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The Vietnamese Debt Bondage Gamble

Workers pay the equivalent of three to four years wages at home in Vietnam to get access to jobs abroad at suppliers of major international brands.

By Peter Bengtsen

Vietnamese migrants face record-high recruitment fees. They risk debt bondage while paying off huge debts to recruiters, working jobs at foreign employers they cannot afford to lose. Many work for suppliers of major Western brands, but we rarely hear about Vietnamese migrant workers' plights in serving global supply chains.

Some work in Taiwan at suppliers of European multinationals Continental, Bosch, Hella, DSM, and North American Fortune 500 firms Dupont, Visteon, and Magna. Some work in Japan at Toyota Group suppliers, while others build a factory in Europe for a supplier of VW and until recently Renault.

Twenty Vietnamese workers were interviewed over the course of half a year in the writing of this story. Another nine shared info about recruitment practices and working conditions. None of the 29 workers had their recruitment fees reimbursed. All worker names mentioned in this piece have been changed for their safety. The names of the manufacturing companies at which they work have also been anonymized to protect the workers.

In this story, you take the role of Minh, a fictional character based on our interviewees' testimonies. All other workers mentioned are real.

This is your individual story, but it is also a broader tale of the systemic exploitation of thousands of Vietnamese job-seekers by recruiters and employers. It is big business to hire people from low-income Vietnam to work in high-income countries – especially Taiwan and Japan – where aging populations shun unskilled manual work.

Every interviewee behind this piece paid exorbitant fees for jobs. Many borrowed huge amounts of money, had passports confiscated, face strict curfews (Taiwan), or hunt rabbits in nearby forests to get food on the table (Serbia). Many face serious forced labor risks as defined by the International Labor Organization (ILO), the United Nations' labor agency, but many would do it again as a stepping stone to a brighter future for their families. Some fight hard (sometimes physically) for their rights despite punitive managers, debts, and discrimination, while paying off their debts. Their situations illustrate how forced labor dynamics are integral to the global economy.

You – as Minh – are ready to depart now. Everything is settled. The mortgage of your family land is in place so you can pay the recruiter for your job abroad. You say goodbye to your parents and siblings in the rural Nghe An province, where many migrants come from. You just turned 21 and are ready for what lies ahead. At least, so you feel.

Part 1, Taiwan: Pay to Work

The sprawling industrial areas in Taoyuan, a special municipality bordering the capital of Taiwan, pose a stark contrast to your childhood in your family's paddy fields near Vietnam's capital.

In Taoyuan, home to a significant part of Taiwan's migrant worker population, you are quickly taken from the airport to your dorm bunkbed. You remember passing numerous factories of various sizes during the short ride. Two days later, you start doing 12-hour shifts on the production line.

"Everything happened so fast. I was completely exhausted in the beginning and felt so lonely, even though I had hundreds of fellow countrymen in my dorm," Tuan, of a nearby factory, once told you, though the words could be yours now.

Tuan arrived in late 2019 to work for Manufacturer A, which ships millions of kilos of raw plastic and polyesters to multinationals such as Continental, Dupont, DSM, and Niagara Bottling, a bottled water supplier of Walmart, Costco, and dozens of other retailers.

Like you, Tuan is unmarried and came to Taiwan to support his family back home by remitting some of his monthly income. But they waited almost two years to benefit from his income. First, he had to pay off the \$7,700 loan he obtained to pay \$6,500 in recruitment fees and other costs, which corresponds to three to four years of labor given Vietnam's minimum wage at \$130-170 per month.

Some of his colleagues join your conversation. They paid similar amounts to local agents for three-year contracts. Everything is paid up-front. Everybody had to borrow. Some mortgaged their family plots of land. Some even paid twice, because they went back to Vietnam to get a three-year extension via the recruiters, when their contract ended. Some arrived recently and are still paying.

Speaking about contracts, you didn't actually get a copy from the recruiter. You never thought much about it. Well, why bother? You had to sign a new contract anyway upon arriving in Taiwan. One of Tuan's colleagues says the recruiter in Vietnam asked him not to read it, but just sign it and a blank piece of paper, too. He wasn't told why and didn't dare ask.

Like you, Tuan not only has to pay off loans, but is also deducted 6-7 percent of his monthly base salary for Taiwanese brokers, which is legal in Taiwan, and another 10 percent for the dorm and food. The broker fee isn't shown on his pay slip, but deducted directly from his bank account. Tuan and his colleagues are also fined for breaking dorm or factory rules, a further dent on their income.

Days become weeks. Weeks become months. You get into the routine. The initial exhaustion is gone. On your weekly day off, you sometimes visit malls or markets. You socialize mainly with other Vietnamese.

In a quiet sanctuary in the monotonous industrial landscape you meet Hien and other young workers from nearby Manufacturer B, which makes electronics for car suppliers like Bosch, Continental, Hella, Visteon, and Magna — all global Fortune 500 firms.

Besides obtaining loans to pay the \$4,200-6,500 recruitment fee for their jobs, some also had to pay a \$1,000 deposit to agents back home, which is lost if they don't complete the contract period. They also pay for the dorm, food, and more. Some say it took up to a year and a half to pay off their loans. Overtime helps pay off the debt faster, Hien reflects.

You are grateful for your overtime. Everybody you meet relies on excessive overtime, but sometimes they get less than promised. You remember Think, a former fisherman, who paid recruiters \$6,000 to work for a Taiwanese screw manufacturer, though he ended up at a furniture

factory instead. He rarely got more than 50 hours a week, so it took him two years to pay off his loan.

“I was very unhappy about the lack of overtime, because my parents had said ‘you need a lot of money before you come back,’” he told you.

If overtime is the shortcut to being debt-free, a supervisor’s anger is a detour. You feel well treated, but others like Dat are less fortunate. He paid \$6,000 for a job at a machinery manufacturer, but his debt increased even further in Taiwan, as he was hospitalized due to a workplace accident a few months after his arrival. He was charged the bulk of the costs. He lost his job and sight in one eye, so he found illegal work in construction.

“It is all about not getting deported. If you make too many mistakes, or get into an accident like me, you get fired and risk deportation. Better to run away and become undocumented. How else to get money for the loan?” said Dat.

It has been the norm for Vietnamese workers to pay huge sums for jobs since the early 2000s, when they began to enter Taiwan’s labor market in growing numbers. Today, Vietnamese comprise almost half of Taiwan’s industrial migrant workers, according to Ministry of Labor statistics.

Part 2, Taiwan: COVID-19 Curfews, but Just for Migrants

You keep working in Taiwan. Since mid-2021 when Taiwan had its first wave of COVID-19 infections, it has been a rollercoaster of curfews, no curfews, soft curfews, and strict curfews at your workplace — though only for foreign workers like you. Your Taiwanese colleagues are free to come and go as they like.

“We feel caged. We haven’t been allowed out at all the past two months,” a colleague of Tuan told you in May 2022. “And we weren’t allowed out at all for months in mid-2021.” Currently, they are allowed out three hours weekly.

Hien and your friends at the other manufacturer are limited to three hours outside daily, if they have only two vaccine doses. During the COVID-intense months in mid-2021, they could go out for two hours each day. They have always been subject to nightly curfews.

Although Taiwan is currently facing a COVID-19 tsunami, it has fought off the pandemic better than most countries and never imposed a full lockdown. But the migrant-only curfews feel unfair and frustrate you. The two outside hours granted by your employer are mainly spent on transport. You live in a dorm in a factory compound in an industrial area with no shops around.

If workers break curfews, they are punished. Hien said they are fined 1.5 day’s base wage if they return an hour late and fees up to two weeks’ base wage for staying out overnight. Tuan’s colleagues said they are fined or temporarily suspended. They spoke in detail about fine systems for mistakes at the production line or breaking dorm rules. Migrant workers at Manufacturer A are fined by dorm supervisors for staying up too late, being noisy, smoking, drinking, and more. If they fight, they risk deportation.

“First time a dorm supervisor finds you misbehaving, it cost 500 NTD. Next time is 1,000 NTD. Third time is 1,500 NTD,” Tuan said.

Workers at Manufacturer A had many complaints next to the fees and never-ending curfews. They said passports were withheld for years until 2020. If they resign before their contracts end

they owe one month's pay. They were not allowed to keep a copy of the contract they signed in Vietnam. COVID-19 quarantine days are unpaid. Workers at both companies also complained about dorm conditions and food quality.

Part 3, Japan: Pay to Learn

Welding. Your agreement said you would become a welder when you finished your traineeship in Japan. But after a year of assembling machinery parts at the production line, you are not sure what welding skills you have acquired. You feel quite skilled in repetitive tasks though, and standing upright for a full day. Or night.

You are contracted by a minor firm, but your actual workplace turned out to be a much larger factory. You don't question the outsourcing arrangement; better keep working and get rid of the debt.

Ninety percent of the 150,000 Vietnamese who formally migrate for work abroad go to Taiwan or Japan each year. Like Taiwan, Japan gradually opened its labor market to foreigners in the 1990s, but contrary to Taiwan, low-skilled foreigners are entering Japan as trainees and for limited time only but still pay exorbitant fees.

You are the only trainee at your firm. After some time, you visit a shopping mall on a day off and meet two fellow Vietnamese, 25-year-old An and 29-year-old Thao, who just finished three years as trainees at Manufacturers C and D which are Toyota Group suppliers, they said. They and their co-trainees paid recruiters up to \$5,300.

You envy An a little. She gets paid the minimum wage, contrary to you and Thao. She operated a stamping machine over the past three years, while Thao worked night and day shifts at the production line. Most of their co-trainees also manned lines for 9-10 hours a day, but did not complain about pay or working conditions. Like you.

You know other trainees are less fortunate. The Ministry of Labor documents thousands of labor standard violations. The Ministry of Justice records hundreds of wrongful acts by employers. Thousands of trainees annually flee from their workplaces (5,000 in 2015, 9,000 in 2018), especially Vietnamese. In 2019 and 2020, Vietnamese accounted for over half of Japan's 400,000 trainees. Chinese came in second with 18 percent.

In 2019, Mitsubishi and Panasonic were penalized for having trainees assemble car parts instead of learning welding (Mitsubishi) and for doing illegal overtime (Panasonic). The two multinationals had 110 traineeships canceled and licenses withdrawn.

Japan's trainee program, formally known as the Technical Intern Training Program (TITP), has faced continued criticism over the years for exploitation ranging from overworking and underpaying trainees to severe human rights abuses and forced labor.

More debt risks loom in the horizon. New legislation allows semi-skilled foreigners to enter Japan's labor market in 14 industries, including electronics and machinery, and aims to enlist 345,000 migrant workers in five years to avoid labor shortage.

Thao and An told you about the new law. Unlike trainees like yourself, semi-skilled foreigners are not required to apply via local recruiters, but many still do and face fees and debts just like you. Others, including some of Thao's colleagues, try upgrading their trainee visas to semi-skilled visas to avoid the fees. You wonder if you could actually learn welding this way.

Part 4, Europe: “I hereby confirm that I will not try to escape”

Rabbits taste better than you expected. You didn’t really expect to hunt rabbits to eat in this country, Serbia, but you do in order to get enough to eat. Back in Vietnam you noticed a Facebook post about construction work here and applied. Recruitment agents post about hundreds of job opportunities in countries such as Poland, Hungary, and Serbia on Facebook, always for a fee of course.

You felt lucky. Fees only went up to \$2,100 for you and the other 500, who were recruited to build a tire factory in Serbia for Manufacturer E, a VW and former Renault supplier from China. It’s much cheaper than paying to access work in Taiwan or Japan like some of your fellow villagers did.

But on top of the fees, you and others had to sign “Commitment not to escape forms” by which workers agree that their families must pay over a year’s salary to recruiters within one week if workers leave their jobs prematurely. You also had your passport confiscated, so you are not going anywhere.

“When I arrived, I found that the factory was basically buying Vietnamese workers and when you got there you had to do whatever they told you to do,” one of your colleagues told the media. “The food was also very bad and not enough, sometimes we would go into the forest and hunt for food, anything we could catch, like rabbits.”

After the media exposure, you had your passport returned and were provided better accommodations. The change of bed and food was really nice, you think, but you are more closely guarded, probably to make it more difficult for your colleagues to speak with outsiders again. If they dare.

Compared to Taiwan and Japan, Europe is not a major destination for Vietnamese officially migrating for work, but reports occasionally surface about Vietnamese trafficking victims. Eastern European countries like Poland and Romania recently increased labor market access for Vietnamese. In 2017, 1,400 new work permits were approved by Romania and the following year Romania signed a memorandum with Vietnam to deepen cooperation in labor. Poland also recently loosened migration frameworks intending to draw more migrant workers from Asian countries such as Vietnam.

Part 5, Vietnam: Offering Yourself at the Human Market

You decided to return home. Your family welfare increased significantly because of your remittances. Your family plot of land is no longer mortgaged. Your parents’ house is being renovated. You reflect on the past few years abroad.

Why take on huge debts to pay for risky job conditions abroad, when you could find industry jobs in nearby provinces at home? Vietnam’s economy is growing fast with a low unemployment rate, even though the pandemic hurt. You recollect a conversation with your friend Thanh.

“It is a gamble, but it is worth it. Before I migrated, my mom used to go to a place in Hanoi called the Human Market, where people from the provinces come and wait for a day job. She usually got cleaning jobs at construction sites,” Thanh said. “But she’s old and tired, I wanted her to stop.”

Thanh's family lives in a mountainous province near the capital, but his father is unable to work due to alcoholism, so in 2020 Thanh paid \$7,000 to work at a Taiwanese manufacturer of plastic for cell phones. He does 12-hour shifts, but if he doesn't reach his daily target, he must work unpaid until he is done. You remember he said that "not getting paid for extra hours only applies to us Vietnamese. The Taiwanese get paid. But I don't mind. I am lucky, I paid off my debt and can send money home."

You feel the same. It is a gamble with unknown odds, but it is not easy to find a well-paid job in Vietnam. Most of the other Vietnamese you met abroad came from rural areas. Some worked for the minimum wage for years in factories before migrating. Many had parents worn out by day-laboring in agriculture or construction. Some people in your village made good money abroad and built new houses at home.

If you get overtime — and avoid trouble — abroad, you can significantly raise your family's income through remittances. Also, Vietnamese who return earn 50 percent more on average compared to pre-departure, according to ILO.

The size of fees for jobs depends on destination. An ILO survey of over 1,000 returned Vietnamese in 2019 found they paid \$6,500 on average in fees for jobs in Taiwan, Japan, and South Korea. Half had factory jobs. In Thailand and Malaysia, fees hover around \$1,000–1,400 with 40-80 percent obtaining loans to finance fees, according to 2017 ILO surveys. 90 percent took loans for fees to Taiwan, Japan and Korea.

The more you reflect, the more you want to depart again. Your parents are getting old. One more trip could secure their retirement. You briefly consider departing on a tourist visa and overstaying to work illegally, which is five to ten times cheaper than paying fees to recruiters, but you prefer avoiding risks. It doesn't always go well for such "tourists." Better to apply via agents again.

Lately, you started wondering why agents charge so much. They usually say they have many mouths to feed, but is it really that costly to arrange for jobs abroad? You have no idea, but in Taiwan you heard that Filipino, Indonesian, and Thai workers only pay 20-50 percent of the fees you do for similar jobs.

If you depart, you only need to borrow for half of the fees because of your increased welfare. After your first stint working abroad you know more about the potential for abuse, but somehow you've learned nothing about labor rights or unionizing.

Part 6, Recruiters: Follow the Money, Find the Agents

You ask around, you check Facebook, you read news. A world of recruiters is revealed to you. They come in all shapes. Some are public, some are private. Some are part of huge corporations, some are one-man shows. Some 400-500 are licensed, some aren't.

A national association called VAMAS, Vietnam's Association of Manpower Supply, even exists. It monitors and ranks around 100 recruitment agencies. Why not monitor all 400-500, you wonder? You notice a top-rated agency on VAMAS list called MVP and remember your friends from Manufacturer A in Taiwan telling that it charged them up to \$6,500 and made them sign blank papers next to their contracts. VAMAS has been working on reducing fees and increasing transparency for years, its website says. You silently question the impact.

You also learn that many agencies are former state-owned companies based around the capital. Privatized now, some keep close links with ministries or people's committees, such as VIHATICO, whose chairman doubles as secretary of the local Communist Party committee. VIHATICO was the other agency recruiting workers for Manufacturer A. Interesting.

Even more interesting is an article you find from 2016 about workers hired via VIHATICO, who fled an apparel factory in Malta, in Europe. They told the police about withheld pay and passports, while working 12 hours, seven days a week under threats of deportation, which resulted in a human trafficking case against the employer. VIHATICO had pocketed up to \$3,000 per worker.

You are getting good at this. You search for the recruiters who found jobs abroad for your other friends. Some at Taiwanese Manufacturer B paid \$4,200-6,500 for jobs to FORWARD, which is actually a Taiwanese firm with a subsidiary or partner in Vietnam. And the rabbit-hunting construction workers in Serbia paid Bao Son Manpower and Song Hy Gia Lai International to get jobs.

Bao Son Manpower belongs to the major Bao Son Group, active in real estate, hotels, hospitals, and training. It even owns a theme park near Hanoi called Bao Son Paradise. The founder and chairman of Bao Son Group joined Vietnam's prime minister on his state visit to Romania and Czechia in 2019. The chairman's daughter and legal representative of Bao Son Manpower was part of Vietnam's biggest divorce dispute worth \$500 million in 2010.

OK, important and rich men control some of the recruitment business. No surprise. How much do they profit? You find a calculator. If 90 percent of 150,000 Vietnamese pay \$6,500 on average for positions in Taiwan and Japan, it totals \$880 million or 420,000 years of your minimum wage. Annually. Wow. Is it legal?

Part 7, Legislation: "It is all legal, but that doesn't make it right"

Is it legal? You ask around. You connect with lawyers. Yes, recruiters in Vietnam are legally allowed to pocket up to three months of contractual wages from workers for getting them jobs abroad. It was also legal to charge your friends another two months salary on behalf of foreign brokers. The money would then be channeled to brokers such as those in Taiwan, where it is illegal for brokers to directly charge workers job-finding fees. In total, it easily adds up to \$4,000 or more just for the Vietnamese and Taiwanese recruiters' pockets. Then add costs for travel, visa, training, medical checks, and so on.

What explains this system? Experts and insiders say drivers for the excessive up-front fees are state corruption and red tape in the socialist bureaucracy, but profit sharing agreements with foreign agencies plays a role too. Seven sources with first-hand knowledge spoke about Taiwanese brokers pocketing money via Vietnamese recruiters this way.

Then comes an eye-opener: New Vietnamese legislation just entered force in January 2022 which prohibits charging workers fees for foreign brokers. It further prohibits public agencies from charging workers service fees for their own pockets.

Private agencies are still allowed to pocket what equals a few years of the minimum wage, but parts of the law are good. Going to Taiwan through a private recruiter could save you \$1,500 compared to earlier. Going through a public recruiter could save you much more.

You wish for efficient implementation of the law and proper monitoring of recruiters, but you doubt it. Many rural job-seekers rely on informal networks, which increases risks for deception and high fees. Recruits at Manufacturer A still paid high fees in 2022. And recruiters might replace illegal fees with new legal fees like in the Philippines some years ago, when the government cracked down on illegal fees.

You are not the first to question the recruitment industry. Over the years, decades actually, local media have told stories about exploited countrymen, irresponsible recruiters, and inept authorities. You never noticed. It heartens you to read the occasional article about someone trying to do it right.

You start reading foreign news, too. You learned a little Chinese in Taiwan, so you read about its recruitment industry. Taiwanese brokers can legally charge migrant workers monthly fees of 1,500-1,800 NTD (\$50-60, or 6-7 percent of base wage) throughout their stay, amounting to \$484 million annually.

In Taiwan, migrant rights campaigners are regularly on the barricades. Sometimes these groups are run by migrant workers, sometimes by locals. Migrant organizations! You wish you had known about those while working abroad. But your focus was on laying low and sending money home.

Foreign governments, think tanks, and consultancies regularly address recruitment in Taiwan, though not often the Vietnamese side of things. Electronics Watch, an independent monitor for public sector buyers of electronics equipment, recently expanded to Taiwan. But there is little political will in Taiwan to address the root causes of the recruitment-related exploitation. By contrast, the Ministry of Labor implemented new rules in 2021 limiting migrants' ability to change jobs.

Part 8, Brands: Ethical Recruitment in Supply Chains?

Some of the early-birds to address debt bondage risks because of high recruitment fees in Taiwan were Apple and Patagonia. Since 2008, Apple required Taiwanese suppliers to implement zero-fee policies, but still today identifies cases of foreign workers paying fees. So far, Apple has had suppliers repay 37,322 workers \$33.2 million. Patagonia started scrutinizing its Taiwanese suppliers in 2011.

You stare in disbelief. Fees reimbursed! It sounds unreal. You wonder how debt bondage and zero-fee recruitment are addressed by foreign buyers of Manufacturer A and B. Zero-fee or ethical recruitment, or the Employer Pays Principle, means that recruitment costs should not be borne by the worker but the employer.

Here we leave Minh (that's you) for a while and give the floor to the companies.

Manufacturer A and B are major publicly listed companies. Manufacturer A makes plastics and fibers and employs over 2,000 people including 500 migrant workers. Manufacturer B makes motherboards, especially for the global car industry, and employs hundreds of migrant workers. None of the firms replied to The Diplomat's repeated requests for comment. Neither did any of the Vietnamese recruiters.

Vietnamese employees at Manufacturer A and B paid up to \$6,500 for jobs – corresponding to three to four years of wages in Vietnam – despite Continental, Bosch, Dupont, DSM, and

Niagara Bottling stating that they do not tolerate workers paying for jobs at suppliers, as they told The Diplomat.

When it was told about our interviewee testimonies, Bosch found no problems despite its commitment to ethical recruitment. But the company said it “has taken your inquiry as an opportunity to further look into the matter and has asked the supplier to clarify the facts. Based on this exchange, our purchasing department currently has no knowledge of deviations from our requirements.”

Continental and Hella, on the other hand, said they would address the concerns raised and take further steps if necessary, which according to Continental could include “improvement measures or to terminate the business relationship.” Continental has imported from Manufacturer A for 10 years and Manufacturer B for two years. Bosch and Hella have sourced from Manufacturer B for over eight years, according to shipment data from Panjiva.

The motherboards of Manufacturer B appear in many of the world’s biggest car brands. For eight years, it has been exporting directly to Visteon in the United States and Magna in Canada, who are major electronics suppliers of global car brands. Magna did not confirm whether it commits to ethical recruitment. Visteon did not reply to The Diplomat’s queries at all.

Manufacturer A has shipped to DSM, Dupont, and Niagara Bottling for several years. Niagara Bottling, a major U.S. bottled water manufacturer and supplier to Walmart (which has committed to zero-fee recruitment) and Costco, said “we are taking immediate action, including coordinating an audit of [Manufacturer A]’s Taiwan facility. We may take further action, including suspending further purchases from this supplier, depending on the outcome of that audit.” Niagara makes billions of bottles annually from raw plastic by its biggest foreign supplier Manufacturer A and others.

DSM, a Dutch multinational renowned for its sustainability, said that it does not accept that workers pay for jobs at its suppliers, so it is now “working with [Manufacturer A] to ensure that they are compliant, including how they engage with others to ensure the standards that DSM expects are met throughout the value chain.” Dupont said it will “initiate a formal investigation into the claims.”

Now back to Minh (that’s you). You don’t know these big Western firms, but you know hypocrisy. Why did your friends at Manufacturer A and B pay for jobs over so many years, when the firms said workers shouldn’t pay? You wonder if the firms ever asked workers. It’s not that hard, it’s just one question.

More importantly, you wonder if the Western firms will ensure that your friends and colleagues are reimbursed, now the firms know their zero-fee recruitment policies are violated? They might afford it. Many of the firms profited over \$1 billion in 2021 and Manufacturer A over \$100 million.

You feel encouraged that Continental, DSM, Dupont, Hella, and Niagara will address their Taiwanese suppliers about the problems. That’s a start. You wonder why some of the other firms did not reply about any action (Magna, Visteon) or even concluded there is no problem (Bosch).

In Japan, Toyota Motor Corporation said it covers all recruitment costs incurred by its own trainees and that it expects suppliers “do not exploit employees with high recruitment fees and other costs that are considered unreasonable by international norms.” Toyota did not comment on the fees paid by trainees at Manufacturers C and D, nor whether it would take any action.

In Europe, Renault said in late 2021 that it “will not increase our exposure with [Manufacturer E] if these facts are confirmed.” In spring 2022, Renault said that it does not source from the supplier anymore. VW said that the specific Serbian factory under construction, owned by Chinese Manufacturer E, currently does not supply to VW.

You feel there is a long way to go, but you are out of time and must make up your mind. Your dad recently had a stroke, and your mom wants to go back to the Human Market in Hanoi. You better stop reading and start earning. But how?

Part 9, the Future: Where to Go From Here?

Hien, Thinh, Tuan, Dat, and the rest of your friends are still in Taiwan, some at Manufacturer A and B, some working illegally, all to remit money home to families. Do you aim for Taiwan, Japan, Europe, or elsewhere? You start asking friends and relatives for loans to finance your fees.

Zero-fee, ethical recruitment is increasingly gaining momentum, but in some industries and countries more than others. From the Gulf States to Eastern Asia, hundreds of companies have reimbursed hundreds of million dollars to over 100,000 workers.

Vietnamese workers’ high recruitment fees are a key debt bondage risk, but your friends are engulfed by the forced labor dynamics of global supply chains for other reasons too. Legal protection of workers like Tuan, Hien, and so on is chronically weak in all jurisdictions, at home and abroad. A lack of collective action, unionizing, and awareness make it all too easy to suppress or deceive individual workers. None of your friends ever heard about Vietnamese organizing abroad.

What your friends don’t know is that irresponsible sourcing and flawed audits by multinational firms, as well as weak global governance are key reasons, too. Multinationals face little, if any, legal responsibility for forced labor in their supply chains, nor are they legally obliged to transparently disclose suppliers.

It is not a simple case of poverty-driven workers in profit-driven markets. No single, all-embracing approach to eradicate bondage and forced labor exist. Progress is driven by a mosaic of efforts by different actors, including migrants.

Sometimes, drivers for change are corporate. The Responsible Business Alliance (RBA), the world’s biggest industry alliance in its field with over 200 members, requires regular members to commit to ethical recruitment and reimbursement of fees in supply chains. Walmart, Continental, and a Bosch subsidiary have joined. RBA has long been aware of the excessive fee problem in Taiwan and has had dozens of factories audited over the last decade, which is probably the most extensive effort by any multi-stakeholder initiative.

Sometimes, government enforcers and civil society drive change. In Malaysia, some of the world’s biggest glove manufacturers were hit by American import bans in 2020-21, which leveraged over \$100 million in reimbursement within a year for migrant workers’ excessive fees. In June 2022, the Biden administration said it would work with Taiwan to eliminate forced labor in global supply chains. Some European countries are adopting legislation that penalizes bigger firms for forced labor in supply chains, though proper implementation and impact has yet to come. In the meantime, lawsuits by civil society actors test whether current legislation can hold national buyers responsible for supply chain abuses, such as in the U.K. France, and elsewhere.

Back to you. A job in Taiwan's electronics industry sounds appealing because of its growing attention to zero-fee recruitment. You apply through public agencies that abide by the new law, so you avoid the highest fees. Many migrants-to-be aren't aware of the new law, and it is not difficult to find Vietnamese in Taiwan who paid fees beyond the new legal limits in 2022.

It is farewell time. You kiss your parents goodbye and head for the airport. Everything is settled. The recruiters actually gave you a discount on the fees, maybe because of the new law. You are ready for another gamble. Where do you go from here?

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