses revoked by the GLA remain in the labour-providing business either under a different name or by remaining behind the scenes, illustrates the difficulties of removing rogue agencies and informal gangmasters from the labour provision industry altogether.

Nevertheless, the overall success of the GLA to date has led to calls for extending the GLA and its intelligence-led enforcement approach to other industries, and particularly to care, construction, hospitality, catering and cleaning (Wilkinson, et al., 2010). The evidence in this report of forced labour occurring in industries not covered by the GLA and the risk of forced labour occurring in any industry with certain characteristics suggest regulation should not be restricted to the GLA industries. However, the government has indicated that an extension of the GLA is not on its political agenda, and has stated that it is committed to enforcement by the Employment Agency Standards Inspectorate (EAS), the current body responsible for inspecting employment agencies, alongside its other workplace enforcement bodies. Further, in late 2011 the

GLA was subject to a government review by the red tape challenge and although the need for the GLA was subsequently endorsed by the government, the GLA will continue to be monitored as part of the government's ongoing review of public bodies and enforcement agencies (Hansard, 2011).

Some advocates of greater regulation and enforcement of agency labour have called for the government to merge the EAS into the GLA. The proposal (led by Anti-Slavery International and the Institute of Business and Human Rights) highlights the strength of the pro-active, intelligence-led approach to enforcement of the GLA and the weakness of the EAS. Indeed, the latter has come under criticism for its limited sanctioning options including its insufficient powers to address rogue businesses and an insufficient number of inspectors (BIS, 2009). According to the proposal, the merged GLA/EAS body could continue to apply current GLA licensing and inspection procedures to businesses within the current GLA mandated industries while adopting a similar proactive intelligence-led approach to those employment and labour agency businesses which currently fall within the remit of the EAS. Eventually, the EAS and GLA would be merged into one body under the sponsorship of the Department for Business, Innovation and Skills (BIS).

Another option is the creation of a single Fair Employment Agency which would encompass the workplace enforcement bodies that lie behind the Pay and Work Rights Helpline. Drawing on evidence from its citizens' advice bureaux across England and Wales, Citizens Advice argues that the new agency should be provided with the powers and resources to secure individual workers their basic employment rights and to tackle the illegal practices of rogue employers.

Regardless of the approach taken, there is a clear need for the government to increase the current scope of its regulatory and enforcement action to prevent exploitation of the most vulnerable workers. This should include better resourcing as well as a more pro-active approach across all the industries identified within this report.

The role of trade unions

Trade unions can play an important practical role in tackling forced labour because they help to redress the power imbalance between employers and vulnerable workers. They inform workers of their employment rights and can help them to forge collective agreements on wages and working conditions as well as dealing with problems in the workplace. Union membership can also help to reduce the isolation that migrant workers often experience when they arrive in the UK by helping them to integrate into the community as well as by providing access to English language and computer classes.

Trade union density varies quite considerably between the industries identified in this report. In some industries such as hospitality and construction, union density remains low and there is a need for continued support to develop awareness about unions and the benefits of union membership.

The role of immigration law

Immigration law may be seen as pivotal in forced labour, enabling potentially vulnerable migrant workers to enter the country and creating a particularly vulnerable group of illegal workers. Consideration of the control of immigration generally is outside the scope of this paper. However, a narrower aspect of immigration law, highly relevant to forced labour, is the curtailment of employment rights and restrictions on labour mobility for some visas. Risk of forced labour is likely to be greatest where structural factors facilitating forced labour are also present.

A strong example of this is migrant domestic workers, who are particularly vulnerable to forced labour for legal, as well as structural, reasons. Recently announced changes to the overseas domestic worker visa mean that they will no longer have the right to change employer and will now be limited to a six-month visa. Such changes will leave workers tied to one employer during this six months. This could lead to an increase in bonded labour. The time limitation of the visa also means that those workers who experience abuse and exploitation at the hands of their employers will find it difficult to take employment law cases against their employers as this is often a lengthy process. Employers' realisation of this fact could increase the incidence of exploitation experienced by this vulnerable group and may lead to an increase in trafficking.

Other migrant groups such as those workers from A2 and A8 EU accession states have also been identified as vulnerable to exploitation and forced labour. For some this is surprising given their *de facto* status with the right to reside in the UK. Yet restrictions on their access to the labour market (limited to the food processing and agriculture industries in the case of A2 nationals) and the need for A8 migrants to complete a 12-month registered work period in order to have access to welfare rights, have resulted in some workers being faced with a choice of becoming destitute or working in conditions conducive to forced labour (see Dwyer *et al.*, 2011).

Thus immigration law governing migrants can and does affect their employment relations and their treatment in the workplace, and as such should be part of any wider discussions on tackling forced labour in the UK.

Conclusions and recommendations

This paper has identified a range of business and employment factors that appear to facilitate forced labour in the UK. In particular, constant pressure on firms to reduce costs and increase productivity, combined with a high variability in labour demand, has resulted in the development of a dual labour market in which a core of permanent staff exists alongside a variable workforce of agency and subcontracted labour. Migrants are concentrated in the latter section of the labour market which comprises largely of low-wage, low-skilled work. It is here that the most insecure and exploitative employment practices, including forced labour, appear to exist.

As the recent changes to the Agency Workers Regulations indicate, agency workers are increasingly being recognised as vulnerable to unfair treatment in the workplace and, in some cases, to exploitation. This paper has shown that agency and subcontracted workers are also particularly vulnerable to forced labour. The reasons for this are complex. However, of key importance is the fact that labour subcontracting opens up the opportunity for more informal, and thus for more exploitative, employment relationships; a situation which worsens as supply chains become longer and more complex. This is linked to the lack of regulation around agency labour particularly in the industries that are beyond the purview of the GLA. There is thus a need for prime contractors to monitor the activities further down their supply chain more closely and to refrain from using the length of their supply chain as an excuse for failing to do so.

In light of these findings, this study also identifies a range of employment practices that could reduce agency and subcontracted workers' vulnerability to forced labour. Of these, particular emphasis should be placed on the need for employers to perform background checks on agencies before engaging their services and to conduct greater oversight of agency workers' terms and conditions. Beyond this, the study also examines some of the ways in which businesses could identify instances of exploitation and forced labour. Until recently, ethical audits have been the main tool that businesses in industries such as food and agriculture, retail and manufacturing have used to root out worker mistreatment. However, in light of the limitations of audits raised here, it is clear that audits alone are unlikely to help businesses tackle these issues. Some businesses have already acknowledged this and have begun using workforce engagement strategies to try and expose problems in the workplace which audits fail to uncover. While further investigation into these strategies and whether they could be applied to other industries is required, it seems possible that they could be a useful tool in promoting decent work.

Ultimately, though, such employment and business practices are unlikely to reach the most vulnerable workers, particularly where forced labour is deeply hidden within the supply chain. As such, there is an urgent need for the government to take action and increase the current scope of its regulatory and enforcement action vis-à-vis temporary labour providers to prevent exploitation of the most vulnerable workers.

The risk of forced labour and wider labour exploitation should be given more weight when developing immigration regulations. Particular consideration about the need for, and impact of, such restrictions should be given to occupations and industries where structural factors facilitate forced labour or where forced labour has already been identified.

Finally, while much of this research has focused on forced labour occurring via the temporary employment agency industry, forced labour is also occurring via two other forms of employment arrangements. The first is where individuals are directly employed by small businesses, for example in minority ethnic restaurants. The second is where individuals are being compelled to falsely register as self-employed either by an agency or by their employer, as has been known to occur in the construction industry. It seems likely that the industry structures and characteristics which were identified as facilitating forced labour here are also relevant to these other two forms of employment arrangement but further research is required.

Recommendations

For the business community:

- Employers should ensure that they have formal and detailed service level agreements with labour providers. Such agreements should clarify where the employer responsibilities lie with regards to matters such as the provision of health and safety training and the provision of interpreters for foreign workers.
- In light of their particular vulnerability to mistreatment and exploitation, employers should scrutinise agency workers' terms and conditions before engaging the services of a labour provider and should carry out greater oversight of agency workers within the workplace.
- Businesses should facilitate direct not 'bogus' self-employment by making the principal contractor responsible for all employees on site.
- Businesses should prevent exploitation further down the supply chain by increasing their familiarity with all suppliers within the supply chain and ensuring

that they comply with the relevant employment legislation. Where possible, supply chains should be kept short.

- Further research should be done into the use of workforce engagement strategies and their ability to help expose problems in the workplace that ethical audits are failing to uncover. Such research should focus initially on the food and agriculture industry where workforce engagement strategies are currently being utilised and should consider whether such an approach could be applied to other industries.

For the UK government:

- Review labour regulation of temporary employment agencies in the industries identified in this study and consider extending the GLA model to those industries in which a shortfall in regulatory provisions is identified.
- Consider the role of immigration policy in facilitating migrants' vulnerability to exploitation and forced labour, e.g., reconsider the recent announcement to remove overseas domestic workers' right to change employer given the likelihood that it will lead to an increase in forced labour.

For the trade unions and migrant community organisations:

- Continue informing migrant workers of their employment rights and help them to access support from relevant organisations as required.
- Inform migrant workers of their right to take their employer to employment tribunal in cases of mistreatment and help them through this process where appropriate.

Notes

1 Standard Industrial Classification 2007 Section N: 78.2: Temporary employment agency activities or 78.3 Other human resource provision.

2 [See www.ethicaltrade.org/in-action/issues/auditing-working-conditions](http://www.ethicaltrade.org/in-action/issues/auditing-working-conditions).

3 [See www.ethicaltrade.org/in-action/issues/auditing-working-conditions](http://www.ethicaltrade.org/in-action/issues/auditing-working-conditions); conversation with Martin Cooke, ETI, 14 July 2011.

4 [See www.ethicaltrade.org/in-action/issues/auditing-working-conditions](http://www.ethicaltrade.org/in-action/issues/auditing-working-conditions)

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