



Domini

MAKING SLAVERY HISTORY

Just say no to corporations that use forced, unpaid labour.

By Amy Domini

AS A RESPONSIBLE INVESTOR, I LIKE TO THINK ABOUT HOW I CAN USE THE POWER of my investments to create a better future. I look for opportunities to invest in companies that are rolling out energy-saving engines, building lower-cost solar cells, selling healthy organic food. But while I'm looking to the future, I can't forget that some of the ugliest aspects of the past are still with us.

My investment firm has focused, over many years, on improving conditions for workers around the world. Together with non-governmental organizations and investor coalitions, we've encouraged corporations to take responsibility for conditions in the mines, farms and factories where they source their products and to ensure that workers are covered by basic standards concerning safety, working hours and pay. In the course of this work, we've seen some truly terrible things.

We don't often use the word "slavery." But in fact, many industries benefit from it. The awful truth is that slavery doesn't exist only in history books. It's a global phenomenon. Most recently, scrutiny has turned to Latin America, where nearly 1 million people are used as forced, unpaid labour.

Slaves in Brazil labour in logging camps and gold mines to make charcoal. They're recruited from poor areas of the country and transported to remote regions to work for low or no wages. Isolation, lack of money and the regular threat of violence prevent them from escaping. They live and work in brutal and unsanitary conditions, all the time suffering from heat, malaria and intestinal parasites.



Investors have an important role to play in ending these abuses. When slaves make charcoal in Brazil, much of that charcoal is used in blast furnaces to produce pig iron. And much of that pig iron is exported to the major industrialized economies, where it's used to make steel. That steel goes into cars, washing machines

and a thousand other everyday items. That means in a globalized economy, the companies we own may be producing and selling products that have slave labour baked right into them.

The auto, appliance and steel companies most certainly wish this weren't so. They didn't, after all, intentionally go out in search of slave-produced raw materials. And, they may ask, can a huge global company really be expected to take responsibility for problems that are so many steps removed from its directly controlled operations—for the production of the fuel that fires the ovens that make the iron that goes into the steel that's used to produce their products?

Our answer is *yes*. Their products can and should be traced back to the most remote reaches of the supply chain, where relentless pressure to cut costs (so the end product can be sold at the most competitive price) has led to abusive treatment of workers.

It's too soon to know how the story of the charcoal slaves in the Brazilian Amazon will play out, but we're hopeful. It's a fairly straightforward economic rule that when big corporations are no longer willing to purchase materials produced by slaves, the workers in that industry will no longer be enslaved.

AMY DOMINI is the founder and CEO of Domini Social Investments, and author of several books on ethical investing.

ILLUSTRATION BY NEIL WEBB; PHOTOGRAPH COURTESY OF AMY DOMINI