



# Business ethicists tackle issues of slavery and servitude in business

Slavery exists in Canada. Organizations and consumers blindly enter contracts and make purchase decisions without knowing that they are contributing to the problem.

By John Cooper

Imagine an elegant hotel in a large Canadian city ... a business meeting takes place in a well-appointed boardroom, but the discussion is not about electronics, auto parts or any other potential products and marketing ideas — it's about human trafficking and the trade in sex slaves.

Now imagine a factory on the other side of the world. Indentured workers sweat away their days, trying to work off mounting and unreasonable debts, working without the benefits of a safe work environment or overtime, and labouring to make products that will ultimately be sold in Canada at discount prices.

Both elements are tied together — by demand, coercion, money, cheaper products — and are linked by the efforts of activists who are pushing business people to re-examine the way they do business.

At heart is the need to create a set of better business ethics. For Harvey Wah Chan, director of ethical sourcing for Mountain Equipment Coop (MEC), it's about ensuring that the supply chain is run as ethically as possible, and that involves contracting for goods that are produced by factories that treat their workers well, pay them adequately, and adhere to environmental laws.

Chan recently joined Benjamin Perrin, assistant professor of law at the University of British Columbia and a faculty associate at the Liu Institute for Global Issues (which focuses on policy-relevant research on emerging issues) to present a lecture entitled *Slavery and the City*. The lecture outlined the humanitarian crisis of “modern-day” slavery, with a focus on the economics of the invisible and global network that makes up slavery, as well as



ways consumers, business and employees can make change happen.

Slavery within the context of business is difficult to define. There is sex slavery where (mostly) women and children are forced into prostitution and indentured slavery, says Lorraine Smith, an independent consultant and associate of Canadian Business for Social Responsibility (CBSR) — a non-profit, member-led organization mobilizing Canadian companies to improve business performance and make sound ethical choices.

“There are different ways to look at it,” Smith says. “Most people don't look at it as slavery as there are degrees of issues. One of the things we (often) see is bonded or indentured labour, when workers are required to work to reimburse a credit. This is often tied to migrant labourers in the developing world. They go to other regions as part of a promise of work, and then have to pay off travel and accommodations.”

Perrin, who has a background in international business, says human trafficking often impacts the service sector, taxi and e-companies and the trucking and hotel industries.



### Human trafficking in Canada

The recent Liu Institute event opened up opportunities to recognize the significance of the issue, Perrin says, on everything from the use of websites to sell people to the use of hotels to create “showrooms” for human chattel. Human trafficking in Canada earns criminals millions of dollars a year — a rough estimate is \$280,000 a year from each victim.

Perrin urges tourism-related companies to adopt a code of conduct (information is available at [www.thecode.org](http://www.thecode.org)), take a zero tolerance policy on unethical business practices and train staff appropriately to recognize possible infractions.

“We’re hopeful that some of the major hotel chains will sign on,” he adds. “Without the Internet, hotels, motels and cell phones, most of these human traffickers would not be able to be in business.”

On supply chain issues, companies like (MEC) work to influence their suppliers. MEC has been involved in a three-pronged approach to the issue of ethical sourcing:

- A factory audit program conducted by MEC merchandisers, auditors and the Fair Labour Association (an independent organization dedicated to ending sweatshop practices worldwide);
- Corrective action to find resolution through building trust by working with factory management, empowering workers and working with the industry; and
- Community involvement, where information is shared and local ethical sourcing practices are promoted and supported.

“In our supply chain, we deal largely with technical products, and there is a high degree of sophistication with the materials,” Chan says. “We deal with materials that need to be licensed. While MEC actively audits its supply chain, there is “vulnerability in the poverty-stricken population or among those with low education in that they will accept the jobs they are given and will end up working under duress.”

Examples of poor working conditions include: fines for taking washroom breaks, lack of a living wage, unhygienic surroundings, child



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