
Bottom of the Barrel

Posted by Zia - 2008/04/20 12:31

Millions of Asian workers producing goods sold here are trapped in servitude.

Some of the world's leading computer makers don't want you to know about Local Technic Industry. It's a typical Malaysian company, one of many small makers of the cast-aluminum bodies for hard-disk drives used in just about every name-brand machine on the market. But that's precisely the problem: it's a typical Malaysian company. About 60 percent of Local Technic's 160 employees are from outside Malaysia—and a company executive says he pities those guest workers. "They have been fooled hook, line and sinker," he says, asking not to be named because others in the business wouldn't like his talking to the press. "They have been taken for a ride." It's not Local Technic's fault, he insists: sleazy labor brokers outside the country tricked the workers into paying huge placement fees for jobs that yield a net income close to zero. "They say they were promised 3,000 ringgits a month," the manager says. "How can we pay that? If we did, we would be bankrupt in no time."

So why don't those foreign employees just quit? Because they can't, even if they find out they've been cheated by the very brokers who brought them there. Malaysian law requires guest workers to sign multiple-year contracts and surrender their passports to their employers. Those who run away but stay in Malaysia are automatically classed as illegal aliens, subject to arrest, imprisonment and caning before being expelled from the country. "Passport, company take," says a Bangladeshi who has worked at Local Technic. (Like other workers in this story, he fears possible reprisals if he is named.) "They say, 'You come to this company, must work for this company and cannot work other place.' They say, 'If you work someone else, the police will catch you'." He paid a broker in Bangladesh \$3,600 to get him a job at Local Technic. When he arrived, he says, he learned he was making \$114 a month after deductions for room, board and taxes. The math is simple: minus the broker's fee, his net monthly pay is \$14. If he never spends a penny on himself, three years of labor will earn him a grand total of \$504.

This is the dark side of globalization: a vast work force trapped in conditions that verge on slavery. Most media coverage of human trafficking tends to focus on crime, like the recent scandals involving migrant laborers who were kidnapped and forced to work at brick kilns in China. And forced prostitution, of course, which accounts for roughly 2 million people worldwide, according to the United Nations' International Labor Organization. "We talk a lot about trafficking for sexual exploitation sex and violence sells newspapers," says Richard Danziger, of the Geneva-based International Organization for Migration (IOM). But the international market in "forced laborers" (the ILO's term) is far larger—and generally ignored. The ILO reckons the worldwide number of forced laborers today at some 12.3 million. It's a conservative estimate; other approximations rise as high as 27 million.

Forced labor has two defining features. First, the ILO says, the worker has not given informed consent, whether because of mental or physical duress, debt bondage or deceit. Second, there is a danger of punishment for refusing to do the job, including threats of violence, arrest, imprisonment or deportation. The market is controlled by predatory employment brokers who charge placement fees that average in the thousands of dollars. Even at that price, they find easy prey in poor lands like Bangladesh, Cambodia, Indonesia and the Philippines. Job seekers will do anything—sell whatever they own, cash in their savings, borrow the balance—in hope of making better lives for their families.

One of the most notorious host countries is Malaysia, with an estimated 2.5 million foreign workers, including many who fit the U.N. definition of forced laborers. Malaysia's foreign minister, Syed Hamid Albar, has vehemently denied allegations that his country uses forced labor. "It's all false, not true," he said of a 2007 U.S. State Department report on the subject. "Malaysia is a country that does not encourage trafficking in persons." But Malaysian law effectively makes every foreign worker a captive of the company that hired him or her. In the name of immigration control, employers like Local Technic are required to confiscate guest workers' passports and report any runaways to the police. No one blames company managers for lies told by independent labor recruiters inside or outside the country. Yet new recruits keep coming.

Professional spotters prowl Indonesia's neglected West Kalimantan province, collecting bounties as high as \$100 for each mark they find for the brokers. Job touts then swoop down, offering gifts, cash and working papers. In Malaysia, just over the border, labor agencies pay the traffickers as much as \$1,000 a head on delivery—and new recruits are then told they'll have to pay that money back with interest before they can go home. "The scale here is unbelievable," says Elizabeth Dunlap, who oversees the IOM's counter-trafficking program in Indonesia. "It's like lambs to the slaughter," says Andreas Paulus of the charity Pancur Kasih, which runs a safe house in Indonesia for fugitive migrant workers who have been caught, punished and expelled from Malaysia.

And yet the nature of the global economy makes it nearly impossible to avoid buying products of forced labor. Trapped workers on plantations in Malaysia harvest basic commodities like rubber and palm oil (for toothpaste, cosmetics and biofuels). "It's like I'm out of hell," says one Indonesian who says he spent seven months at a Malaysian rubber plantation working 13 hours a day, seven days a week without pay until he escaped—only to be arrested, imprisoned, flogged and deported. His story is consistent with numerous accounts collected by nongovernmental organizations in

Indonesia. But when that plantation's harvest goes to market, it looks just like rubber from anywhere else.

Even a good reputation may hide problems. Thailand-based Sirichai Fisheries supports the U.S.-based Marine Stewardship Council and practices environmentally friendly fishing. But NEWSWEEK has interviewed four past crewmen on Sirichai vessels and seen written complaints to a Cambodian labor-rights group from three others. All claim to have endured treatment that fits the ILO's definition of forced labor. They say their passports were confiscated, and they were forced aboard fishing boats, sent to sea and expected to work brutal hours for more than two years.

Crewmen who completed their tours say they were paid a third less than their recruiters promised. Sirichai's general manager, Wiriya Sirichai-Ekawat, admits there have been troubles with Cambodian recruitments, but he blames labor brokers who were paid by Sirichai for their services in 2005 but were "not our people." Asked if the company's treatment of foreign employees amounted to slavery, he said: "We never do that." In an e-mail to NEWSWEEK, the Thai company's managing director, Wicharn Sirichai-Ekawat, says Sirichai has only one policy: "To follow the law." He says Sirichai is the only Thai fishing company that does not use illegal labor.

Back on dry land, the British-based supermarket chain Tesco has its own problems with Bangladeshis who mop its floors in Malaysia's capital, Kuala Lumpur. One janitor tells NEWSWEEK he spent his family's savings, sold land and borrowed from loan sharks to pay \$3,000 to a job broker in Bangladesh. Now his gross pay of roughly \$200 a month is less than half what the broker promised—before deductions for food, housing and job-placement fees. If he works marathon shifts until his visa expires, he might clear \$600 for three years' work. "I was cheated," says another cleaning-crew member. "I had dreamed of making my parents comfortable. I wanted to leave something for my children." Tesco, the world's third largest retailer after Wal-Mart and the French chain Carrefour, denies using forced labor and says it conducts "regular audits" to make sure foreign workers are treated fairly.

So far, the international community has taken only small steps to control the traffic in forced labor. In response to complaints, Malaysia has called a temporary halt to imports of labor from Bangladesh. At the other end of the pipeline, the Dhaka government has vowed to investigate charges that Bangladesh's labor exports effectively constitute legalized slavery. But emancipation remains only a dream.

=====