

Global Forced Labour Risk Assessment Methodology

Version 1

Better Cotton Initiative

Introduction

This risk assessment methodology establishes the country level risk of forced labour in cotton production for countries where BCI operates. Knowing the prevalence of forced labour is difficult due to its sensitive and often hidden nature, but by focusing on contextual and labour specific risks for cotton production, a relative understanding of risk levels can be developed. This risk-based approach will be used by BCI to prioritize further investigation and investment into the mitigation of forced labour where the risk is elevated.

Approach

Contextual risk factors related to forced labour, such as pervasive poverty and weak governance institutions, can indicate an elevated risk of forced labour. Many of these contextual risks intersect with the agricultural sector, making it a higher risk sector for forced labour generally, but they are not applicable to cotton production in every context. To account for this, the methodology incorporates external data sources, some specific to cotton and others more general, and internal data focused on cotton production specifically.

External Sources

External sources were selected based upon the robustness of their methods, perceived impartiality, country coverage, and the extent to which they address contextual risks related to forced labour. These contextual risks are:¹

- Migration & Displacement
- Discrimination
- Debt Bondage
- Ineffective Governance & Human Rights Violations
- Weak Judicial Systems

¹ Due to the data collection and reporting structure of the methodology and its associated data sources, the risk assessment will not immediately reflect destabilizing events such as extreme weather and climate events or conflicts.

Presence of these contextual risks indicates an enabling environment where forced labour is more likely to occur. Each of the external sources selected, detailed in Figure 1, addresses one or more of these risk factors. Attention was paid to the methodology used by the source to ensure a variety of methods and information sources are represented, (i.e. indexes, surveys, media reports, etc.) and each external source methodology was also reviewed to limit collinearity.² Each source received a different weight to reflect its relevance to the contextual risk factors and cotton production specifically.

Figure 1. External Sources

Source	Description	Contextual Risk Factors	Weight
Global Slavery Index	24 associated variables categorized under 5 composite indicators: Governance Issues, Lack of Basic Needs, Inequality, Disenfranchised Groups, and Effects of Conflict	Migration; Discrimination; Debt Bondage; Human Rights & Governance; Weak Judicial Systems	.175
Fragile States Index	Selected 2 out of 12 composite indicators: P3: Human rights and rule of law, E2: Uneven Economic Development	Discrimination; Human Rights & Governance;	.15
UPENN Labor Rights Indicators	Countries are evaluated by 5 criteria: Fundamental civil liberties, Right of workers to establish and join organizations, Other union activities, Right to collective bargaining, and Right to strike	Discrimination; Human Rights & Governance; Weak Judicial Systems	.125
US Dept. of Labor List of Goods Produced by Child Labor ³	List of products by country that are determined to be produced using child labour in violation of international standards	Discrimination; Debt Bondage; Human Rights & Governance; Weak Judicial Systems	.125
US Dept. of State Trafficking in Persons Report	Tier ranking based on national government efforts to eliminate trafficking in persons	Human Rights & Governance; Weak Judicial Systems	.125
YESS Methodology	Five forced labour indicators assessed for prevalence in cotton: State-Sponsored Forced Labour, Unfree Recruitment, Work and Life Under Duress, Impossibility of Leaving Employer, Menace of Penalty	Migration; Discrimination; Debt Bondage; Human Rights & Governance	.30

Internal Sources

Starting in 2020 BCI has worked to increase internal competencies related to Decent Work and awareness of forced labour and its associated risks. Staff have received training on the topic of forced

² For example, the US Department of Labour produces a report linking forced labour to specific products (i.e. cotton) by country, but this report influences the YESS Methodology so only one was selected as an external source.

³ The methodology does not establish the risk of child labour, but this source is included due to certain overlapping contextual risks between forced labour and child labour.

labour, dedicated Decent Work Coordinators have joined the team in India and Pakistan, and additional information sources related to labour practices have been identified.

To capture and feed organizational information sources and knowledge into the risk methodology, designated country level staff will answer the Yes/No questions outlined in Figure 2. The questions are answered considering the prevailing conditions of cotton production at country level for all cotton farms, not for BCI farmers specifically. Each 'Yes' response will add 1 point to the country internal score with all questions weighted equally. Considered together, the presence of the labour dynamics and practices addressed in the internal questions (e.g. migration, labour intensive production, indebtedness, etc) indicate an environment where forced labour is more likely to occur.

Figure 2. Internal Source Questions

Questions
1. Does cotton production mostly rely on manual labour for any of the following activities: land preparation, sowing, weeding, or harvest?
2. Do most (over half of) cotton farms rely on seasonal or temporary workers at some point during the season (i.e. harvest)?
3. Do workers often (at least 25% of workers in a Producer Unit/Large Farm) travel from different regions/provinces/states for the purpose of working on cotton farms?
4. Do international migrants often (at least 25% of workers in a Producer Unit/Large Farm) work on cotton farms?
5. Is accommodation usually provided to workers by farmers or labour recruiters?
6. Are workers provided loans or wage advances by farmers or labour recruiters?
7. Are labour recruiters typically (in at least 25% of cases) involved in hiring or supplying workers for cotton production?
8. Are there groups of workers working on cotton farms who speak a different language or belong to a different religious, ethnic, or social group than their employers?
9. Have there been reported instances of the worst forms of child labour on cotton farms? Reports can come from BCI assessments or other sources.
10. Were there any reports of forced labour in licensing assessments from the most recent season?

Weighting and Scoring

For both the internal and external sources, all data points are scaled on a range of 0 to 1 to allow for comparison across sources. After scaling, the scores of the external sources are weighted to reflect the sources' relevance to contextual risk factors of forced labour generally and in cotton production specifically. For the internal sources, all question scores have equal weight.

This methodology produces both an external and internal risk score for each country. To create the total risk score, the external score is weighted by 0.6 and the internal score is weighted by 0.4⁴. The

⁴ The scores should be considered indicative, not comparative. For example, if Country X has a score of 0.3 and Country Y has a score of 0.6, the risk level in Country Y should not be interpreted as exactly two-times that of Country X.

result of weighting and combining the internal and external scores is a total score; the greater the score the higher the risk of forced labour with a maximum score of 1. The risk level thresholds are as follows:

- High: greater than or equal to 0.6⁵
- Medium: less than 0.6 and greater than 0.25
- Low: less than or equal to 0.25

The risk levels as determined by the methodology can be found in Annex 1.

Applications and Use

This risk-based approach will be used by BCI to prioritize further investigation and resources into the mitigation of forced labour where the risk is elevated. Other factors, including the scale of BCI operations in the country, can also influence priority countries selected for additional capacity building or enhanced Assurance activities to address forced labour. Applications of the risk assessment methodology include:

- Direct capacity building resources for BCI staff and Implementing Partners, including field staff, with priority for High and Medium risk countries.
- Support increased staff competencies related to forced labour, including assigning Decent Work Coordinators to High-risk countries.
- Conduct regional or national risk assessments for Medium and High-risk countries/regions to better understand risk context specific risks and map sub-national variations.
- Require enhanced social auditing competencies for third party verifiers conducting assessments in Medium and High-risk countries.
- Develop enhanced Assurance processes, especially related to worker interviews and monitoring of labour practices, for Medium and High-risk countries
- Explore feasibility of establishing or expanding existing grievance mechanisms in High-risk countries accessible to farmers and farm workers.
- The BCI Standard Operating Procedure for Incident of Forced Labour is applied in Medium and High-risk countries.

Maintenance

The risk assessment will be maintained by Standards & Assurance in consultation with Implementation. The methodology will be reviewed in February each year to update data sources and adjust source weighting if appropriate. The internal sources will be updated annually; most of the external data sources are also revised annually but given the systemic nature of contextual risks, it is not expected the country risk level will change frequently.

⁵ The thresholds levels are set at uneven intervals to allow for a conservative scoring more sensitive to the risk of forced labour.

ANNEX 1: OUTCOME OF GLOBAL FORCED LABOUR RISK ASSESSMENT 2021

Version 1

July 2021

The following table shows the results of the risk assessment for 2021 with all input data up to date as of July 2021. All sources will be reviewed and updated to reflect any changes in February 2022.

Risk of Forced Labour in Cotton Production	
Country	Risk Level
China	HIGH
Egypt	HIGH
India	HIGH
Kazakhstan	HIGH
Madagascar	MEDIUM
Mali	MEDIUM
Mozambique	MEDIUM
Pakistan	HIGH
South Africa	MEDIUM
Tajikistan	HIGH
Turkey	MEDIUM
United States	LOW