Blood in your tuna can: Modern slavery and the role of NGOs

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Abstract

Global supply chains in seafood create a disconnect between consumers and the conditions of how our fish is caught. Using the case of modern slavery in the Thai seafood industry we investigate the changing role of NGOs in combatting slavery and illegal fishing. Thailand as it is the 3rd largest exporter of seafood globally but is facing the threat of a EU ban on seafood exports. Our findings reveal that the role of NGOs has changed from the traditional advocacy role to that of a supply chain partner. We also find, however, that this new role bears new internal and external conflicts for NGOs that can hamper their effectiveness in bringing systemic changes.

Keywords: modern slavery, alternative supply chain governance, NGOs

Introduction

The field of sustainable supply chain management has long been dominated by a compliance-based paradigm (see also Lund-Thomsen & Lindgreen, 2014), also known as the assessment approach (Gimenez & Tachizawa, 2012). Studies in this domain have focused on a centralized form of governance where a (Western) buying firm would typically prescribe sustainability standards and practices in the form of supplier code of conduct and assess suppliers' compliance with the code through regular factory audits. Sustainability performance of suppliers is often measured in terms of the number of non-conformities revealed through such audits. Such assessment approaches have often proven ineffective to make supply chains "truly sustainable" (Pagell and Shevchenko, 2014) and did not help to prevent major disasters such as the Rana Plaza incident. Moreover, suppliers in emerging and developing country suppliers struggle to autonomously implement the code of conduct in their own operations and depend on additional support of the buyer in terms to trainings and technical advice (e.g. Jiang, 2009; Huq et al. 2016). Such 'collaboration-enhanced' forms of assessment prove, however, completely ineffective for extremely thorny sustainability issues such as modern slavery.

Modern slavery differs from other forms of sustainability due to its highly illegal and invisible character (New, 2015). Thus, strategies to address modern slavery must go beyond traditional governance approaches such as assessment or collaboration (New, 2015). While modern slavery can take many forms – from child labour to trafficking – this paper focuses on issues around forced labour such as debt bondage and contract slavery as the most prevalent form of modern slavery in global supply chains (Gold et al. 2015). Not least to its inability to address thorny forms of sustainability, the traditional buyer-centric form of governance is increasingly criticized due to its ignorance of the institutional embeddedness of supply chain actors. Thus, while the main emphasis of the compliance-based paradigm has primarily been on vertical relations (i.e., relationships between international buyers and their suppliers), less attention has been paid to horizontal relations. Such horizontal relations encompass the local socio-economic and socio-cultural contexts in which supply chains are embedded, and the question how they affect sustainability compliance levels in developing and emerging countries (Lund-Thomsen & Lindgreen, 2014). This paper that the explicit intention to engage and influence formal and informal institutions (North, 1991; Scott, 2008) in the socio-economic environment of global suppliers

distinguishes alternative forms of sustainability governance from the traditional buyer-centric governance.

Going beyond the traditional buying firm-centric idea of governance, new actors such as international and local NGOs, and trade unions with the necessary expertise will take a central role "to assist lead firms in monitoring work conditions in export-oriented industries in developing countries" (Lund-Thomsen & Lindgreen, 2014: 17). The result of this alternative form of governance will be "a set of normative and regulatory practices that use the chains as a conduit for influencing the social and environmental conditions of production and consumption" (Bush et al. 2015, p. 13). The questions we thus seek to answer is this study is: *What are the different roles NGOs play at each tier of the supply chain and how effective are they for shaping the normative and regulatory practices within global supply chains?*

In order to answer these questions, we conducted a multiple case study of several international and local NGOs that seek to deliver transformational chance (Gualandris & Klassen, 2017) in the Thai fishing industry. Our findings suggest that NGO's are playing a constructive role in mitigating modern slavery in the seafood supply chain. Their role is organically evolving from a traditional advocacy agency to working in a collaborative fashion with private sector organisations, engaging in enforcement of new regulations and developing technology solutions for vehicle tracking and social media applications to empower and inform migrant labour force.

Our research resonates with the recent debate in the field of supply chain management that has sought to explore the role of NGOs as "nontraditional" members of the supply chain (Pagell & Wu, 2009; Rodiguez et al. 2016b; Gualandris & Klassen, 2017; Pullman et al. 2018). We build on these important contributions but focus more explicitly on the ability and effectiveness to exert governance over sustainability issues in the supply chain in terms of shaping the "normative and regulatory" practices within global supply chains.

Theoretical background

NGOs as alternative supply chain actors

There is a recent interest in NGO-business collaboration. A common theme in this stream of literature are the differences in managing approaches regarding supply chains between NGOs and for-profit firms. In particular, two important differences characterize supply chains with an NGO

as the focal organization from their for-profit analogues: 1) primary goals is transformational change and 2) rigidity of the resource base of NGOs (Gualandris & Klassen, 2017).

It is the differences in goals between NGOs and business corporations that have traditionally led to an antagonistic relationship between the two parties in the past. For example, campaigning NGOs have often adopted a conflict orientation and sought to publicly shame big corporations, while businesses were often reluctant to drive real environmental and social changes beyond a sustainability risk mitigation. Recent contributions have highlighted that the relationship between NGOs and business corporations does not necessarily need to be antagonistic but requires an alignment process to achieve inter-organizational fit between both partners (Rodiguez et al. 2016a). Once alignment has been achieved, NGOs can even draw on traditional supply-chain management practices and take a bridging role between local suppliers and the buying firm by tapping into resources for knowledge for localizing supplier development programs and securing development funding sources (Rodiguez et al. 2016b; Gualandris & Klassen, 2017). Others have explored how NGOs navigate through institutional complexity and balance contradictions between a social welfare logic and a commercial logic (Pullman et al. 2018).

A central question around the topic of NGO-business collaboration has been focused on the efficacy of NGO involvement. Gualandris & Klassen (2017) refer to the ability to "deliver transformational change" as a central criterion to assess the efficacy of NGO's interventions. Transformational change might be a long-term outcome, however, that builds on a steady trajectory of incremental changes that move the efficiency curve outward through technological and process innovations (Johnson et al. 2018; Hart and Milstein, 2003). Any transformational changes – whether incremental and more substantial – will require changes in the larger institutional system, however, by way of coercive regulatory mechanisms or normative shifts among consumer populations (Johnson et al. 2018).

As transformational changes occur with a time-lag and might also pose difficulties to the researcher to establish clear causalities in terms of its initiators, our understanding of NGO role efficacy that we apply in this paper is a more incremental one. We define role efficacy in terms of a noticeable action to shape normative and regulatory practices in the supplier's institutional environment. Thus, we build on the idea that NGOs seek to manage horizontal, rather than vertical relations, though an active attempt to positively shape normative and regulatory practices in the supplier's institutional environment. This constitutes an important difference to the buyer-centric

view of governance that has mainly sought to govern sustainability through coercing suppliers to implement sustainability standards in their internal operations through the use of purchasing power.

Methodology

We chose an exploratory case study design as the nature of the research question attempts to understand the role of NGO's play as an alternative governance mechanism for combating modern slavery in supply chains (Eisenhardt & Graebner, 2007). We focussed on the seafood supply chain and Thailand as both this industry and country respectively have come under scrutiny for modern slavery issues. Thailand is the third largest exporter of seafood with the production of 1.69 million tonnes of fish in 2015 (Food & Agriculture Organization of the United Nations, 2015). The industry is highly dependent on migrant labour from Myanmar and Cambodia (Environmental Justice Foundation, 2013) . Thailand was also issued a yellow card from the European Union in 2015 for IUU (illegal, unreported, and undisclosed) fishing and was downgraded to tier 2 in the TIP (Trafficking in Persons) report.

Data collection commenced in 2017 and is currently in the final stages. Case studies were conducted with one large Australian grocery retailer, two global tuna brands, four NGO's based in Thailand. In total 40 interviews have been conducted to date which also include international regulatory organisations such as the ILO, clinical psychologists, NGO's operating in the modern slavery domain, academics, and standards organisations. In addition, we analysed reports, secondary documents and material handed to us by the case study participants. The data analysis is currently in progress and we report on the initial themes from our analysis.

Findings

Our preliminary findings highlight that NGO's are emerging as a significant actor in the seafood supply chain to address modern slavery. There is a palpable change in tune from a predominant (traditional) advocacy. Their strategic activities range from victim rehabilitation, to developing alliances with private sector organisations and fostering legislative changes. A snapshot of the range of activities conducted by the NGO's, along with their funding model and their strategic alliances is provided in Table 1.

Table 1: NGO's participating in their study and their strategies

	NGO A	NGO B	NGO C	NGO D	NGO E
Type of Activity	Victim Rehabilitation	Addressing migrant worker concerns	Advocacy	Advocacy/ Alliance	Legislative Changes in dealing with migrant labour
Funding Model	Public	Strategic partner contributions from the private sector	Mixed (Allies/ Public Contributions)	Public	Public
Strategic Approach	Lobbying change in local justice system response Providing legal services	Strengthening migrant worker voice Technologies for vehicle traceability	Tackling Problem from an environmental perspective Raising awareness amongst the consumer base	Lobby the largest player Educating the consumer	Victim Rehabilitation Vehicle Tracking Legislative Changes
Key Alliances with NGO's & community organisations	Local Government and community partnerships	Partnerships with commercial and private sector organisations	Main convenor of the seafood task force Collaboration with a human rights NGO	Constituent of the seafood task force Alliance with Thai Union (largest seafood processor in Thailand)	Partnership with American human rights organisation Collaboration with a traceability organisation

We further highlight the pivotal role that NGOs are playing at each node of the supply chain right from the consumer level through to upstream level where the fishing lines operate (see figure 2 for details). Their role however is contingent on several exogenous factors such as regulatory changes, access to funding sources, the level of technology maturity and the range of co-ordination with other NGO's and leadership capabilities.

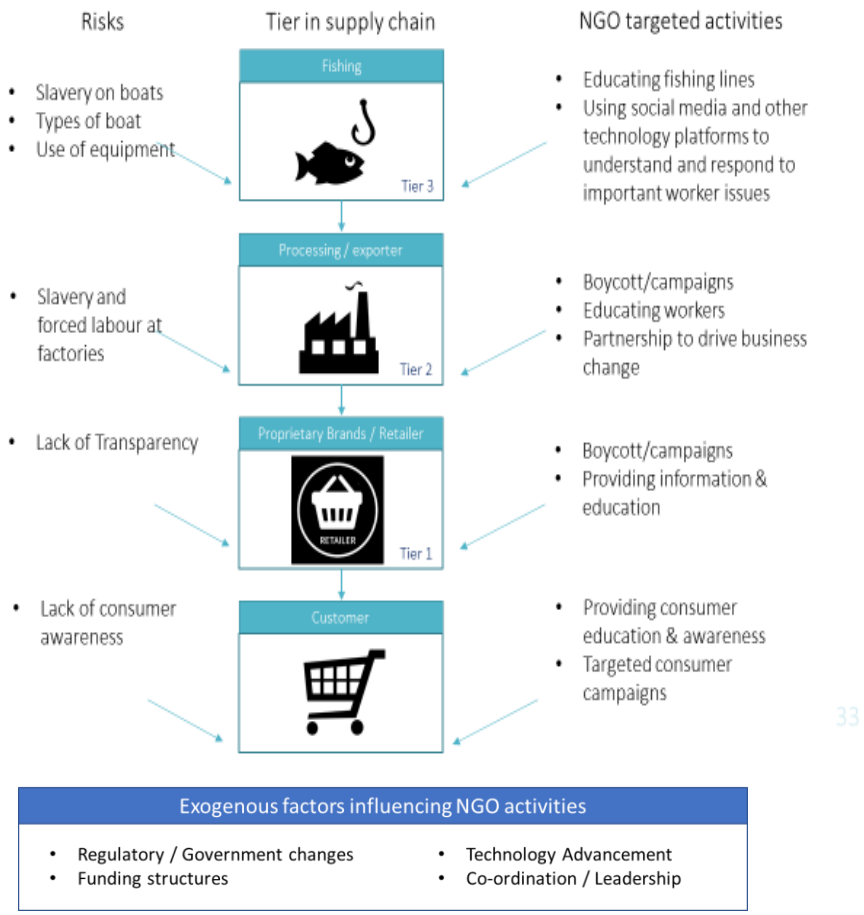

Figure2: Role of NGO at each tier in the supply chain

Based on figure 2 we can highlight some of the roles NGOS perform to address modern slavery issues in the tuna supply chain and in terms of a sustainability governance *through* chains:

Advocacy role:

NGOs target large players in the market to expose the lack of transparency through the extended supply chain. Most often they work with the public and media sources raising awareness through public campaigns and producing educational tools such as the Greenpeace 'tuna can ranking' which raises awareness about potential modern slavery risks of tuna products and how sustainable each brand may be.

Strategic partner:

Some NGOs have started strategic partnerships with proprietary seafood brands and large scale retailers. Often these players have little transparency of the sources of the raw materials and the labour practices of their ultimate suppliers. NGOs collect and share supply chain data with these downstream players to increase the visibility of what is happening in their supply chains processing stage.

Empowering worker's voice through new technologies

NGOs are also in direct touch with workers who work on vessels and trawlers. By providing apps to support migrant workers, and the use of social media such as closed Facebook chats and WhatsApp, NGOs try to get in contact with (potential) modern slavery victims. These technologies enable workers to rate their employers or recruitment agencies, and share and exchange information with other workers. NGOs are also involved in recuing modern slavery victims and resocializing them.

The effectiveness of each of these roles, however, differed based on several exogenous factors We found that how NGOs are funded is critical as it allows them to focus on their key capabilities and how they collaborate with each other. NGO's that are independently funded are able to focus on their specific skill set and drive change, when funded by larger charity organisations they have the pressure to demonstrate their value proposition.

Contribution

Most of the literature addressing modern slavery issues is conceptual in nature (e.g. Crane, 2013; Gold et al. 2015; New 2015). To the best of our knowledge, our study is one of the first that provides first-hand empirical insights on the role of the NGO's play in addressing a particularly thorny sustainability issue in supply chain. By this we contribute to a theory of sustainability governance *through* chains (Bush et al., 2015) Supply chain researchers increasingly acknowledge that more attention should be paid to "less traditional" actors such as NGOs (e.g. Gualandris et al. 2015: 3).

We also make several recommendations. At the outset, governments in countries such as Thailand need to periodically review their fishing laws for example the along with the fishing vessel used for fishing the equipment used for the catch should be regulated. Multidisciplinary teams should be employed for conducting inspections/audits on the boats and assess labour recruitment practices. Second, we believe that international organisations should carefully consider the repercussions of imposing yellow cards as these have spill

over effects across the industry. Finally, once laws are amended local NGO's need to be constructively engaged to ensure effective enforcement.

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