

# The Impact of COVID-19 on Business and Workers: Industries at High Risk of Modern Slavery

Submission by the Rights Lab, University of Nottingham

The Rights Lab delivers research to help end modern slavery. We are the world's largest group of modern slavery researchers, and we are home to many leading modern slavery experts. Through our five research programmes, we deliver new and cutting-edge research that provides rigorous data, evidence and discoveries for the global antislavery effort. Our Modern Slavery Evidence Unit is the interface between the Rights Lab research programmes and civil society, business and government: it works closely with stakeholders to address their evidence gaps. More information about the Rights Lab is available at: [www.nottingham.ac.uk/rights-lab](http://www.nottingham.ac.uk/rights-lab).

The COVID-19 pandemic and the measures being undertaken to slow its pace and effect have short, medium and long term impacts on the problem of modern slavery. We have developed an early-stage research agenda for anti-slavery responses to COVID-19, and a call for a coordinated, systematic and inter-disciplinary research effort. Our research agenda for COVID-19 is available at: [www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/covid-19/index.aspx](http://www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/covid-19/index.aspx).

## Overview

Victims of modern slavery are amongst the most vulnerable people in society. They face additional risks due to the COVID-19 outbreak, as a result of isolation, illness, and reduced access to support services. There are also increased risks to workers including those in high-risk sectors, such as agriculture and social work, due to lower levels of visibility and scrutiny or oversight from key agencies as a consequence of current social distancing measures, reduced capacity due to staff illness, and the diversion of resources.

Government efforts should focus on ensuring that victims of modern slavery are identified and supported during the outbreak, and take steps to mitigate the risks to vulnerable workers that will increase due to COVID-19. This will allow the UK to continue to give effect to its ongoing commitment to tackle modern slavery.

This submission covers the following key issues:

### **Impact of COVID-19 on business and workers at high risk of modern slavery**

- UK business and workers at high risk of modern slavery and labour exploitation
- Impact of COVID-19 on high risk businesses and workers
- Continued working in high-risk sectors during the outbreak (agriculture, domestic work, adult social care)

### **Incorporating anti-slavery measures into the government's COVID-19 response**

- Recommendations for engaging with business
- Recommendations for ongoing identification and support of victims

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## Impact of COVID-19 on business and workers at high risk of modern slavery

### UK business and workers at high risk of modern slavery and labour exploitation

- 1 The UK's domestic system for the identification and support of victims of modern slavery, the National Referral Mechanism or NRM, has recorded year on year increases with some 10,627 persons being referred to the NRM in 2019, an increase of 52% from the year before.<sup>1</sup> Multiple forms of exploitation have been recorded in the UK, however NRM data shows that in 2019, forced labour was the most common type of exploitation.<sup>2</sup>
- 2 Several industries associated with high risks of modern slavery operate in the UK including well established, regulated industries such as construction, agriculture and warehousing. At times, regulations can result in increased vulnerability amongst certain groups, such as the six-month limit on domestic worker visas and terms that tie such workers to a single employer. Workers are also at high risk of exploitation in several low paid, unregulated and under-regulated sectors including hand car washes, nail bars, garment manufacturing, domestic work and the burgeoning gig economy. Unregulated sectors pose a particular challenge in that it is difficult to ascertain the number of people who may be negatively impacted, or the nature and extent of the exploitation they face.
- 3 Many high-risk sectors have high proportions of casual, migrant and seasonal labourers who face added vulnerabilities due to their status and should be afforded appropriate protections.<sup>3</sup> There have been reported instances of failure to adhere to health and safety standards in certain high-risk sectors including agriculture, garment manufacturing, cleaning and hand car washes. A 2019 study by the Rights Lab analysing data from the Safe Car Wash app<sup>4</sup> found that 48% of users commented that workers at hand car washes around the UK did not have access to suitable clothing.<sup>5</sup>
- 4 The common issues in these high-risk sectors point to a commoditisation of labour or services with businesses competing on price and convenience. Low levels of regard by employers for the health, safety, welfare and dignity of the people who work in these conditions demonstrate the urgent need to ensure that these workers have adequate legal protections and that these measures are enforced.

### Impact of COVID-19 on high risk businesses and workers

- 5 Victims of modern slavery and labour exploitation can lack the most basic protections including on issues such as remuneration, working conditions, terms of employment, and health and safety. In addition, the exercise of control by abusers over victims of modern slavery contributes to their

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<sup>1</sup> National Crime Agency (NCA), *National Referral Mechanism Statistics – End of Year Summary 2019*. Data shows that 57% of the referrals were adults and 43% were children.

<sup>2</sup> National Crime Agency (NCA), *National Referral Mechanism Statistics – End of Year Summary 2019*.

<sup>3</sup> A. Griffith, *Brexit & Modern Slavery: Impacts on the UK's legal frameworks for workers in supply chains* (forthcoming, 2020).

<sup>4</sup> The Clewer Initiative and Santa Marta Group launched the Safe Car Wash app in June 2018 which allowed users across the UK to anonymously provide information on hand car washes which may point to evidence of forced labour and exploitative working conditions, and could suggest that they contact the Modern Slavery Helpline if appropriate.

<sup>5</sup> A. Jardine and A. Gardner, *Safe Car Wash App Report* (2019). Available at: [www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/mseu/mseu-resources/2019/march/safe-car-wash-app-apr-19.pdf](http://www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/mseu/mseu-resources/2019/march/safe-car-wash-app-apr-19.pdf)

higher levels of dependency and vulnerability. Social isolation and restrictions of movement because of COVID-19 will increase their vulnerability.

- 6 Migrant workers who face higher risks of exploitation, may also experience greater hardship in the event of loss of employment during the COVID-19 outbreak. This situation may be further exacerbated when their accommodation is linked to their employment and or they are unable to return to their country of origin for an extended period due to the ongoing travel restrictions, health-related risks and expense.
- 7 Where workers live onsite or in other employer managed accommodation, this increases levels of dependence and vulnerability, creating the risk of exposure to other forms of abuse and exploitation. This applies to overseas domestic workers and is common in the agricultural sector. In such instances, if the worker is forced to leave this accommodation they may have nowhere to live and could be made homeless and therefore, in some cases, in breach of their visa conditions. Although there are ongoing efforts to provide accommodation for people who are homeless during the outbreak, questions remain about whether and how these people will be supported once social distancing measures are relaxed.
- 8 Victims of modern slavery and labour exploitation can face considerable challenges in reporting or escaping unsafe or exploitative working conditions or incidents of abuse, due to fear, language barriers, removal of identification documentation and restrictions of movement. These issues may be exacerbated during the Coronavirus outbreak when there are fewer opportunities for individuals to leave their places of work due to restrictions on travel. Fewer inspections of high-risk sectors will be undertaken during the period of the outbreak as labour inspectors, such as the Gangmasters and Labour Abuse Authority (GLAA), face challenges brought about by social distancing measures, self-isolation and absences due to COVID-19 related illness. Ongoing restrictions on movement and travel also means that there are fewer opportunities for members of the public to identify potential victims and report cases to the police or the modern slavery helpline. There will also be fewer opportunities for companies to conduct social audits which may help identify labour abuses as auditors are unable to access sites of work.
- 9 There are further concerns about the economic impact of COVID-19 which may lead to higher levels of unemployment and vulnerability and produce an increase in exploitative practices and incidents of modern slavery.

### Continued working in high-risk sectors during the outbreak

- 10 Amongst the sectors that have continued to function during the outbreak, agriculture, domestic work and adult social care are of particular interest as high-risk sectors for exploitation and modern slavery.
- 11 Workers in these sectors will be required to continue to perform their responsibilities during the outbreak. However, these and other high-risk sectors are likely to receive even less scrutiny during the healthcare crisis, meaning that abuse and exploitative practices are more likely to go undetected.

## **Agriculture**

- 12 Agricultural work is associated with high risks of labour exploitation and modern slavery. Changes and sudden increases in demand for food products have occurred as a result of the Coronavirus outbreak. Significant and unexpected changes may have a negative impact on workers in the supply chain. This may occur as a result of suppliers being put under increased pressure to deliver large orders at short notice or having certain orders cancelled without compensation from the buyer. This may in turn result in instances of forced labour or exploitation linked to issues of unpaid wages, excessive overtime and poor working conditions.
- 13 In addition, a reduction in the number of migrant workers who will be able to travel to the UK for the British harvest season (between May - September) will create further challenges and the need for the sector to recruit at pace. There is a risk that due diligence measures to protect workers being recruited under coercion from unscrupulous gangmasters are relaxed, and others in situations of hidden exploitation are not identified.
- 14 A 2019 Rights Lab study<sup>6</sup> has demonstrated that only 41% of agricultural companies with a corporate reporting requirement under the Modern Slavery Act 2015 had met the requirements under the Act. Over 60% of the companies that published modern slavery statements failed to mention the effectiveness of the steps they had taken to identify and address modern slavery in their supply chains, and the overall quality of the content of the modern slavery statements had decreased when compared with the preceding year.
- 15 Analysis of the statements suggests that most of the agricultural companies surveyed had a tick-box approach to addressing modern slavery producing this downward trajectory. The risk with the current COVID-19 outbreak and the resultant strain on the agricultural sector is that that even less attention is paid in future to modern slavery by these companies, even though the risks to workers as a result of the outbreak will be greater.

## **Domestic work**

- 16 Overseas domestic workers are at high risk of labour exploitation and modern slavery as they live with their employers in private homes that are not subject to standard workplace regulations or scrutiny. As people remain at home, the demands made of domestic workers are likely to increase, and may involve significant additional risk, such as care of family members who contract COVID-19 without appropriate personal protective equipment (PPE). They are at further risk of homelessness, and possible deportation, if they contract the illness themselves or if for any other reason, employers remove them from the home.
- 17 With employers forced to stay at home, violence against domestic workers is also likely to rise, in line with increased rates of domestic violence that have been recorded since social distancing measures were introduced in the UK.<sup>7</sup> In addition, with resources in policing and enforcement stretched, there is a risk of reported cases not being investigated in a timely and appropriate manner.

- 18 Moreover, opportunities are few for overseas domestic workers to leave situations that are harmful and abusive due to the requirement to have an employer and accommodation, with an overall limit of six-months on their visas. Existing possibilities have narrowed further with significant restrictions on movement and economic activity.
- 19 Domestic workers that do not live with their employers are likely to face a significant reduction or cessation of earnings and may not be eligible for government support on account of the nature of their employment. This is likely to result in considerable hardship for persons in such a position.

#### **Adult social care**

- 20 The social care sector in the UK faces ongoing challenges with labour shortages which are likely to be exacerbated by the COVID-19 outbreak.
- 21 As social distancing measures, self-isolation and absences due to COVID-19 related illness continue, staffing levels may drop creating more pressure on care facilities to introduce longer working hours for new or existing workers. There have been some reports of higher ratios of staff to persons in care as a result of the outbreak. Due to current social distancing measures and ongoing health risks, there are challenges in ensuring that appropriate standards and guidelines for the delivery of care services are adhered to during the outbreak. In some cases, such failures may lead to exploitation of care workers.
- 22 Rights Lab research has confirmed that residential care and nursing home managers are not always confident that agency recruitment procedures follow the Care Quality Commission's (CQC) guidelines for the sector.<sup>8</sup> In particular, there are concerns about the appointment of workers who do not have a regular immigration status or are otherwise vulnerable to exploitation.
- 23 During the outbreak, care facilities and nursing homes may need to respond to changes in the availability of staff at short notice. This may lead to a relaxation of due diligence processes in recruitment, creating increased risks of exploitation and modern slavery in the sector.

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<sup>6</sup> A. Phillips and A. Trautrim, *Agriculture and Modern Slavery Act Reporting: Increasing engagement but poor quality from a high risk sector* (October 2019). Available at: <https://www.nottingham.ac.uk/research/beacons-of-excellence/rights-lab/mseu/mseu-resources/2019/september/agriculture-and-modern-slavery-act-reporting.pdf>

<sup>7</sup> BBC Report, *Coronavirus: Domestic abuse calls up 25% since lockdown, charity says* (6 April 2020). Available at: <https://www.bbc.co.uk/news/uk-52157620>

<sup>8</sup> C. Emberson and A. Trautrim, *Public procurement and modern slavery risks in the English adult social care sector*, in O. Martin-Ortega and C. Methven O'Brien (eds), *Public Procurement and Human Rights: Opportunities, Risks and Dilemmas for the State as Buyer* (Edward Elgar, 2019)

## Incorporating anti-slavery measures into the government's COVID-19 response

### Recommendations for engaging with businesses

- 24 The government has continued to engage with businesses on issues related to their workers. This has included guidance for businesses as well as requests for businesses to declare the proportion of workers furloughed as a result of COVID-19. These existing measures could be used to understand and manage risks of exploitation and modern slavery, and ensure minimum standards associated with decent work are maintained. For example:
- i. A requirement for companies that have continued to operate to indicate the measures taken to ensure that their staff and workers in their supply chains:
    - are physically safe and are provided with appropriate personal protective equipment (PPE);
    - are given paid sick leave if they have Coronavirus symptoms and are required to self-isolate; and
    - are not required to work excessive or an unlimited number of hours to meet surges in demand, even if employees have opted out of the caps introduced by the Working Time Regulations.
  - ii. The introduction of a mechanism by which workers could verify whether additional COVID-related health and safety measures have been introduced in workplaces thereby supporting worker-driven accountability.
  - iii. Imposing sanctions on businesses or employers that fail to take reasonable and appropriate steps to protect their workers.
- 25 Although this would require additional resourcing from businesses and employers at this time, efforts could be made to simplify the process. It is of paramount importance that all workers are appropriately protected during the outbreak and additional efforts are made to protect those who must continue working. These measures would prompt employers and businesses to take a number of important factors into account, it would increase visibility of operations that have continued to function and provide a basis for corporate accountability concerning the declared measures.

### Recommendations for ongoing identification and support of victims

- 26 Higher rates of unemployment and sharp increases in the number of people relying on universal credit<sup>9</sup> have already been recorded in the UK. This is expected to continue as a result of the negative global economic impact of COVID-19 that is projected.<sup>10</sup> Worsening socio-economic positions for large portions of the population will increase levels of vulnerability and may result in higher levels of exploitation and a rise in instances of modern slavery in the UK.

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<sup>9</sup> The Secretary of State for Work and Pensions noted that in the nine days to 25 March 2020, approximately 500,000 claims for Universal Credit were processed. The Permanent Secretary in the Department for Work and Pensions further noted that 105,000 Universal Credit claims were made in one day, on 24 March 2020. See, House of Commons Work and Pensions Committee. Inquiry HC 178 on The DWP's response to the coronavirus outbreak. Oral evidence, 25 March 2020. Available at: <https://committees.parliament.uk/work/130/dwps-response-to-the-coronavirus-outbreak/publications/>

<sup>10</sup> K. Georgieva, Managing Director of the International Monetary Fund, *Confronting the Crisis: Priorities for the Global Economy* (9 April 2020).

- 27 To continue work to identify and support victims, it is respectfully suggested that this Committee should support and advance the following measures to protect some of the most vulnerable people in our society:
- i. Continued support and resourcing for the Office of the Director of Labour Market Enforcement and the GLAA to carry out its work including inspections, investigations and interventions.
  - ii. Efforts to build local partnerships to access vulnerable and hard to reach communities, particularly those with complex needs.
  - iii. Continued support for, and strengthening of existing labour rights protections such as Working Time Regulations as well as legal protections for casual, seasonal and migrant workers that help guard against labour exploitation.
  - iv. Provision of financial support for frontline organisations that are supporting survivors of modern slavery. This includes:
    - Social workers, local government workers and civil society organisations facilitating the recovery and reintegration of survivors into work and society; and
    - Efforts to support modern slavery survivors who are homeless.
  - v. Provision of ongoing support for unemployed, homeless and other vulnerable persons including financial, social and medical support.