

# COUNTER FORCED LABOR JOURNAL

JANUARY 2020

## National Slavery and Human Trafficking Prevention Month

### Volume 5, Issue 1

Educating corporations and corporate counsels on the business risks associated with human trafficking, forced labor, and modern slavery within supply chains, and promoting the adoption of counter-human trafficking corporate policies and adherence to human trafficking legislation and regulations.

[Counter Forced Labor Technologies](#) is a global compliance and advisory company that provides [on-site](#) assessments, improvement plans, training, research, and supply chain transparency required for corporations to combat human trafficking, forced labor, and modern slavery. We offer a wide array of services designed to help corporations understand intricate legislative policies and mitigate risk within their global supply chain.

COUNTER  
FORCED LABOR  
TECHNOLOGIES



# Topics in this Issue

- 1 Current Affairs
- 5 Ethical Supply Chains
- 7 National Matters
- 10 Regional Matters
- 12 Ask the Expert
- 16 Government Guidance
- 18 Counter Forced Labor Technologies News & Events

## **COBALT AND CHILD LABOR:**

# Counterfeit & Corrective Measures

Often times we're using a "smart" device such as a tablet, a phone, or a computer. Most businesses depend on smart devices, and in a society that craves instant satisfaction for its demands, supply is more or less always available. Whether it be accessing an ecommerce app which delivers same day service, to running a small business from a hand-held device, there is no doubt that we depend and rely on "smart" devices.

The manufacturing process for smart devices begins with the mining of "essential" elements that are far less beautiful than anything we unwrap and use. According to a recent report by Amnesty International, major electronic companies most likely are buying electronic parts made by children who have mined the necessary minerals needed to manufacture most technology.<sup>1</sup>

### ► **What is Cobalt?**

Cobalt is a hard, shiny and greyish metal, appearing on the Periodic Table between iron and nickel. Cobalt has many strategic and irreplaceable industrial uses as a result of its unique properties.

Today, cobalt is a key element used in lithium-ion batteries. Consumer devices like smartphones and laptops use cobalt. From the battery in an electric car, to the turbine power of a jet engine, to your smart phone, cobalt plays a vital role.

---

<sup>1</sup>This is What We Die For: Human Rights Abuses in the Democratic Republic of the Congo Power the Global Trade in Cobalt, Amnesty International, 2016.

## ► Cobalt is the Key to Technology

The demand for cobalt, for lithium-ion batteries alone, could triple by 2025, and then double again, reaching about 357,000 tons a year by 2030 – nearly seven times the current level, according to the London-based cobalt-trading company, Darton Commodities.<sup>2</sup>

Cobalt is found mostly concentrated in one main territory. Unfortunately, that territory is within a country beset by conflict, corruption, poverty, and dysfunction – the Democratic Republic of the Congo, also known as the DRC.<sup>2</sup>

The clean energy revolution hinges on the DRC, where corruption, conflict, and child labor are rampant. Roughly two-thirds of the world's supply of cobalt comes from the DRC and about half of the cobalt is mined by hand.<sup>1,2</sup>

## ► The Global Cobalt Supply Chain & China

The largest suppliers of artisanal cobalt is China's Congo DongFang International, a subsidiary of Huayou Cobalt Co., Ltd., and is the primary supplier of cobalt, including cobalt tetroxide, cobalt oxide, cobalt carbonate, cobalt hydroxide, cobalt oxalate, cobalt sulfate, and cobalt monoxide.<sup>1</sup> Congo DongFang International Mining, headquartered in Zhejiang, China, has been involved in several controversies around the sourcing of cobalt in the Democratic Republic of the Congo (DRC).<sup>2</sup>

According to a joint Amnesty International and African Resources Watch report, titled *This is What We Die For*, Congo DongFang International Mining sources cobalt from primitive "artisanal" mines in the Democratic Republic of the Congo, where there are few worker protections and child labor has typically been employed.<sup>1</sup>

Researchers in the report followed vehicles of miners and traders as they carried cobalt ore from artisanal mines in Kolwezi to a market at Musompo, where minerals are traded. Independent traders at Musompo – most of them Chinese – buy the ore, regardless of where it has come from or how it has been mined.<sup>2</sup> In turn, these traders sell the ore on to larger companies in the DRC which process and export it.

"If you want to be king of the world in the next 10 years, you have to have cobalt," says Jean-Luc Kahamba Kukenge, Deputy General Manager of the Congolese mine Commus Global, owned by the China's Zijin Mining Group.<sup>2</sup>

As previously noted, one of the largest companies at the center of this trade is Congo DongFang Mining International (CDM). CDM is a 100% owned subsidiary of China-based Zhejiang Huayou Cobalt Company Ltd (Huayou Cobalt), one of the world's largest manufacturers of cobalt products. Operating in the DRC since 2006, CDM buys cobalt from traders, who buy directly from the miners. CDM then smelts the ore at its plant in the DRC before exporting it to China. Once there, Huayou Cobalt further smelts and sells the processed cobalt to battery component manufacturers in China and South Korea. In turn, these companies sell to battery manufacturers, which then sell on to well-known consumer brands.<sup>2</sup>

## ► The Landscape of The Lost Ones

Where one tragedy ends, another begins. Research shows that children as young as six are among those risking their lives amid toxic dust to mine cobalt for the world's big electronic firms. One of the most renowned experts on child slave labor and human trafficking, Siddharth Kara, has most poignantly written about the nature and facts of cobalt and child labor:

<sup>1</sup>Blood, Sweat, and Batteries, Vivienne Walt & Sebastian Myer, Fortune, August 23, 2018

<sup>2</sup>This is What We Die For: Human Rights Abuses in the Democratic Republic of the Congo Power the Global Trade in Cobalt, Amnesty International, 2016.



## COBALT AND CHILD LABOR:

# Counterfeit & Corrective Measures

### **The Landscape of The Lost Ones** (Continued)

“Until recently, I knew cobalt only as a color. Falling somewhere between the ocean and the sky, cobalt blue has been prized by artists from the Ming dynasty in China to the masters of French Impressionism. But there is another kind of cobalt, an industrial form that is not cherished for its complexion on a palette, but for its ubiquity across modern life. This cobalt is found in every lithium-ion rechargeable battery on the planet – from smartphones to tablets to laptops to electric vehicles. You cannot send an email, check social media, drive an electric car or fly home for the holidays without using this cobalt.”<sup>1</sup>

Siddharth Kara, *Bonded Labor: Tackling the System of Slavery in South Asia*

For over a decade, the modernization of technology has been enabled by the small mining towns in the DRC, where there is little safety protections and child labor is prevalent.

While the majority of Congo's cobalt comes from large mining sites where rock is dug up by trucks from the bottom of deep pits, a growing proportion is coming from an estimated 150,000 “artisanal” or informal miners who dig by hand in Kolwezi. The unregulated practice is increasingly drawing in children. And last year it accounted for an estimated 30% of Congo's cobalt — the country mines more than 70% of the global total — according to Gecamines, Congo's state-owned miner.<sup>2</sup> Congo's dominance presents a growing dilemma for carmakers and those in the supply chain as they look to meet a rapid increase in demand for electric vehicles and batteries. If they try to improve conditions on the ground, they face a series of additional risks, from the threat of corruption to monitoring and enforcing measures to avoid deaths, to informal mining and the presence of children on these sites. And while manufacturers cannot afford to ignore Congo, they must also know that untraceable metal — from these informal miners — leaks into the global supply chain via refineries in China, ending up in batteries, cars and smartphones sold in the west.<sup>3</sup>

Despite the grueling conditions, the temptation for children to keep working is strong. Many earn just \$2 per day, often acting as human mules for cobalt diggers. “When kids are not in school, they all go work in the mines,” says Franck Mande, who oversees a project funded by Apple that aims to teach child miners new skills. Earlier this year, Apple became the first company to publish the names of its cobalt suppliers, and Amnesty International's research shows it is currently the industry leader when it comes to responsible cobalt sourcing. Since 2016, Apple has actively engaged with Huayou Cobalt to identify and address child labor in its supply chain.<sup>4</sup>

<sup>1</sup>Blood, Sweat, and Batteries, Vivienne Walt & Sebastian Myer, Fortune, August 23, 2018.

<sup>2</sup>Siddharth Kara, *Bonded Labor: Tackling the System of Slavery in South Asia*, 2014.

<sup>3</sup>This is What We Die For: Human Rights Abuses in the Democratic Republic of the Congo Power the Global Trade in Cobalt, Amnesty International, 2016.

<sup>4</sup>Supplier Responsibility, Apple, 2019.



## ► Improvements to Social Responsibility

**Two-thirds of the world's cobalt comes from one province** in one of the poorest countries in Africa and it is mined by children.

Only recent have corporations become more aware of the child labor associated with cobalt. In 2016, "Amnesty International issued a deeply researched report naming more than two dozen electronics and automotive companies that, Amnesty concluded, had failed to do enough due diligence to ensure that their supply chains didn't include cobalt produced with child labor at artisanal mines."<sup>1</sup> Furthermore, the report caused an uproar and the companies named within the report immediately began to work quickly in order to mitigate the problem and find alternate sources than the Congo. Due to the corruption that has existed over time and has gone unchecked within the mining operations in the Congo, it will be difficult for companies to set checks and balances, but it will be required as consumers and global companies require higher standards in their supply chain.

The investigative on-site report stated that "Congolese officials are not the only ones at fault. Amnesty blasted western tech giants for blatantly ignoring the problems surrounding child labor and corruption, in large part because consumers had rushed to buy tech devices, without asking questions about the industry's darker side. 'Millions of people enjoy the benefits of new technologies, but rarely ask how they are made,' the organization said at the time."<sup>2</sup>

Times are finally changing. The shift in the way the cobalt supply is managed has come after the investigative reports by Amnesty International and Fortune Magazine depicted the unfortunate child labor in the cobalt mines. "We have reached a tipping point where it's become more expensive not to abide by good standards," says Tyler Gillard, senior legal adviser to the Organization for Economic Cooperation and Development, OECD, who helped draft due-diligence guidelines for corporations on mineral supply chains."<sup>2</sup> "Companies see this as a major threat to brand value," he says. "Are consumers going to demand child-labor-free, corruption-free electric vehicles? I think it is coming."<sup>1,2</sup>

The supply chain for cobalt is ready for change, and clearly best practices and due diligence will be necessary in order to bring about the best technology for the future.<sup>1</sup>

<sup>1</sup>This is What We Die For: Human Rights Abuses in the Democratic Republic of the Congo Power the Global Trade in Cobalt, Amnesty International, 2016.

<sup>2</sup>Blood, Sweat and Batteries, Fortune Magazine, August 23, 2018



# Supply Chain Risk & Crisis in China's Xinjiang Province

The fate of the Uighurs, an ethnic minority community in Western China, is not only receiving increased awareness as a humanitarian crisis but is also gaining urgent attention as a potential supply chain risk.<sup>1</sup>

The Uighurs are a Muslim minority group living in the Xinjiang Province of Western China. The Chinese government is targeting the group with interrogation, surveillance, internment and violence.<sup>2</sup> The Chinese government has claimed that the thousands of camps in Xinjiang are vocational training camps; yet, the international community largely recognizes them as internment camps where Uighurs are forced to work and their religious practice is forbidden. Some estimates by the *Foreign Policy* journal estimate the most recent number of interned Uighurs at 1.5 million.

## Cotton, China and the Supply Risk Correlation

Ignoring the issue of interned Uighurs can and most likely will lead to considerable supply risks within the apparel industry, according to the British Standards Institution. Recently, at the U.S. Fashion Industry Association's Apparel Importers Trade and Transportation Conference, it was stated by the practice director for sustainability, Ryan Lynch, of the British Standards Institution, that "it's time to get serious about the humanitarian crisis that, as governments decide how to best combat it, could cause major supply disruptions for apparel importers, particularly cotton imports."

According to Lynch it is estimated that the Xinjiang Province produces roughly 85% of the cotton coming out of China – cotton understood to be picked by Uighurs and other interned minorities.<sup>3</sup> China is also the largest cotton producer in the world.<sup>4</sup> Due to these statistics it is essential, said Lynch, that supply chains glean from manufacturing partners where the raw materials for their goods are coming from and insist upon documentation. Overall, if you don't know where the raw materials for your products are coming from, broadly speaking, but specifically with suppliers in China, you should assume that you're at risk," said Lynch.

<sup>1</sup>For Uighur Muslims in China, Life Keeps Getting Harder, ForeignPolicy.com, October 26, 2019.

<sup>2</sup>Muslim women forced to share beds with male Chinese officials after husbands detained in internment camps, Independent, November 5, 2019.

<sup>3</sup>Did a Muslim Slave Make Your Chinese Shirt?, Wall Street Journal, October 16, 2019.

<sup>4</sup>Is progress enough? Forced labor risk persists in apparel supply chains, SupplyChainDive.com, April 29, 2019.



## Know the Origin of Supply Chain Risk

In January of 2019, Badger Sportswear announced it would no longer source from Hetian Taida Apparel in the Xinjiang province after an Associated Press investigation found the factory workers to be unpaid detainees of the state, some of who are Uighurs, and others of various ethnic minority backgrounds.<sup>1,2</sup> Shortly thereafter, the Customs and Border Protection issued a withhold release order against Hetian Taida in October 2019.<sup>3</sup>

***"While forced labor is always abhorrent, the use of compelled labor as part of a concerted effort to eliminate a culture and religion sets the situation in Xinjiang apart."*<sup>4</sup>**

But, in a recent report according to the Center for Strategic and International Studies (CSIS), it is rare that factories can easily be clearly and directly tied to forced labor or the camps. Hetian Taida Apparel is an outlier, since it is located inside a camp and worked directly with a U.S. importer. "Typically, it is likely that more due diligence will be needed, and the results will not be as clear," wrote CSIS.

An October report from CSIS explained that the usual audits which are used to verify all manner of health, labor and safety standards worldwide, are ineffective in this case due to the level of fear felt by Uighers released from the camps and the level of government control in Xinjiang.<sup>4</sup> Having said that, how can supply chains determine their exposure to risk?

Notably when supply chain managers start asking questions and getting to the bottom of their supply chains, they start to find tell-tale signs of forced labor, especially in Xinjiang, such as:

- ▶ A factory in a detention facility.
- ▶ A factory in an industrial park that is connected to the government's "reeducation" efforts.
- ▶ A company hiring workers through government recruiters.
- ▶ Language mentioning employing ethnic minority "graduates" or ex-detainees; those who were trained and cleansed of extremist thoughts; or involvement in "reskilling."
- ▶ A new factory built near a detention facility around the same time.
- ▶ A company that is receiving incentives/subsidies from the government for items such as "training supplements" for particular factories in Xinjiang; "vocational training;" or "aid to Xinjiang."
- ▶ Participation in the government's poverty alleviation and/or pairing programs in Xinjiang.
- ▶ A company with ownership linkages to a company known to be part of the system of prison labor in Xinjiang, and significant company profits and manufacturing productivity despite a small number of workers enrolled in the government's social security program.

Is progress enough? Forced labor risk persists in cotton supply chains, SupplyChainDive.com, April 29, 2019.

Today is an unpredictable time for apparel importers. Shifting sourcing to avoid tariffs has increased the due diligence required of U.S. based supply chains making faster-than-normal sourcing changes. According to CSIS, sourcing from China amid this crisis demands sourcing officials "trace their supply chains to origin so that the chain of custody is clear." The CSIS report suggested a complete ban on products from Xinjiang would be the only way to ensure a company's products were exposed to the atrocities in Xinjiang.<sup>4</sup>

Knowing the original source of your supply chain is still the most efficacious and socially responsible way for companies to be assured that their products aren't tainted by slave labor.

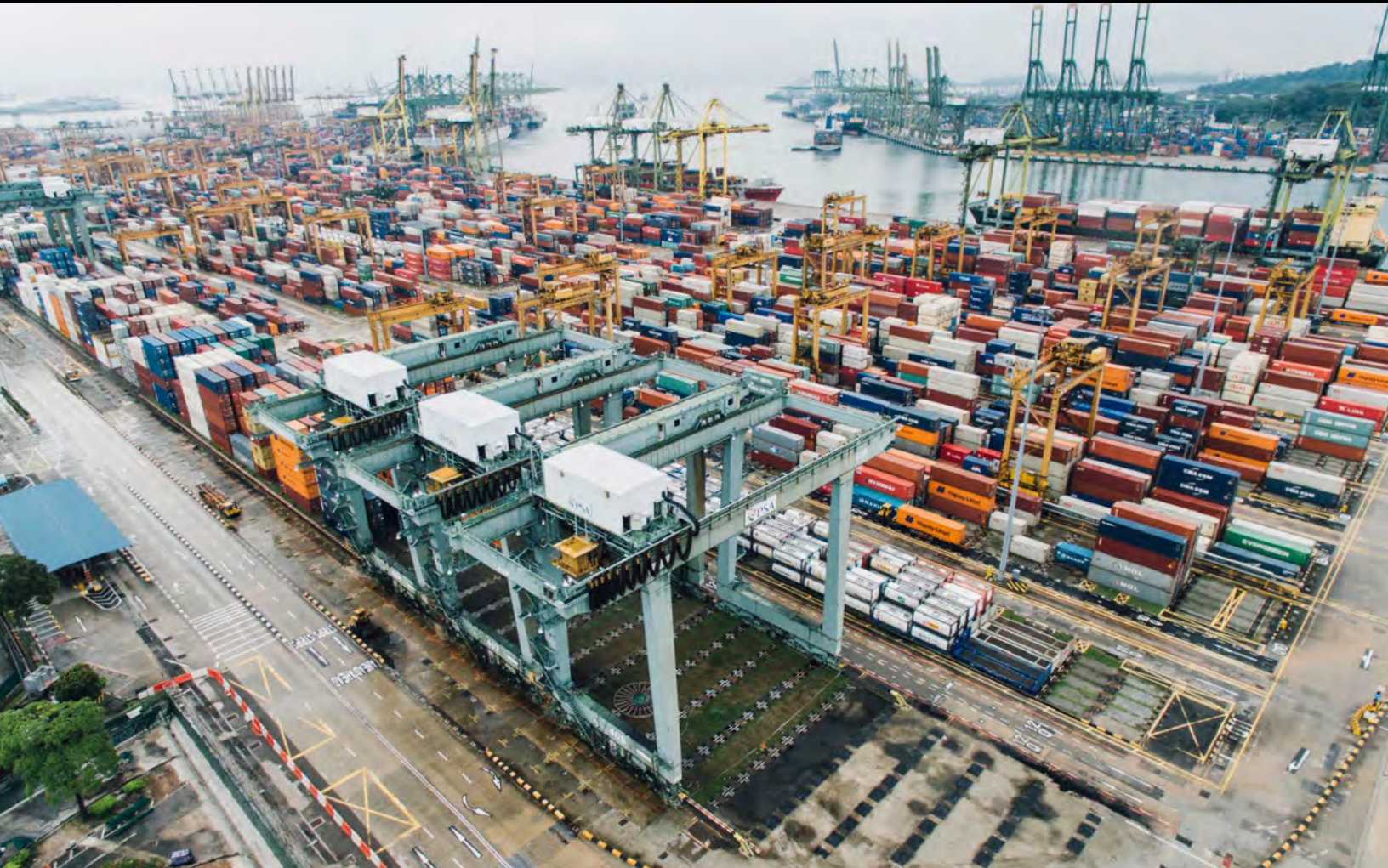
<sup>1</sup>For Uighur Muslims in China, Life Keeps Getting Harder, ForeignPolicy.com, October 26, 2019.

<sup>2</sup>Muslim women 'forced to share beds' with male Chinese officials after husbands detained in internment camps, Independent, November 5, 2019.

<sup>3</sup>Did a Muslim Slave Make Your Chinese Shirt? Wall Street Journal, October 16, 2019.

<sup>4</sup>Is progress enough? Forced labor risk persists in cotton supply chains, SupplyChainDive.com, April 29, 2019.







# Supply Chain Risk Resilience Amidst the US-China Trade Battle

For the moment it does not appear that the trade disputes between the U.S. and China will resolve themselves completely in the foreseeable future. Therein lies the dilemma, whereby most all industries will be affected on every level of their supply chain. Specifically, global technology supply chains might be at an increased risk of breaking down, producing uncertainty within their supply chain.<sup>1</sup>

As the dispute lingers, the risk of greater economic fallout increases for both countries through increased consumer prices and lower profits from absorbing tariff-related costs. An expansion of trade discords may lead to larger and more serious concerns between these two giant trading partners.

"The current situation is particularly critical for companies that rely directly or indirectly on a Chinese supply chain to meet customer demands in the United States," says Kimal Raman senior analyst, at Gartner Solutions. "U.S. importers already report additional costs of \$6 billion a month in customs duties due to tariffs, and many companies announced financial impacts as a result of the trade tensions."

Companies that are involved in trade between China and the U.S. should treat this issue not just as an increased risk, but as a potential competitive advantage. Those that respond proactively create an opportunity to take market share or capture a larger share of industry profits.

## Optimize the Supply Chain by Leveraging Trade Uncertainty

Until the U.S. and China reach a fixed and final agreement, the current challenges around global trade will continue. Marked within this challenge is the risk of splintering of the supply chain. Supply chain leaders should begin with an evaluation of key imported components by classification, as well as by country of origin. Companies and business leaders should explore short-term mitigation actions such as product rerouting or alternate sourcing. Longer term, they might consider shifting production to other countries in scenarios that can make the supply chain more resilient.

When considering production shifts, evaluate national, organizational and direct manufacturing cost attributes as part of any solution. Such production moves to new countries should make sense for the long term, beyond the immediacy of the current tariffs.

For ongoing evaluations, companies might create digital models of the supply chain network so restructured networks can be simulated and tested for impact on total network costs, service levels and inventory in the midterm.<sup>2</sup> For example, using Artificial Intelligence (AI) solutions can help automate various supply chain processes such as production planning, demand forecasting, or predictive maintenance.

This visibility into the real-world supply chain improves situational awareness and greatly enhances supply chain decision making. By creating a more accurate representation of the real-world physical supply chain, decisions can be made faster and will be of a higher quality.

<sup>1</sup>How to Implement Successful Change Initiatives in Your Supply Chain, Gartner Solutions, June 6, 2019.

<sup>2</sup>Gartner Top 8 Supply Chain Technology Trends for 2019, Gartner Solutions, April 22, 2019.





## Guarantee Compliance

Organizations with long-standing relationships with Chinese suppliers, those who own Chinese manufacturing locations and those who don't have any practical substitutes outside of China are under pressure to be creative with their risk mitigation. However, as new solutions are adopted, there is a lingering risk that the workaround may inadvertently violate import or export laws.

"Whether you try to reclassify goods or change the country of origin, always collaborate with compliance experts to ensure your actions won't get you in trouble with U.S. authorities," according to the Digital Supply Chain Institute. "Many organizations that import from China have become complacent when it comes to properly classifying goods for customs using the Harmonized Commodity Description and Coding Systems. Now is the perfect opportunity to get that fixed."<sup>1</sup>

## Make Resiliency a Necessity

Business resilience is an organization's ability to resist, absorb, recover and adapt to complex and changing environments to meet objectives and prosper. The organization must return to an acceptable level of performance in an acceptable period after being affected by a business disruption.<sup>2</sup>

Supply chain leaders must treat resiliency as a necessity, moving it from a nice-to-have to a must-have. This means having alternate options for suppliers, contract manufacturers and manufacturing locations to provide network flexibility. Although a trade agreement between the U.S. and China could happen at any time, for the long term, divergence between the western economies and China on trade, defense and technology policies is likely to create further flux in global supply chains. As such, being supply chain savvy will provide resilience now and in the future.

<sup>1</sup>U.S.-China Trade War: Build A Supply Chain To Thrive In Any Trade Dispute, Digital Supply Chain Institute, 2019.

<sup>2</sup>4 Steps to Business Resilience, Questia.com, July 2007.



# Nepal Regional Update

## Not Without Borders Nepal

Nepal is a source, transit and destination country for men, women and children alike who are subjected to forced labor and sex trafficking. Nepali women and girls are subjected to sex trafficking in Nepal, India the Middle East, Asia, and sub-Saharan Africa due to the geographic location of Nepal. Trafficking from Nepal provides forced labor in mines, factories and domestic work in Asia and the Middle East.<sup>1</sup>

The United Nations estimates that approximately 7,000 Nepalese women and girls are trafficked into India every year.<sup>2</sup> Trafficking of Nepalese women to South Korea and China for marriage has resulted in as many as 1,000 women being exploited by marriage bureaus with promises of citizenship, job opportunities and a good family life. In addition to this, reports of internal trafficking, particularly to Kathmandu, for forced labor and commercial sexual exploitation persist, as well as cases of human trafficking for organ harvesting.

However, the numbers of trafficking cases registered with the Nepal Police is still low against the believed number of trafficking victims. In 2016, a total of 212 cases of human trafficking were registered in which there were 352 victims. Four in 10 victims are children; more than 95 percent of victims are females, and 3 in four victims do not have education at all.<sup>3</sup>

## Background

Extreme poverty, illiteracy, unemployment, poor law enforcement and open borders between India and Nepal are major factors that promulgate human trafficking.<sup>4</sup> In addition, the recent devastating earthquake that hit Nepal on April 25, 2015 followed by hundreds of aftershocks, affected upwards of 3 million people. The earthquake victims – women and children in particular – were more vulnerable to trafficking than before. As such, it's vital we understand human trafficking takes many forms given various factors, effects, and motives.

<sup>1</sup> Trafficking in Persons Report 2017, United States Department of State, June 27, 2017.

<sup>2</sup> United Nations Global Initiative to Fight Human Trafficking, UN.GIFT.HUB, 2016.

<sup>3</sup> Trafficking in Persons National Report 2015/16, National Human Rights Commission Nepal, June 2017.

<sup>4</sup> USDOS 2019 Trafficking in Persons Report: Nepal, European Country of Origin Information Network, June 20, 2019.





## Borders Without Limits

According to recent reports by journalists and site monitors on the ground, it is quite easy to cross the border between Nepal and India. Some might say too easy. Most of its 1,600 km border is marked by simple, 30 cm high concrete piles. There is no wall, no fence, no barbed wire. In fact, some farmers have fields that are partly in Nepal and partly in India.

There is no surveillance infrastructure to make sure people don't stray across the border and both Nepali and Indian passport holders don't need visas to visit each other's countries. They don't even have to carry their passports; an official identification document will do.

## Child Trafficking in Nepal

Children are trafficked within the country and to India and the Middle East for commercial sexual exploitation or forced marriage, as well as to India and within the country for involuntary servitude as domestic servants, circus entertainers, factory workers, and/or beggars.

It is estimated that between 12,000 to 15,000 girls between ages 6 to 16 are trafficked each year from Nepal to India. More than 250,000 Nepali girls are forced into the Indian sex trade where prostitution is legal.

Up to 7,000 girls from rural areas are brought as domestic slaves to Kathmandu city, where sexual abuse is common. More than 100,000 children have been forced to leave their villages and 10,000 children have been orphaned as a result of the 12 yearlong civil war in Nepal.<sup>1</sup>

Traffickers bring girls across the border into India. Vulnerable women and children are in danger of commercial sex trafficking, labor trafficking in the Middle East, and circus trafficking, primarily to India.

There still is hope for the children and women of Nepal thanks to the recent regulations and standards set forth regarding child labor and trafficking by the U.S. State Department in coordination with the government of Nepal.<sup>1</sup>

---

<sup>1</sup>Trafficking in Persons Report 2017, United States Department of State, June 27, 2017.



## ASK THE EXPERT

# Conor Grennan

*Founder, Next Generation Nepal*

*Author, Little Princes*

*Dean of Students, NYU Stern  
School of Business*



Conor Grennan is the founder of Next Generation Nepal (NGN), a nonprofit organization dedicated to reconnecting trafficked children with their families in Nepal. He is also the author of the New York Times best-selling and #1 international best-selling memoir *Little Princes: One Man's Promise to Bring Home the Lost Children of Nepal*. *Little Princes* has been shortlisted for the Dayton Literary Peace Prize, was the 2011 winner of the Goodread's Best Travel and Outdoors Award, and has since been translated into 15 languages. Since NGN's inception, the organization has helped reconnect more than 500 children with their families.

Prior to starting Next Generation Nepal, Grennan spent eight years at the EastWest Institute, both in Prague and in Brussels, in the role of Deputy Director of the Program on Security and Governance, where his projects focused on peace and reconciliation in the Balkans.

Conor also serves as the Dean of Students for the MBA program at New York University's Stern School of Business, where he is responsible for more than 2,500 full-time and part-time MBA students.

For his work with the trafficked children of Nepal, Grennan was recognized by The Huffington Post as a 2011 Game Changer of the Year. In 2014, he was also named a recipient of the Unsung Heroes of Compassion, which was awarded to him by His Holiness the Dalai Lama.

Grennan is a graduate of the University of Virginia and the NYU Stern School of Business. Currently he resides in New Canaan, Connecticut with his wife Liz and his two children, Finn and Lucy.

## ASK THE EXPERT

# Conor Grennan

*Founder, Next Generation Nepal*

*Author, "Little Princes: One Man's Promise to Bring Home the Lost Children of Nepal"*

*Dean of Students, NYU Stern School of Business*

- ▶ **Even though there has been increased awareness regarding human trafficking in the last few years, what are the impending core issues that should be mitigated by both the U.S. and the Nepali governments?**

At the core, the issue is the rule of law. Certainly, there is a lot of very good work being done to try to support children, given the fact that Nepal is a developing country. The problem is that the rule of law around trafficking, particularly this type of trafficking, is weak and unclear. Proving that somebody maliciously took children in for their own personal financial gain is a difficult thing to charge somebody with, because the harm is less well-defined than, say, sexual trafficking. With the help of the UN this problem is being better defined and slowly the government is able to prosecute, but we are still a long way from a strong system.

- ▶ **Are children in Nepal more at risk now to human trafficking or have conditions improved since the Maoist civil war? What are the statistics or important numbers you could share and provide with regards to the Nepali government's role in child trafficking, child slavery, and the education available to the children of Nepal?**

I don't have much in the way of firm, undisputed numbers – it is exceptionally difficult to count much of anything in this regard. I would say that children are less at risk now because there are more regulations around child protection than there were during the war, and because child movement by traffickers has been restricted. But the problem is still bad.

- ▶ **What is unique about the humanitarian work currently taking place at Next Generation Nepal (NGN) with regards to child trafficking in Nepal?**

NGN was the first organization that realized that children needed to be with their families rather than in orphanages and children's homes. That means the organization has by far the longest track record of working with children and families on reintegration. NGN has led the charge in making the case that children must be with their families as the best option, rather than receiving an education in a big city away from their families. Since then the UN and the government of Nepal have adopted this stance as well.

- ▶ **Just recently, Next Generation Nepal assisted the Nepali police in the rescue of 18 girls between the ages of 6 and 18 who had been working illegally in the craft industry, who were not attending school, and were being used as child labor. What more specifically can the Nepali government do to assist in decreasing child labor?**

This goes back to the rule of law question. If the punishment for these actions is more severe, then people will not risk putting children into labor situations. Right now, the risk to them is worth it.

- ▶ **In your book *Little Princes*, which accounts for the many children sold and abandoned in Nepal, you mention the child trafficker Golkka, who was named responsible for a majority of the theft of Nepali children. Since the inception of the 2017 State Department TIP Report which puts accountability on the government of Nepal, do you believe life has improved for the children of Nepal?**

I believe so – mostly because it was coming from a place of deep instability. But I have seen the government taking a lot of concrete steps to protect the children of Nepal within their children's homes, including ensuring these homes are safe and restricting access to them by outsiders.

- ▶ **As Dean of Students at the NYU Business School, what would you suggest to corporations' dealings with countries such as Nepal or countries in Asia that have a tendency to exploit children? What protocols or standards might be encouraged for corporate social responsibility?**

From a western standpoint, I've seen this improve quite a bit. Companies are paying much closer attention to sourcing their products from places like Nepal because customers and employees are placing a greater premium on this. If it is important to customers, it will be important to the corporation. It feels like we are on a good track.

- ▶ **What currently inspires you?**

I'm inspired by how the kids in Nepal are doing great things with their lives! They come from difficult backgrounds and still never use that as an excuse – instead they work harder than ever to provide for their families. That's what inspires me.

---

**Next Generation Nepal offers temporary care and education for children trafficked into exploitative children's homes. The rescued children stay temporarily in the safety of a transitional home while the process of family tracing and reconnection begins.**

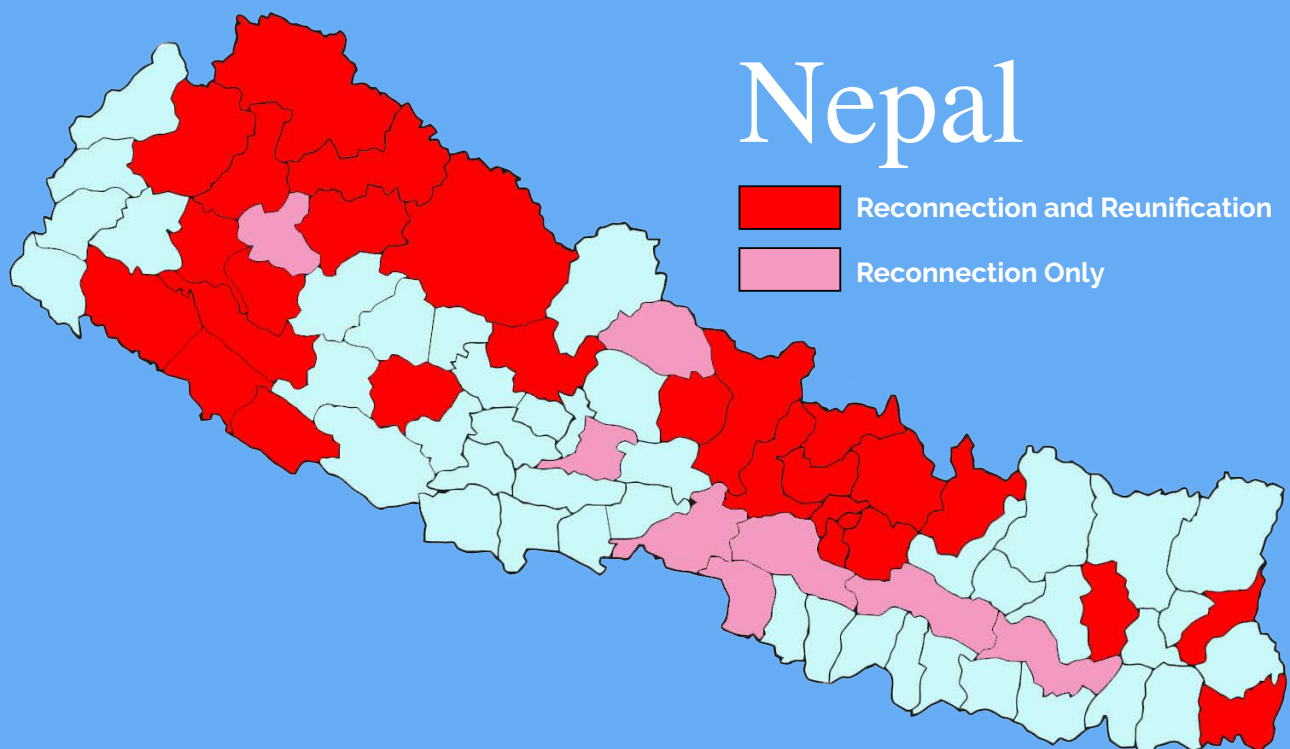


# Next Generation Nepal Statistics

February 2007 to August 2019

## NGN has accomplished the following between February 2007 and August 2019:

- **473** missions have been organized in **36** districts of Nepal. These included family tracing, reconnections, reintegration, reunifications and monitoring.
- Found the families of **647** displaced children and reconnected them through facilitated communication and trip.
- **280** trafficked and displaced children have been permanently reunified with their families.
- **61** civil society organizations, government bodies or individuals have been trained and/or technically advised in our methodology and approach.

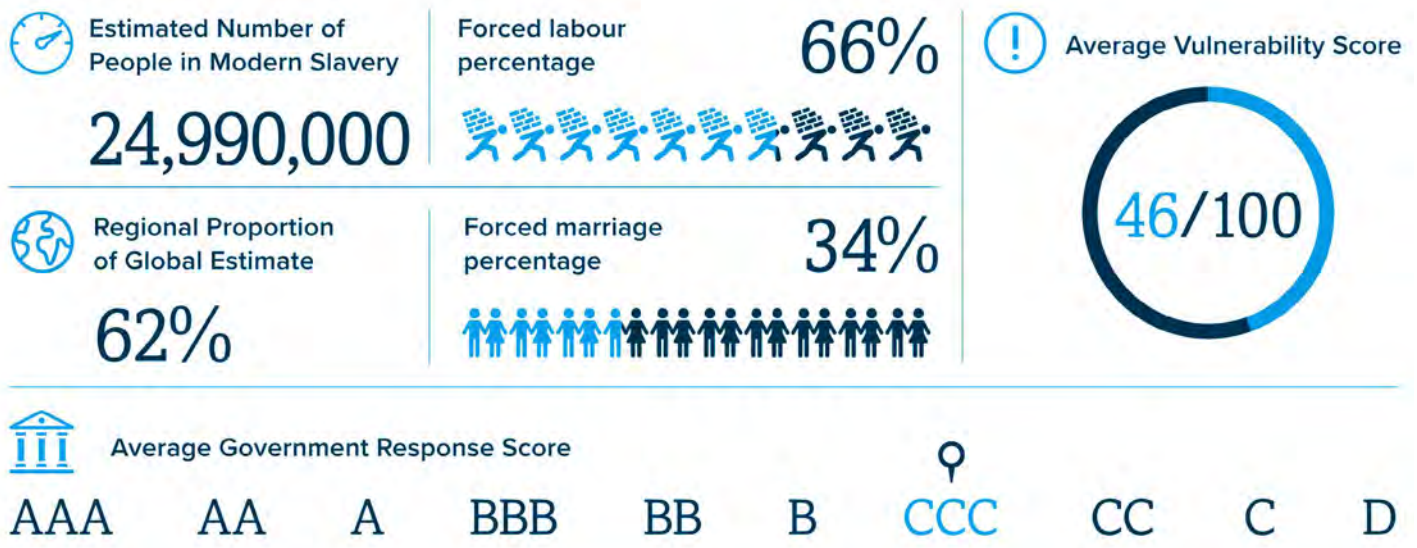


## GOVERNMENT GUIDANCE

# Asia Slave Labor & Trafficking Overview

According to the Global Slavery Index, on any given day in 2018, an estimated 24.9 million men, women, and children were living in modern slavery in Asia and the Pacific alone. At the time, the region had the second highest prevalence of modern slavery in the world, with 6.1 per 1,000 people caught in some form of modern slavery.<sup>1</sup>

In reviewing the various forms of modern slavery, the Asia and Pacific region had a high prevalence of forced labor (4.0 per 1,000 people) compared to other regions. Over half of all victims of forced labor exploitation (55%) were held in debt bondage, a statistic that affected male victims more than female victims. The Asia and the Pacific region had the highest number of victims across all forms of modern slavery, accounting for 73% of victims of forced sexual exploitation, 68% of those forced to work by state authorities, 64% of those in forced labor exploitation, and 42% of all those in forced marriages in India, China, and Pakistan had the highest absolute number of people living in modern slavery and accounted for 60% of the victims in the region.



<sup>1</sup>Asia and the Pacific, Global Slavery Index, 2018.

<sup>2</sup>ILOSTAT, International Labour Organization, 2019.

## Current Status of Slave Labor & Trafficking in China

The Global Slavery Index estimates on any given day in 2018 in China there were over 3.8 million people living in conditions of modern slavery, with a prevalence of 2.8 victims for every thousand people in the country.

Due to the realities of global trade and business it is almost inevitable that China, like many other countries around the world will be exposed to the risk of modern slavery through the products its imports. Businesses, policymakers, and consumers should become more aware of the current risk and take responsibility.

Products at Risk of Modern Slavery	Import Value (In Thousands of US\$)	Source Countries
Laptops, Computers, and Mobile Phones	1,602,835	Malaysia
Fish	1,457,973	Indonesia, Japan, Russia, South Korea, Taiwan, Thailand
Coal	954,000	North Korea
Apparel and Clothing Accessories	821,835	Argentina, Brazil, India, Malaysia, Thailand, Vietnam
Sugarcane	755,999	Brazil

Source: Imports of Products at Risk of Modern Slavery to China, Global Slavery Index, 2018.

## China Human Trafficking Data Sheet

According to the recent China Human Trafficking Datasheet led by Brandeis University's Strategic Information Response Network, it has been reported that within the 1.3 billion people living in China, there are some 147 million internal migrants within China causing an influx in trafficking.<sup>1</sup> Migrating internally provides the Chinese the possibility of a better life. Due to the economic disparity between geographical regions in China, poverty, underdeveloped social welfare systems, traditions, and local cultures are some of the trafficking risk factors in China.

Specifically, the International Labor Organization found in a recent study that the majority of human trafficking internally and across borders was found to be in the key sectors of: forced prostitution, the entertainment industry, hairdressing, massage parlors, manufacturing, forced begging, and forced marriages.

### LEGAL DEFINITION OF HUMAN TRAFFICKING IN CHINA

The Chinese Criminal Law defines trafficking as "the abduction, kidnapping, trading and transporting of women and children for the purpose of selling." Offences such as forced labour and other trafficking related offences are punished as other crimes and not as trafficking offences.

### CHINA TRAFFICKING IN PERSONS CONTACT INFORMATION

**Inter-Ministerial Office Against Human Trafficking  
(IMOAT) & the Anti-trafficking Office of the  
Ministry of Public Security**

[www.mps.gov.cn](http://www.mps.gov.cn)

### CHINA TRAFFICKING IN PERSONS HOTLINES

**110**  
To report trafficking  
cases and access referral  
services

**12351**  
Trade Union hotline

**12338**  
Women's hotline

**12355**  
Children's rights hotline

*These hotlines operate only within China.  
Local hotlines also exist in various provinces.*

China Human Trafficking Datasheet, Strategic Information Response Network, 2010.

<sup>1</sup>China Human Trafficking Datasheet, Strategic Information Response Network, 2010.



## NEWS AND EVENTS

# Tony Perez & Operation Game On

*Counter Forced Labor Technologies is a supporter of Operation Game On*

## ▶ Operation Game On is a unique, mission driven, and success building non-profit. What was the impetus to begin your non-profit?

Believe it or not, it was an old movie classic that touched me as a child. The movie was about three Veterans returning home from WWII and the movie tells the story of each Veteran's struggle upon returning home to civilian life. The movie is "The Best Years of our Lives." Over the years, the movie reminded me of our current combat wounded Veterans returning home with severe physical and mental injuries and I wanted to do something for them. Since I am very knowledgeable about golf and have two sons as professional golfers, I soon realized that although the Veterans Affairs had quite a few programs for our wounded, that golf was not one of them. Soon thereafter I created Operation Game On to teach them the basics of the golf swing, along with brand new "Taylor Made clubs, Adidas apparel and shoes, and anything thing else they needed to get them back into a somewhat normal life. It soon became a rehabilitation program and now therapists and doctors alike have reached out to me about the progress our wounded have made, especially to those suffering from PTSD.

## ▶ The Operation Game On motto "building confidence one swing at a time" resonates with golfers and athletes alike. What specific strategies does your non-profit implement to provide a future of confidence for those part of Operation Game On?

Golf is not a very easy sport to learn and requires quite of bit of determination, patience, co-ordination, and practice. What we do at OGO is to challenge our combat wounded with all of these aspects and once they begin to realize that they can do this, their confidence level begins to grow. As combat trained military personnel, they all have that "can do, will do" attitude and we just help them in getting that attitude back. I created this motto as it fits perfect for what we are doing. We have opened quite a few doors for them as their confidence levels increase that they are now able, in some cases, leave the security of their homes to go out and play golf with strangers at various golf tournaments. Many parents, wives, and other relatives have approached me in thanking me for saving their daughters or sons life. That's pretty strong. We have lost two to suicide and I'm heartbroken to have heard that.

## ▶ What "fills your gas tank," what "makes you tick," or what inspires you?

As mentioned above, we lost two of our alumni to suicide and that is my burning desire to keep going and to assist as many as I can. As a Vietnam Veteran, I totally understand what they have been through, what they are going through, and what they are going to go through in life. Back then in 1969 when I returned, there was no knowledge of PTSD as we have today. I, too, suffered from it but kept it to myself. Throughout the years, I have many dark days alone, and to this day I still do, but now my therapy is Operation Game On. I want to keep teaching them golf, a game of a lifetime, as long as I can to help my fellow Veterans by "building their confidence, one swing at a time" in golf and in life.



# KNOW WHO YOU DO BUSINESS WITH

The Counter Forced Labor Journal is published by the Counter Forced Labor Technologies Intel Team, which is composed of tenured military and business analysts with intimate knowledge and direct experience dealing with human trafficking, forced labor and modern slavery.

[info@counterforcedlabor.com](mailto:info@counterforcedlabor.com) | 212.980.0100 | [www.counterforcedlabor.com](http://www.counterforcedlabor.com)

The Counter Forced Labor Journal is a newsletter published by the Counter Forced Labor Technologies Intelligence Division. It is issued four times a year and provides updates for C-suite-level decision making in support of terrorism and human trafficking risk management of the supply chain. The Counter Forced Labor Journal serves to strengthen current corporate social responsibility policies.

We welcome feedback and suggestions for articles in future issues.

This *Journal* is not intended as a substitute for legal advice. It is for informational purposes only and does not guarantee accurate legal guidance. This informational material is not intended, and should not be taken as legal advice on any particular set of facts or circumstances.