# Modern Slavery

## Beliefs and Reality

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# Is slavery a choice?



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# Modern Slavery

- "Modern slavery" includes both *forced labor* and *forced marriage*
- Refers to "situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power." (definition from Walkfree Foundation)
- Global estimates of the International Labor Organization from 2022 indicate that about **50 Mio. people** (incl. children) live in modern slavery (28 Mio in forced labor, 22 Mio in forced marriage), other sources report even higher numbers
- Number based on national representative household surveys about own situation + family network (on total 110,000 respondents)
- Number has steadily increased over past years
- Majority of modern slaves are women (ca. 65-70%)
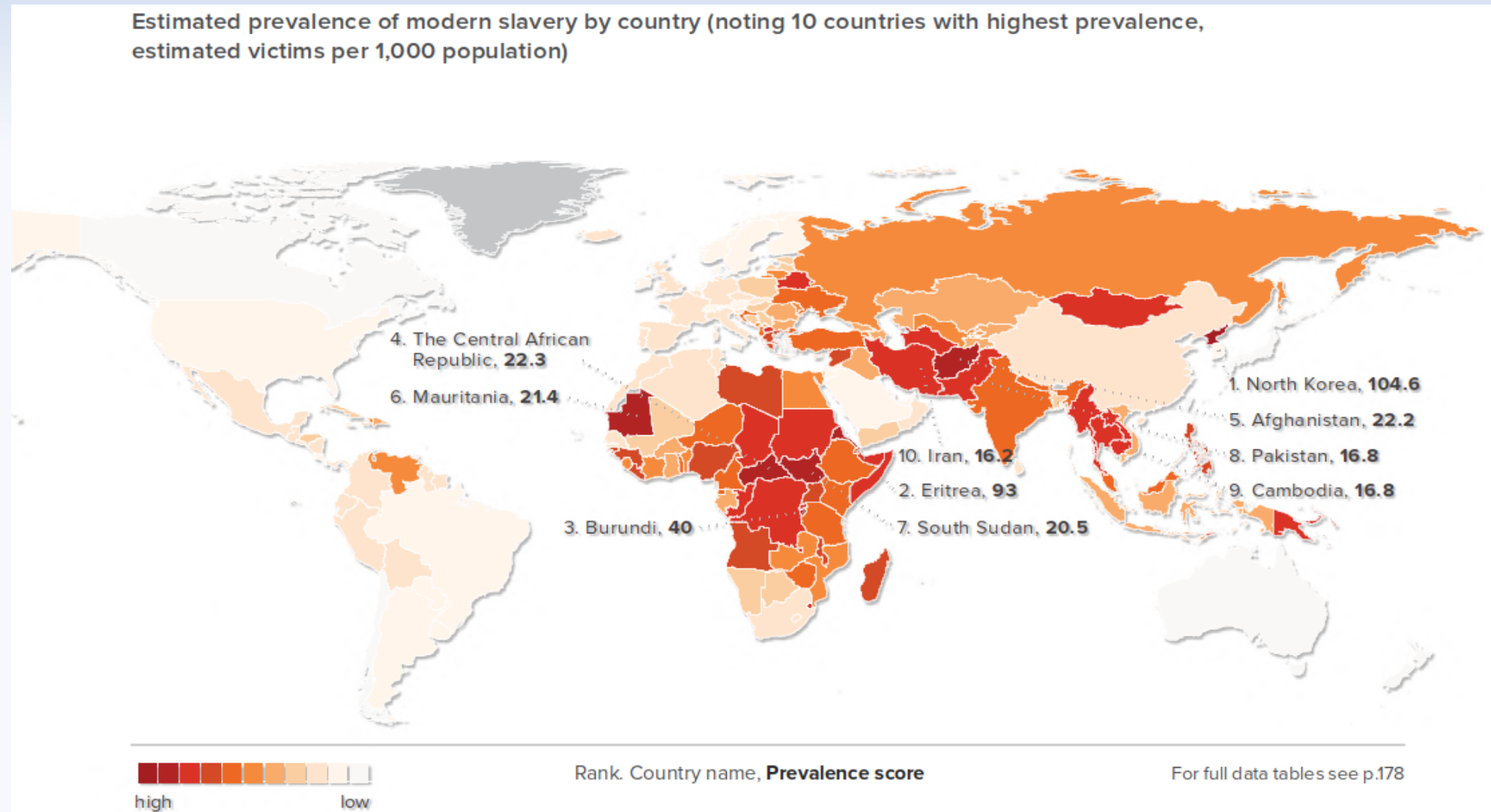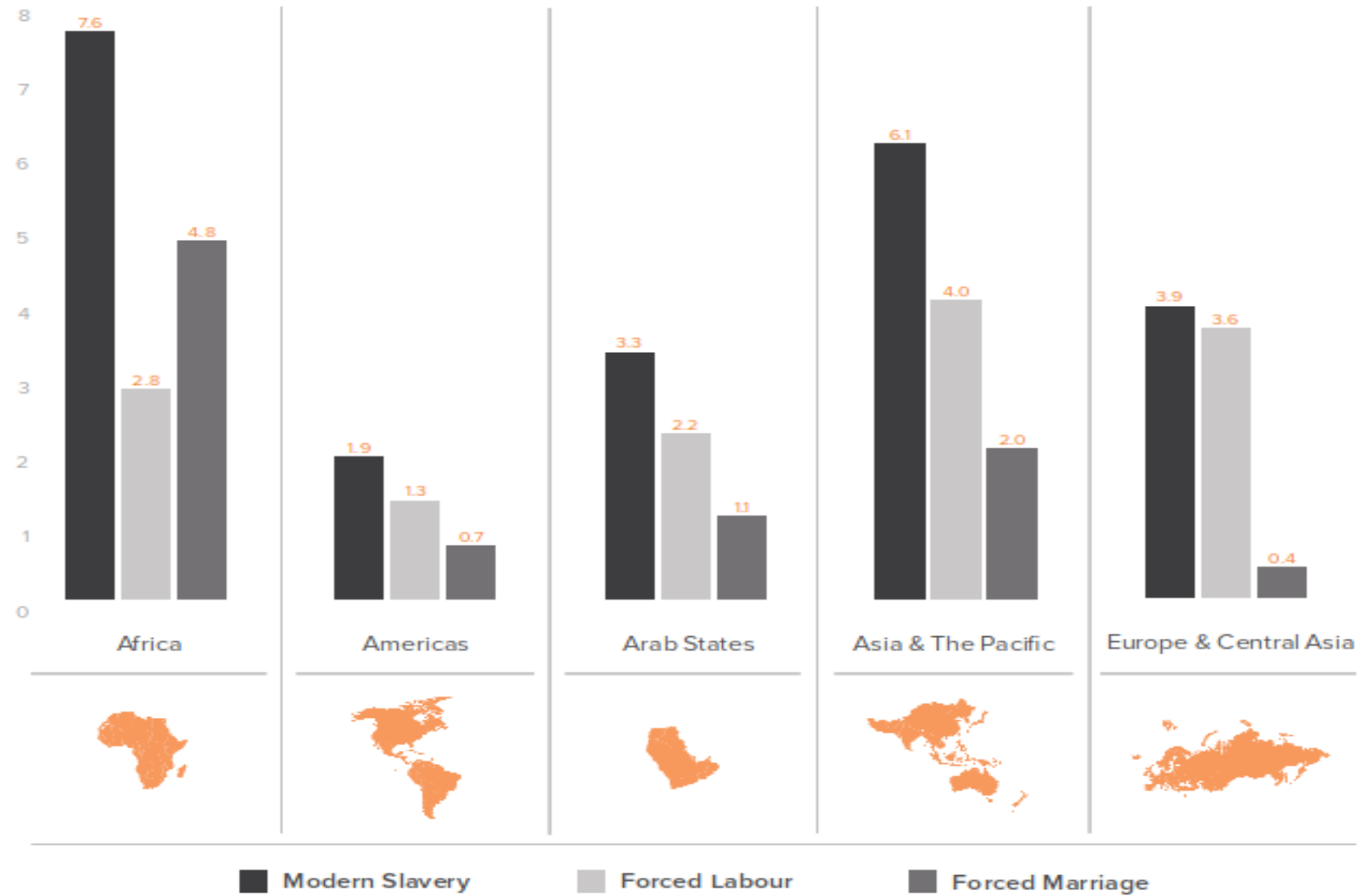
# Prevalence: World Map (Global Slavery Index)



Estimated prevalence of modern slavery by country (noting 10 countries with highest prevalence, estimated victims per 1,000 population)

4. The Central African Republic, **22.3**

6. Mauritania, **21.4**

1. North Korea, **104.6**

5. Afghanistan, **22.2**

8. Pakistan, **16.8**

9. Cambodia, **16.8**

10. Iran, **16.2**

2. Eritrea, **93**

3. Burundi, **40**

7. South Sudan, **20.5**

high          low

Rank. Country name, **Prevalence score**

For full data tables see p.178

**FIGURE 1**
Regional prevalence of modern slavery (per 1,000 population) by category

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# Product Categories at Risk

- Top 5 imported product categories at risk of modern slavery (according to import volume, Global Slavery Index 2018):

**G 20 states**:

1. Electronics  ($200 billion)

2. Garments    ($130 billion)

3. Fish          ($13 billions)

4. Cocoa        ($4 billions)

5. Sugarcane   ($2 billions)

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# Also famous brands are affected...



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## Apple knew a supplier was using child labor but took 3 years to fully cut ties, despite the company's promises to hold itself to the 'highest standards,' report says

**Tyler Sonnemaker**  Jan 1, 2021, 12:12 AM

# But things are not so easy...



The Fairphone: Fair deal or fairy tale?

A new version of the smartphone that promises a better deal for consumers, producers and the planet hit the shelves at the end of last year November. But how fair can a phone really be?

„However, the Fairphone
is not as fair as the name suggests, since a number of the suppliers don't fully abide by the company's transparency mantra"

# General Research Agenda

**What shapes (im)moral behavior?**

- Markets (Falk/Szech, *Science 2013*)
- Rewards for transparency (Serra-Garcia/Szech, *Management Science 2022*)
- Diffusion of being pivotal and guilt sharing (*Rothenhäusler/Schweizer/Szech 2018, EER; Deckers/Falk/Szech, ReStud 2021*)
- Individual characteristics (*Deckers/Falk/Kosse/Szech, WP; Szech/Huber/Kühl, Plos One 2022*)
- Relation to animal welfare (*Albrecht/Krämer/Szech, WP, Serra-Garcia/Szech, Management Science 2022*)
- AI (Hüholt/Scheibehenne/Szech, WP)

**This study:** Consumption behavior versus beliefs about modern slavery

**Hannes Rau & Nora Szech**

# Our Research Focus

- Self-assessed rank amongst a group of consumers in comparison to real rank

- Gender differences

- Awareness of modern slavery

- Possible interventions
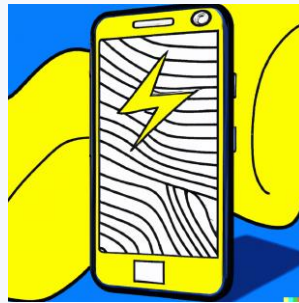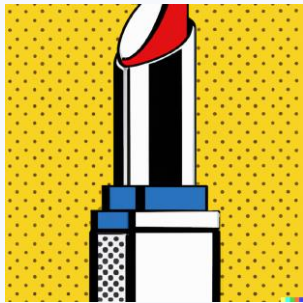
# Study Design

- Questionnaire (20 items) about individual consumption behavior

- Various product categories, which potentially involve modern slavery (e.g. electronics, clothes, cosmetics, jewelry, chocolate etc.)

→**Determination of individual (slavery) score**
(similar to surveys such as on *slaveryfootprint.org*)

- Neutral framing, no information about topic of study provided

- Fixed compensation (4€) for answering all questions

# Slavery Score

- For each answer, a certain number of points is assigned
- More points/higher scores mean more slavery is involved
- Points are proportional to amount of consumption of the product(s)
- Higher weight to categories where more slaves are involved, according to information from different reports about modern slavery
- Idea similar to **slaveryfootprint** survey
- The measure is not a 1:1 mapping into number of slaves (but values are quite similar to those from slaveryfootprint)
- **Our main focus is on beliefs versus actual rank regarding consumption**

# Study Design

- After slavery score determination (value <u>not</u> revealed to subjects):

**Subjects state their beliefs on how they rank compared to other consumers (rank out of 10 subjects)**
(rank 1, rank 2, … up to rank 10)


- Bonus if guess is correct (higher winning chance of 75% vs. 25% in lottery with fixed prize of 5€)

# A start

- So far, 598 participants (184 lab, 414 online)
- Data collection between April-August 2022, avg. duration of ca. 20min
- Slavery scores ranging from 19 to 120, avg. 66 → meaningful variation
- No differences in scores of online vs. lab (avg. 66.2 vs. 66.8)
- For comparison: Avg. amount of slaves of repondents of slaveryfootprint survey is 55 (corresponds to „the likely number of slaves it takes to make each of those products")
- Reported values in line with typical consumption patterns:

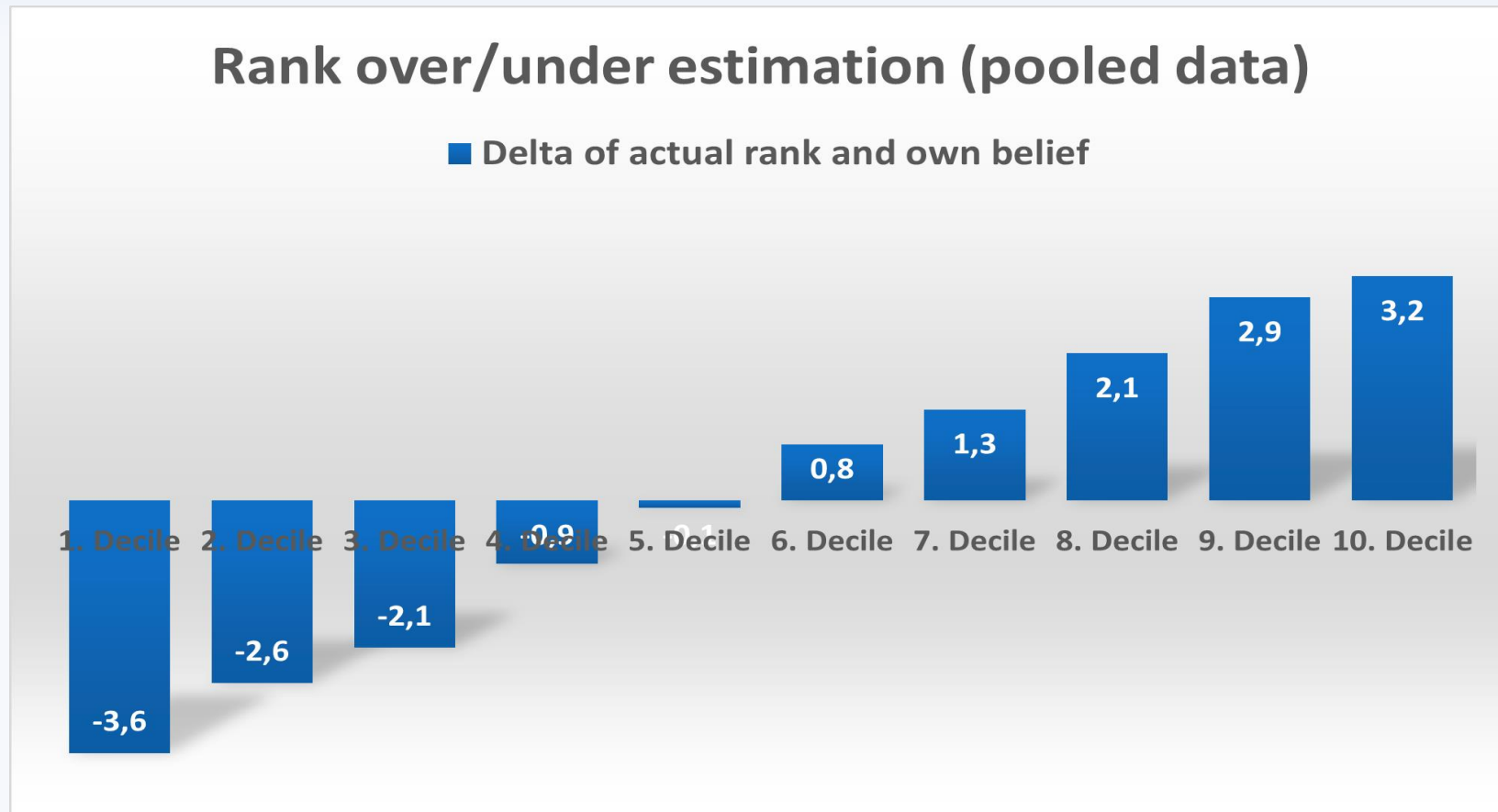On average, subjects report having bought 15 jackets/dresses/suits, 55 t-shirts/pullovers/shirts and 20 jeans/trousers = 90 pieces in total;  a study by Greenpeace, 2015 finds that German citizens on average own 95 pieces of clothes; reasonable results for other categories as well

→ **Evidence for truthful reporting of consumption habits**

# Mean Scores in Specific Deciles

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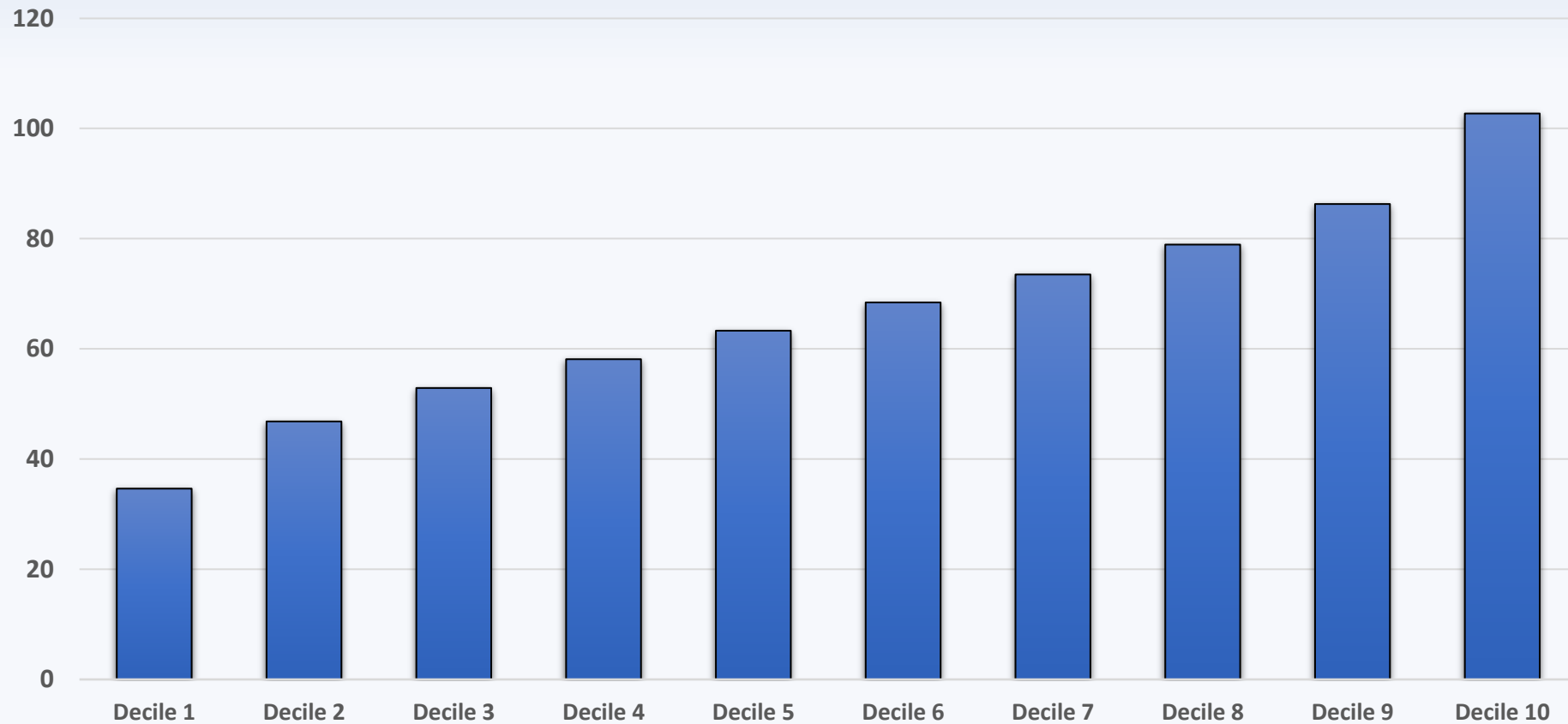
# More ethical consumers <u>underestimate</u> how good they are… And the worst consumers are not aware either…



**Rank over/under estimation (pooled data)**

■ Delta of actual rank and own belief

| Decile | Value |
|--------|-------|
| 1. Decile | -3,6 |
| 2. Decile | -2,6 |
| 3. Decile | -2,1 |
| 4. Decile | -0,9 |
| 5. Decile | |
| 6. Decile | 0,8 |
| 7. Decile | 1,3 |
| 8. Decile | 2,1 |
| 9. Decile | 2,9 |
| 10. Decile | 3,2 |
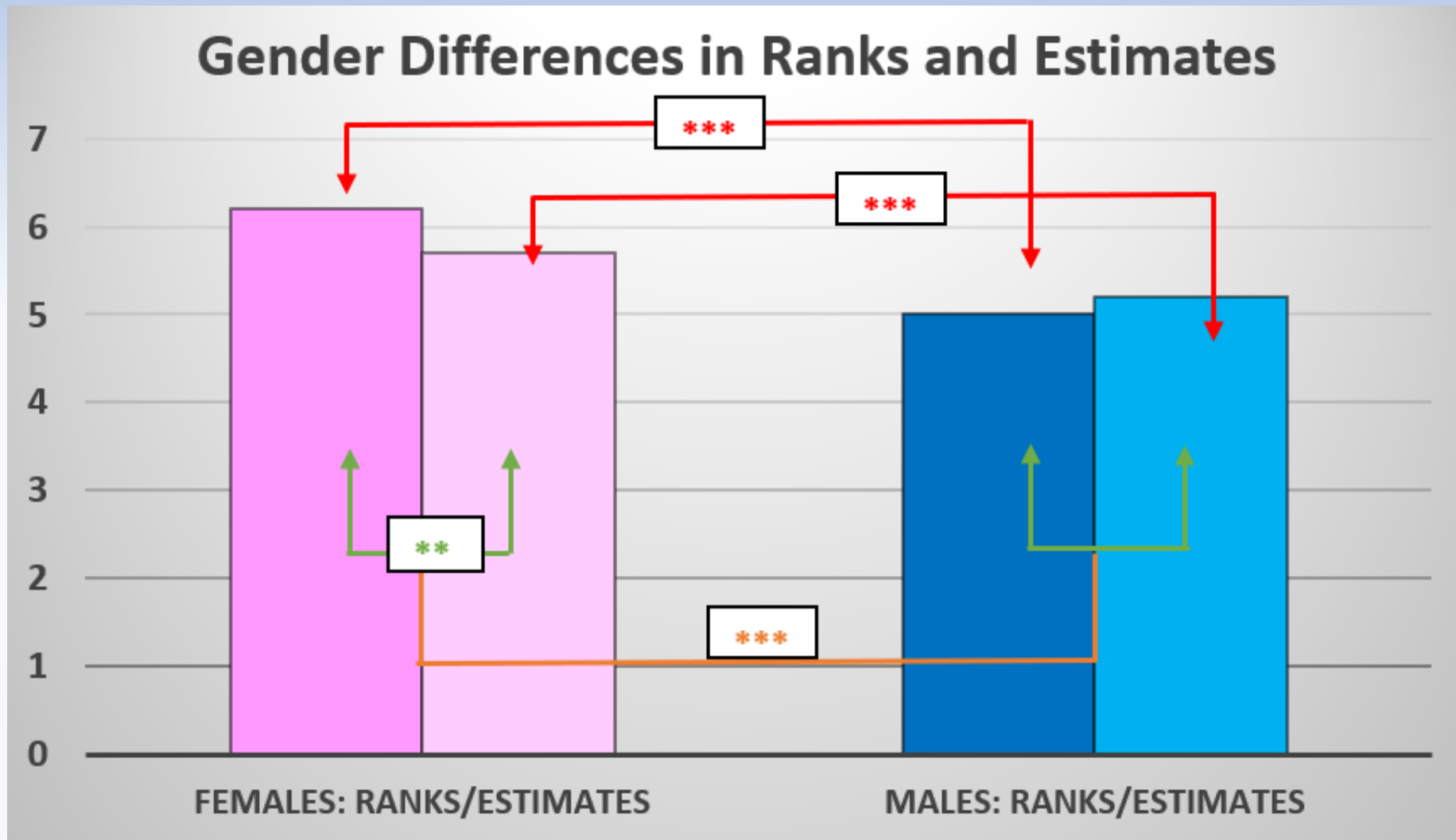
**Females underestimate their slavery footprint. They are on average worse than males.** This is a rare finding when it comes to moral behavior – but think of all the huge closets and tons of beauty products!

# Example: Mica



- Mica is a mineral mainly used in cosmetics (but in many other products as well) to achieve glittering effects

- It comes from countries like India and China

- There it is mined under very bad conditions

- Cosmetics is one of the categories where gender differences in consumption are largest



Aqua, Citrus Aurantium Dulcis Fruit Extract, Centaurea Cyanus Flower Water, Alcohol, Synthetic Fluorphlogopite, Silica, Mica, Propanediol, Glycerin, Microcrystalline Cellulose, Pentylene Glycol, Xanthan Gum, Cellulose Gum, Galactoarabinan, Acacia Senegal Gum, Butyrospermum Parkii Butter, Benzyl Alcohol, Potassium Sorbate, Honokiol, Tin Oxide, Sodium Benzoate. May Contain: CI 77891, CI 77491, CI 77510.

# Summary of Main Results

- Average rank-belief of 5.4 --> almost perfectly at mathematical average (5.5) → **No overall bias in self-assessments**

- Beliefs and actual ranks are highly correlated (p=0.000, n=598)

- **Strong gender differences** in slavery scores: <span style="color:red">**women are worse!**</span>

- **"Good" consumers underestimate themselves, "bad" consumers think they are better than they are**

- Result almost identical when basing the analysis on female/male population only (with adjusted deciles)

- Why is that? Are good consumers better informed and therefore have a higher ideal of what good consumption means? -> Need for investigation

# Time to go into representative samples?!

- Online with participants from Germany and USA

- Gender balanced, representative of population in as many regards as possible, additional oversampling of Asians, Blacks and Hispanics in the US

- Elicitation of participants' knowledge about topic of modern slavery and link to their slavery footprint and beliefs about it (incentivized)

# Possible Knowledge Questions

Knowledge task:

1) [Providing first a definition of modern slavery]. What do you think, how many persons are globally considered to be modern slaves?

2) What is the percentage of modern slaves who are female?

3) Name three product categories of which you believe belong in Germany (in the USA) to the top 5 of categories likely including modern slavery (according to import value).

Fixed bonus of 50 cent if answers of Q1 and Q2 are within a certain range and for each correct item in Q3

# Interventions?

How can we easily foster a **better understanding** of slavery footprint in consumers? (e.g. is more info on one product helping a lot?)

More transparency **via traffic light nudges** (as in NutriScore)?

And would it help to reduce slavery footprint?

Or would it be better trying to improve the situation of modern slaves directly?

Should we **regulate** markets more to reduce/avoid products made by modern slaves in the European Union/US?

What do people think about different interventions?

What interventions do they consider morally appropriate? (incentivized)

**Hunch:** People may **vote** for more regulation of markets

Changes in production chain and decision processes (-> **founder**)

# Further Treatment Ideas

Participants rank several interventions according to their socially appropriateness on a scale from 1-10 (individual norm and social norm). In one treatment they receive further information on modern slavery and affected products beforehand.

First they evaluate the moral appropriateness of consumption of such products in general.

Then, they evaluate moral appoproateness of possible interventions such as

- Traffic Light Score

- Ban of products if production chain is not slave-free

- Taxes on products that are not guaranteed to be slave-free

- (…)

Elicitation of social norms via Krupka-Weber mechanism

# References

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