

Prevalence of Forced Labor Among Apparel Workers in Vietnam

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Vietnam is a major global supplier of apparel, and the second largest source of garment and textile exports to the United States, accounting for (along with China) nearly half of all apparel entering the North America. For years, the apparel industry was also the largest source of export revenues to Vietnam's economy only to be eclipsed in 2018 by electronics. The apparel industry in Vietnam also attracts large sums of foreign direct investment to shore up the production and export capacity. Because of the long hours and physically demanding nature of garment factory apparel work, concerns about forced labor have been raised by foreign governments and the international NGO community. In 2012, the United States Department of Labor (USDOL) added garments from Vietnam to the list of products made with forced and child labor. In 2020, garments from Vietnam remained on USDOL's List of Goods Produced by Child Labor or Forced Labor.

This study was commissioned by the Global Fund to End Modern Slavery (GFEMS) to estimate the prevalence of forced labor in Vietnam's apparel industry. A conventional multi-stage probability proportional to size (PPS) sampling was used to reach $N = 5,045$ apparel workers across Vietnam's three main apparel industry regions: Thai Binh in the Red River Delta, Da Nang in the central coast, and Ho Chi Minh City in the south. These three locations were selected as they include the three main apparel production regions in Vietnam. Official registries of the apparel enterprises were used for sampling procedures stratified by the size of the operation (i.e., large, medium, small, and micro). However, because large enterprises (those with more than 200 workers) employ more than 86% of the apparel industry workforce, oversampling was used to ensure adequate sample size for medium, small and micro businesses. Further, about 14% of the sample was allocated to workers in informal (i.e., unregistered) garment enterprises because of the suspected lack of regulations and government oversight in the informal labor sector. Respondents were surveyed about their work experiences to determine whether there was evidence of forced labor in the apparel industry.

Defining Forced Labor

The research team, which included experts from the University of Massachusetts Lowell, John Jay College, and the Vietnam Academy of Social Sciences, employed a definition of forced labor which focused on whether someone was able to leave their abusive job without facing severe consequences. Specifically, the team applied a multi-indicator approach to defining what may constitute forced labor, with an emphasis on exit costs as an essential definitional element. In this study, to be identified as a potential incident of forced labor, one must have (1) experienced some coercive

and/or deceptive treatment at the workplace, and (2) been unable to leave the situation without facing severe exit costs. Measures of severe exit costs included employers withholding valuables and wages, threats of legal action, and psychological or physical violence. Anyone who met these two criteria would be considered a potential victim of forced labor. The sample responses were reweighted by enterprise size to reflect the actual characteristics of the Vietnamese apparel industry in order to extrapolate the findings to a population prevalence.

Prevalence of Forced Labor by Indicators

There were five indicators of forced labor in this study, each conditioned on a list of exit costs that were considered unreasonable and severe. These five indicators are listed in the order of severity, with (1) inability to refuse to work being the “least” serious form of forced labor and (5) violent/coercive behaviors against an employee as the most serious. The prevalence rate of forced labor by each indicator is as follows:

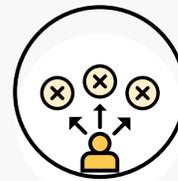
(1) Inability to refuse to work due to perceived severe exit costs. For the sample, 224 or 4.44% of the 5,045 respondents reported that they would not have been able to refuse to work at their current garment factory due to fears of exit costs. Loss of accrued earnings and no better job options were cited as the most important cost factors. The estimated population prevalence was 3.63%.

(2) Inability to quit or change employers due to perceived severe exit costs. For the sample, 216 or 4.28% of the 5,045 respondents reported that they would not have been able to quit or change their employer because they feared exit costs. Again, loss of accrued earnings and no better job options were cited as the most important cost factors. The estimated population prevalence was 3.41%.

(3) Were not allowed to accept a better job offer. Of the 282 workers who reported receiving a better job offer, 41 were unable to accept for fear of severe consequences. “Too far from home and nowhere to go” was cited as the most important deterrence factor to leaving the current job. The estimated population prevalence was 1.04%.

(4) Experienced restrictions of physical/communication freedom and unable to leave. For the sample, 23 or .46% of the 5,045 respondents reported having experienced

restrictions of physical/communication freedom, but were unable to leave the abusive work environment for fear of severe exit costs. “No better job options” and “too far from home and nowhere to go” were cited as the most important factors deterring them from leaving. The estimated population prevalence was 0.59%.



Workers WHO DID NOT EXIT abusive working conditions cited ‘no better job’ and ‘too far from home and no place to go’

(5) Experienced forceful/coercive behaviors against one’s physical, psychological or financial well-being. For the sample, 9 or 0.18% of the 5,045 respondents reported having experienced coercive behaviors in the hands of their employers and were unable to leave for fear of severe consequences. No “better job options” and “loss of work status” were the most important factors deterring abused workers from leaving. The estimated population prevalence was 0.12%.

In summary, a total of 308 respondents, or 6.11%, of the sample reported having experienced one of the above five indicators of forced labor and could therefore be considered victims of forced labor in the apparel industry. The population prevalence was estimated to be 5.86% with a 95% confidence interval ranging from 4.77 to 6.95.

Risk and Protective Factors

Finally, exploratory data mining was conducted to identify at-risk or protective factors affecting the likelihood of being victimized by forced labor in the apparel industry. Among the most notable predictors of forced labor situations was the location, specifically region of the apparel factory, and the size of the enterprise. Relative to Da Nang, apparel workers who were working in Ho Chi Minh City were more than twice as likely to encounter situations of forced labor; and those who were working in Thai Binh were 68% more likely to be victimized. Compared to those working in small enterprises

(11-100 employees), those in large apparel businesses with more than 200 employees were most likely to encounter forced labor situations. In comparison, those working in micro apparel businesses (i.e., 10 or fewer employees) were least likely to encounter forced labor. Employers who provided COVID-19 protections to their workers were significantly less likely to abuse their workers than their counterparts who did not. Much more data mining is needed to explore these intricate predictors that exposed some garment workers to forced labor situations more than others.



Da Nang province



Thai Binh

Apparel workers in Thai Binh were **68% MORE LIKELY** to report conditions synonymous with forced labor than those in Da Nang province.



Apparel workers in large apparel factories (**200+ WORKERS**) were more likely to report forced labor conditions.



Employers who provided Covid-19 protections were **SIGNIFICANTLY LESS LIKELY** to abuse their workers

Limitations

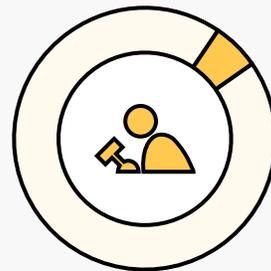
Several limitations may affect the interpretation of the prevalence estimation and the study findings. First, the official registries (sampling frame) were significantly affected by the COVID-19 pandemic, and thus outdated by the time sampling took place. The numerous closures of the small and micro enterprises may raise questions on the completeness of the sampling frame; and readers should be cautioned when extrapolating these findings across the industry following the pandemic. Second, selection biases may have been introduced into the sample of informal enterprises when the selection of the informal enterprises was in the same areas where official registered businesses were located during

the field activities. However, informal apparel enterprises may have a spatial distribution that differed from those of the registered apparel units. Finally, because of the COVID-19 pandemic, challenges arose regarding the precision of the findings and the policy implications of those findings. Although the researchers included measures to capture the impact of COVID-19 on employment practices, data collection took place in the middle of the pandemic during which the entire industry was going through significant changes. In other words, the team could not be certain if their findings were representative of the remnants of the past or emerging labor practices that could continue into the future.

Conclusion and Policy Implications

This study quantified the rate of forced labor within the apparel industry in Vietnam with a sample of 5,045 respondents selected through multi-stage PPS sampling. Findings showed that 6.11% of the sample may be considered victims of forced labor. The highest rate was reported in larger apparel factories and in Ho Chi Minh City. The rates of forced labor victimization varied along particular indicators and circumstances. Direct violence or coercive behaviors against apparel workers were the least frequent, followed by actual restrictions of communication/physical freedom, and other forms of rights violations. Although low in absolute percentages, the sheer number of apparel workers in Vietnam (more than 2.5 million prior to the pandemic) would still extrapolate these low prevalence rates to alarmingly large figures. If these findings were any indication of the reality, victims of forced labor could number in the thousands on the most severe indicators, or tens of thousands on other, less severe indicators.

Despite the several hundred potential victims identified in this study, few of them ever sought help, either formally or informally, to mediate their grievances. Only 27 potential victims reported having reached out for help, and only 12 reported specific help they sought. Most of those who sought help were from Ho Chi Minh City, and almost none from Thai Binh and Da Nang. Such a low rate of help-seeking behavior among identified potential victims may be attributed to several factors. First, there was a general lack of awareness of workers' rights or understanding of forced labor as an actionable idea for legal protection. Because many of these apparel factory workers were from rural or less developed areas, securing a job and making a living was more important than protecting their rights as workers. Second, data for this study was collected when many apparel factories had shut down due to COVID-19. Fear of losing a job or income may have deterred workers from reporting grievances or potential instances of forced labor. Finally, forced labor remains a little-recognized problem and more work is yet to be done to identify, mitigate, and remediate forced labor circumstances.



APPROX 6% OF APPAREL WORKERS in the three survey regions are estimated to be in forced labor conditions



Workers in distress in Ho Chi Minh were **MORE LIKELY TO SEEK HELP** than workers in similar conditions in Thai Binh or Da Nang

The Government of Vietnam has made great strides to address forced labor in apparel and manufacturing sectors, this is demonstrated in the relatively low prevalence rates estimated within this study. This study estimates 6% of apparel workers may be subjected to forced labor, the majority of which are in conditions considered 'least' severe. A greater proportion of these workers reside in rural areas laboring in large factory settings where workers are less knowledgeable on their rights, less likely to seek help when aggrieved, and less likely to have viable alternative employment opportunities. Targeted action is needed to monitor these establishments, providing capacity building support for business owners on ethical standards while creating greater opportunities for voice and agency among apparel workers.