

Submission  
No 82

## INQUIRY INTO MODERN SLAVERY ACT 2018 AND ASSOCIATED MATTERS

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**Inquiry into the Modern Slavery Act 2018 (NSW) and  
associated matters**

**Legislative Council Standing Committee on Social  
Issues**

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***Terms of Reference: 1 (B) the effect of the anti-slavery scheme on business, including the supply chain reporting obligations under section 24 of the NSW Act***

It is my pleasure to submit this letter in support of the NSW Modern Slavery Act 2018. In particular I frame this submission around TOR 1 (b) on the importance of supply chain reporting under S 24 of the NSW Act.

**AUTHOR BACKGROUND**

I am a final year PhD candidate in Sociology at the University of Chicago working on the history of free and unfree labour in South Asia. My dissertation focuses on legal interventions in bonded labour, forced labour, and caste-based labour extraction, in colonial and post-colonial contexts. My research also examines the extensive definitional issues around slavery and its analogies during as they arose during the initial drafting of the Slavery Convention of 1926. I have been a research affiliate at the University of Sydney, as well as Habib University in Karachi Pakistan. My research has been supported by the American Institute for Pakistan Studies, as well as several centers the University of Chicago, including the Pozen Center for Human Rights, and the Center for International Social Science Research, and the Committee for Southern Asian Studies. In addition I have worked in social policy and research in Pakistan focusing on labour, rural poverty and development issues, as well as with policy think tanks such as The Jinnah Institute in Pakistan and Brookings Institution in Washington DC.

**FOCUS OF SUBMISSION**

In this submission I wish to endorse the proposed pecuniary sanctions for corporations failing to comply with modern slavery reporting requirements that the NSW act calls for. I outline the reasons why raising the stakes and incentives to encourage compliance reporting is crucial. Mandating reporting in this manner is a historically significant measure, with the potential to change the landscape for how Australian and indeed global businesses view their ethical responsibilities on the global stage. I assert the vital importance of making corporations accountable for their dealings in parts of the world where labour issues and forms of exploitation are still poorly understood, and easily

ignored. It has been all too easy to avoid confronting difficult questions about what kinds of exploitation could be taking place in supply chains, crying ignorance, lack of knowledge, or insufficient resources to carry out effective due diligence. It is important to create incentives to actively decrease this knowledge gap.

### **ACHIEVING SOCIAL CHANGE**

As a historical sociologist I focus on a period where state-led anti-slavery was at its peak. I am keenly aware of the kinds of political, racial, and imperial considerations that led to some forms of “slavery” and exploitative labour being “seen” and others being “unseen” or ignored. As a scholar I believe that true social change can only come from in-depth research and a fuller clarification of the forms and processes that make cheap and exploitable labour available to corporations in the first place. There is much work to be done on multiple fronts, and a true and complete vision of social change and reform involves many actors beyond corporations.

There is no doubt, however, that enhancing the standards of reporting for corporations is a critical and indispensable step. At this juncture it is vital to create a national culture of accountability for corporations with operations that extend beyond Australia’s borders. This government has an obligation to ensure that when corporations do business – whether in South Asia, the Pacific, or East Asia – they are not merely benefiting from cheap labour, but actually putting in the time and effort to understand the social and economic structures that govern recruitment practices, labour market segmentation, and the composition of the work-force in their areas of operation. This is a difficult, long term, and, certainly, an expensive task, the benefits of which may not be immediately visible in the short term to corporations.

Pecuniary sanctions for non-reporting will provide a clear economic incentive to invest in the technologies, research, and time to understand the broader context in which supply chains operate. Individuals working within corporations may be well intentioned, but ultimately have to deal with many competing priorities. The NSW Act and its stricter requirements will empower voices within corporations trying to make change to devote

resources towards gathering data, and information on what exactly is taking place within their supply chains.

Over the last 12 years the expertise I have accumulated has given me a deeper appreciation for the complex workings of social hierarchies, ties of dependence, and the operation of labour markets in South Asia. I am keenly aware of the difficulty that states themselves have in tackling some of the problems of labour exploitation within their borders. Corporations are in a unique position to go, and to see places and processes that may remain invisible to the state. The wide reach of some corporations and the many industries and networks that they interact with gives these entities a great deal of potential clout and influence. Fully illuminating these chains of production, and the labour standards deployed at each stage, will create incentives for local actors to make their own work environments safer. If a clear message is sent that Australian businesses will no longer ignore, but rather be casting a more critical eye on their own supply chains and those of local entities they do business with, this will create change across supply chain networks.

While perhaps difficult at first, detailed and effective reporting in good faith will add to a growing body of knowledge about labor and recruitment practices in developing contexts. While scholars and researchers working on social policy issues work to improve our understanding of local labor markets, we need a better understanding of how corporations and their presence alter recruitment and labour patterns. Which industries are creating specific vulnerabilities for workers? Where are coercive practices prevalent and why? Narrowing the knowledge gap between what is taking place on the ground, and discussions held in boardrooms in the global and finance capitals of the world, is therefore crucial.

#### **AUSTRALIA AS A GLOBAL LEADER**

By raising the stakes of non-compliance, the NSW government is poised to be a global leader changing the culture of corporate accountability. I end by expressing concern that the NSW Act did not go into operation as planned on July 1<sup>st</sup>, 2019, and express my

support for the act going forward without delay. Many of the labour and social problems that we call “modern slavery” today can be traced to failures and missed opportunities from anti-slavery interventions over 200 years ago. It is imperative to see our current moment as an opportunity to rectify, to learn from the past and avoid repeating the same mistakes. The enhanced regulations proposed by the NSW act puts Australia in a position to be a global leader in human rights enforcement, establishing new norms and standards to which we hold businesses accountable. As an Australian and Pakistani national, I am uniquely positioned to see how a country with resources such as Australia, can play a vital role in the struggle I see playing out on the ground in contexts such as, or very similar to Pakistan. The challenges that remain are truly overwhelming and there are no easy solutions. However it is important that states such as Australia do their part to motivate corporations – many of whom have their reaches in far-flung corners of the globe – to uphold human rights standards for individuals in far off places as much as it would for its own citizens.

Sincerely,

**Mishal Khan**  
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