

**STATEMENT OF
THEA MEI LEE
DEPUTY UNDERSECRETARY FOR INTERNATIONAL AFFAIRS
BUREAU OF INTERNATIONAL LABOR AFFAIRS
U.S. DEPARTMENT OF LABOR**

BEFORE THE

**SUBCOMMITTEE ON OVERSIGHT, INVESTIGATIONS, AND ACCOUNTABILITY
COMMITTEE ON HOMELAND SECURITY
U.S. HOUSE OF REPRESENTATIVES**

JANUARY 11, 2024

Introduction

Chairman Bishop, Ranking Member Ivey, and members of the Subcommittee, thank you for the opportunity to testify today.

Forced labor is all around us. It's an invisible thread in the fabric of global commerce, woven through the global supply chains of too many products and industries. Unraveling this thread requires a multipronged approach involving a range of stakeholders, including governments, businesses, labor unions, and worker organizations.

According to the International Labor Organization's 2021 *Global Estimates of Modern Slavery*, the crime of forced labor affects nearly 28 million people of all ages, backgrounds, and nationalities – nearly three million more than in 2016. Fourteen percent of forced labor victims, or nearly 4 million people, are in state-imposed forced labor. Forced labor touches virtually all parts of the private economy – services, manufacturing, construction, agriculture, and mining. And forced labor appears in businesses of all sizes, in both the formal and informal sectors. The informal sector includes businesses that operate outside the legal and regulatory framework established by the government, such as day labor hired without contract; small-scale farming and fishing; artisanal mining and quarrying; and manufacturing work performed in home-based workshops.

With over 75 years of experience working at the intersection of labor rights, human rights, and the global economy, the Department of Labor's Bureau of International Labor Affairs (ILAB) is uniquely positioned to guide the U.S. government's efforts to address forced labor in global supply chains. ILAB works with governments, civil society, unions, and businesses to strengthen global labor standards, enforce labor commitments among trading partners, promote racial and gender equity, and combat international child labor, forced labor, and human trafficking.

For almost thirty years, ILAB has been a leading actor in efforts to combat child labor and forced labor around the globe. Child labor is a subset of working children. It is work below the minimum age for work, as established in national law, and is often defined as work that deprives

children of their childhood, their potential and their dignity, and that is harmful to their physical and mental development. The worst forms of child labor are defined as including all forms of slavery, including the sale or trafficking of children; debt bondage and serfdom; forced or compulsory labor; using, procuring or offering a child for prostitution, for the production of pornography or pornographic purposes; or for illicit activities, in particular for the production and trafficking of drugs, and any work that is likely to harm the health, safety or morals of children. Forced labor is defined by ILO Convention 29 as all work or service exacted from any person under the menace of any penalty and for which the said person has not offered themselves voluntarily.

To increase the capacity of governments and other stakeholders to combat forced labor and child labor and support robust strategies for improving compliance with international labor standards in global supply chains, ILAB's Office of Child Labor, Forced Labor, and Human Trafficking funds 49 active projects in 45 countries worth over \$286 million. In total, our programs and partnerships have built the capacity of over 85 countries to address labor exploitation and have helped countries develop and implement over 400 specific policies, plans, and programs to combat child labor and forced labor.

Within the U.S. government, ILAB is the leading provider of in-depth research on global labor abuses. Our reporting brings attention to problems and incentivizes governments to address them. Our work with companies and trade associations advances social compliance and supply chain transparency. Our capacity-building projects and engagement with governments help countries pass and enforce labor laws that protect children and adults from exploitation, including safeguarding collective bargaining and strengthening worker rights. Our holistic approach allows us to effectively address forced labor from multiple perspectives.

Pioneering Research: Informing Efforts to Eradicate Child Labor and Forced Labor

ILAB's three flagship reports on international child labor and forced labor serve as valuable resources for research, advocacy, government action, and corporate responsibility. First, the annual *Findings on the Worst Forms of Child Labor* report (TDA Report), mandated by the Trade and Development Act of 2000, was first released in 2002. It assesses the efforts of 131 U.S. trade beneficiary countries and territories to eliminate child labor through legislation, enforcement mechanisms, policies, and social programs. In our latest edition, released in September 2023, just four countries (Argentina, Colombia, Côte d'Ivoire, and Uzbekistan) received the highest assessment towards the elimination of the worst forms of child labor, down from nine countries the previous year.

The findings also reveal that weak legal frameworks worldwide allow the worst forms of labor exploitation to persist. To that end, 63 percent of the country-specific recommendations in the report focus on improving laws and strengthening enforcement, indicating the urgent need for additional progress in holding accountable those who perpetrate abuses.

Second, mandated by the Trafficking Victims Protection Reauthorization Act (TVPRA) and first published in 2009, the biennial *List of Goods Produced by Child Labor or Forced Labor*

(TVPRA List) is a sobering reminder of how labor exploitation infiltrates our daily lives through the coffee we sip, the produce we eat, and the garments we wear.

The current TVPRA List includes 159 goods from 78 countries and areas. In the latest edition, published in September 2022, we added 32 goods, including, for the first time, ten downstream goods produced with inputs made with forced labor or child labor. These include solar cells and modules from China made with polysilicon that have been identified as being made with adult forced labor from the Xinjiang Uyghur Autonomous Region (Xinjiang), and lithium-ion batteries from China made with cobalt ore that was mined with child labor from the Democratic Republic of the Congo. These additions were a result of our expanded mandate under the Frederick Douglass Trafficking Victims Prevention and Protection Reauthorization Act of 2018 (TVPPRA of 2018), which requires ILAB to report on goods made with inputs made with forced labor and reflects the government's commitment to addressing the worst forms of labor exploitation in global supply chains.

Finally, the *List of Products Produced by Forced or Indentured Child Labor* (EO List), required under Executive Order 13126, is intended to ensure that U.S. federal agencies do not procure goods made by forced or indentured child labor. Under procurement regulations, federal contractors who supply products on the EO List must certify that they have made a good-faith effort to determine whether forced or indentured child labor was used to produce the items supplied. Currently, this EO List includes 34 products (ranging from cocoa to garments to electronics) from 26 countries.

Safeguarding Global Supply Chains

ILAB's supply chain research represents one of the first comprehensive efforts to identify goods produced with inputs made with forced labor or child labor and further aligns our work with U.S. enforcement mechanisms in looking at goods made wholly or in part with forced labor. We see our downstream supply chain research as a critical step forward in the growing global consensus on the importance of clean and transparent supply chains and the role that everyone – including governments, companies, investors, unions, civil society, and consumers – needs to play to make sure products sold here in the United States, and globally, are not tainted with forced labor. Our research is a vital resource for advocacy organizations and companies carrying out risk assessments and engaging in due diligence on labor rights in their supply chains and for consumers looking to make ethical choices.

To date, ILAB has completed extensive studies on lithium-ion batteries, solar panels, and palm fruit. For the past year, ILAB has also looked at global supply chains in over 30 countries to identify goods that have inputs made with child labor or forced labor or carry a significant risk of labor abuse and exploitation in the supply chain. The sectors cover mining (including critical minerals), agriculture, seafood, and garments. The research will be published in September 2024, along with ILAB's updated TVPRA List, with the aim of raising awareness of the global scope of goods made with child labor or forced labor and catalyzing governments to protect workers, businesses to ensure their entire supply chain is free from labor abuses, and unions, civil society, and consumers to hold governments and businesses accountable.

We know addressing supply chain issues can be daunting for businesses, so we have also created tools to make it easier to implement or improve due diligence. The *Sweat & Toil* mobile app showcases over 1,000 pages of our research on child labor and forced labor in an easy-to-use and accessible format. The *Better Trade Tool* integrates existing ILAB data on international child labor and forced labor with U.S. and global trade data to show which global imports have a higher risk of being made with child labor and forced labor.

Finally, *Comply Chain* is a comprehensive set of best practices for businesses to address child labor and forced labor across global supply chains. These due diligence tools are especially useful to small and medium-sized enterprises to strengthen compliance efforts.

We are also using technology to innovate around supply chain traceability. In December 2020, ILAB funded two projects to increase the downstream tracing of goods made by child labor or forced labor, with a focus on building a blockchain-powered platform and traceability matrix to help users identify supply chain traceability elements, methods, and technologies to address labor risks in diverse supply chains. Our goal is to expand the number of tracing tools in high-risk supply chains and to get those tools into the hands of a broad range of stakeholders to help eliminate child labor and forced labor.

First, the Global Trace Protocol project is in the process of building a blockchain-powered platform that brings all members of the cotton supply chain in Pakistan to a single platform, including farmers, spinners, and fabric mills. The project has also released reports on the cotton supply chain in Pakistan, the cobalt supply chain in the Democratic Republic of the Congo, and a context analysis report on traceability, which includes an overview of traceability and how to undertake it in supply chains.

Second, the STREAMS project, which is working in the garment supply chain in India, is developing a supply chain traceability matrix that users such as businesses, government officials, and civil society stakeholders can use to identify which supply chain traceability elements, methods, and technologies can address relevant forced labor and child labor risks in diverse upstream and downstream supply chains.

Our supply chain work aims to eliminate labor abuses, including child labor, in international critical mineral supply chains, many of which are dominated by Chinese companies. For example, thousands of children work in informal, artisanal, and small-scale cobalt mines in the Democratic Republic of the Congo. That cobalt is then exported to China where it ends up in lithium-ion batteries. To create a cobalt supply chain free of labor exploitation, ILAB's technical assistance programs focus on building the capacity of the Democratic Republic of the Congo's government to enforce its labor laws, creating systems to identify and remediate child labor and promote traceability. For example, one ILAB-funded project is working with the Congolese Ministry of Labor to recruit and train more than 2,000 new labor inspectors and controllers to improve labor law enforcement, including within the mining sector.

Another ILAB-funded project recently launched a Child Labor Monitoring and Remediation System to combat child labor in cobalt supply chains. Since the launch of this system in April 2023 at four mining sites in the Democratic Republic of the Congo, over 2,500 child laborers have been identified and are being assessed for services. Similar work is happening in other

countries. Through our research, reporting, and technical assistance, ILAB will continue to address labor abuses in critical mineral supply chains worldwide.

Documenting Forced Labor in Xinjiang, China

For over a decade, ILAB has been highlighting the use of forced labor in the production of goods from China.

ILAB included 12 goods from China on the original TVPRA List in 2009. The latest TVPRA List includes 18 goods produced by forced labor in China, including several that involve the use of forced labor in Xinjiang, China's far western region where hundreds of thousands of Uyghurs, ethnic Kazakhs, Kyrgyz, and members of other persecuted groups are being arbitrarily detained and subjected to forced labor producing goods that enter the domestic and global supply chains. The Chinese government has given subsidies to companies moving to Xinjiang or employing members of persecuted groups from Xinjiang in labor transfer programs. These practices increase demand for workers from persecuted groups in Xinjiang. Uyghurs and other minorities are often sent to camps (referred to as Educational Training Centers or Legal Education Centers) where they are subjected to constant surveillance and isolation and undergo political indoctrination.

Though the production of these goods through forced labor takes place primarily in Xinjiang, there have also been credible reports of mass transfers of Uyghurs and others from Xinjiang to factories across China. This increases the number of goods potentially made with forced labor. ILAB continues to monitor the developments and risks in global supply chains in the region.

Last year, ILAB published two supply chain studies that documented exploited labor in global supply chains with production points in China. The first study found forced labor in the production of polysilicon, a key material used to produce solar panels. Xinjiang produces nearly half of the world's polysilicon, and its use of forced labor taints the entire global solar supply chain. China is also a major producer of photovoltaic ingots and wafers, which often incorporate and co-mingle polysilicon from Xinjiang with polysilicon from other sources. These ingots and wafers are used in the production of solar cells and modules. America's top four solar trade partners (Malaysia, Vietnam, Thailand, and South Korea) also import large quantities of solar inputs from China. As a result of this study, ILAB included photovoltaic ingots and wafers, solar cells, and solar modules in the TVPRA List, and we further highlight other downstream goods at risk of having forced labor inputs, such as silica-based products, solar generators, and semiconductors.

The second study examined cobalt supply chains, a key input to lithium-ion batteries, which has been found to be mined with child labor in the Democratic Republic of the Congo. With enormous volumes of this cobalt shipped to China, electronic products around the world are at risk of being linked to child labor. In 2020, China imported 89.4 percent of its cobalt from the Democratic Republic of the Congo. Most of China's cobalt is further refined and used to produce battery chemicals and components, such as cathodes. China then uses these parts to produce rechargeable lithium-ion batteries, which are on ILAB's TVPRA List for having an input made with child labor. In 2020, countries around the world imported over 41 percent of their lithium-

ion batteries (valued at \$16.5 billion) from China. Chinese-manufactured lithium-ion batteries are found in dozens of downstream products that we use in our daily lives, including computers, cell phones, vacuum cleaners, electric vehicles, and hearing aids.

Interagency Coordination on Forced Labor Enforcement

As an active and critical member of the Forced Labor Enforcement Task Force (FLETF), ILAB is committed to contributing and leveraging our research, reporting, and tools to support our partner U.S. government agencies to take enforcement actions that ensure global supply chains are free of human rights abuses.

The Uyghur Forced Labor Prevention Act (UFLPA), which directs the FLETF to develop a strategy for supporting enforcement of the prohibition on the importation of goods into the United States manufactured wholly or in part with forced labor in Xinjiang and other parts of China, is an essential component of the trade enforcement strategy to address forced labor. The global demand for cheap labor, including the use of state-sponsored forced labor, makes workers vulnerable in every part of our global economy. ILAB is committed to using our research and all of the tools at our disposal to meaningfully address labor rights violations and abuses, advance efforts to combat forced labor, and improve transparency and accountability throughout global supply chains.

The UFLPA provided the U.S. government with powerful new tools to combat forced labor, which align with the Biden-Harris Administration's efforts to eradicate forced labor from U.S. supply chains. We take seriously the mandate from Congress to enforce these provisions and to prevent American consumers from inadvertently purchasing goods made with forced labor. The intent of the law is clear: the onus is on importers to demonstrate they are not in violation of the UFLPA. The United States has zero tolerance for businesses profiting from genocide and crimes against humanity.

Since the UFLPA passed in December 2021, ILAB and the FLETF have prioritized implementing certain UFLPA mandates. ILAB served as co-lead in drafting substantial portions of the UFLPA Strategy, released in June 2022, including the comprehensive risk assessment and evaluation of forced labor schemes, as well as the guidance to importers. The FLETF drew on ILAB's expertise from *Comply Chain*, which has guided U.S. government due diligence for ten years and created a standard set of practices to reduce the likelihood of goods being produced by labor exploitation, including forced labor. We also heard of the significance of the UFLPA to the Uyghur American community and the broader Uyghur diaspora. Addressing forced labor in Xinjiang through the full implementation and enforcement of the UFLPA is of critical importance to preventing goods made with forced labor of Uyghurs and members of persecuted groups from entering the United States.

Upon the release of the UFLPA Strategy, the FLETF established an internal subcommittee dedicated to developing recommendations for adding entities to the UFLPA Entity List. ILAB serves as co-chair, developing a methodology and process for FLETF member agencies to consider in reviewing entity referrals, as well as guidance for interpretation of UFLPA Entity List criteria for supporting information and evidence required for addition. We draw from existing

procedural guidelines to ensure the review and evaluation of information considers relevant factors, such as source of information, including credibility and reliability.

ILAB prioritizes the addition of entities that are violating the law to the UFLPA Entity List. We are committed to ensuring this process is robust and legally sound. Our teams have applied dynamic and evolving solutions to new and different pressure points as they arise. We also acknowledge there are limitations to these efforts, including the lack of available and current information on forced labor, especially in China and particularly in Xinjiang. Forced labor is challenging to identify because many of the indicators are hidden, and it often happens in legitimate business supply chains. We need to support organizations, including academics, journalists, civil society, and labor groups, who are advocating on behalf of vulnerable workers and risking their lives to make information public.

Our work on the FLETF, implementing the UFLPA, and our mandated reporting reflect ILAB's commitment to addressing forced labor in global supply chains and increasing supply chain transparency and accountability. These expanded forced labor enforcement tools and mechanisms have also enabled increased engagement with like-minded partners around the world. Counterparts in Canada, Mexico, the European Union, the United Kingdom, Germany, Australia, and others have sought out our expertise in research and reporting on identifying and addressing labor exploitation, in particular forced labor risks, in global supply chains. These measures have provided opportunities to leverage our work globally.

Conclusion

As attention and interest in global supply chains continue to grow, ILAB is in a unique position within the U.S. government to improve working conditions and end forced labor in these supply chains. We are also leveling the playing field for responsible businesses. ILAB will continue to work with our U.S. interagency partners in a whole-of-government effort to ensure that there are economic consequences for those who continue to break laws and profit from labor abuses.

ILAB is committed to ensuring that we use our trade enforcement tools, as well as labor diplomacy, multilateral engagement, and technical assistance, to identify and raise awareness of the risks of labor exploitation in countries and supply chains worldwide.

The UFLPA is a landmark law in the fight against forced labor and human rights abuses. While it presents significant challenges for businesses entangled in complex global supply chains, its broader impact on promoting human rights and ethical business practices is undeniable. We must continue to implement the UFLPA to its fullest extent.

Thank you, and I look forward to your questions.