

Modern slavery and business in Indonesia

Susi Sarumpaet¹⁾

Katherine L. Christ²⁾

Roger L. Burritt³⁾

Abstract:

The risk of modern slavery, such as through forced and child labour, is particularly prevalent in developing country supply chains. Several developed countries have introduced legislation to eliminate the practice, but little is known about how modern slavery is perceived. To build knowledge of this sensitive area, anonymised results from interviews of managers in different parts of the Indonesian coffee supply chain are obtained and thematically analysed. Findings across the supply chain reveal: a lack of understanding of the term modern slavery and misconceptions about the meaning of child, forced and debt bonded labour in a modern slavery context; a general lack of knowledge of national and international regulations, standards and guidelines on modern slavery; a broad absence of policy on the issue at the entity level; and a greater concern for economic issues, especially since the COVID-19 pandemic. This exploratory research concludes to avoid being overtaken by events in operations and global supply chains continued growth of the industry, both within Indonesia and through exports, awareness raising is a critical first step in overcoming the lack of knowledge revealed.

Keywords: Modern slavery, Indonesia, business manager perceptions, supply chain, coffee industry.

¹⁾University of Lampung, Indonesia (Email: susi.sarumpaet@feb.unila.ac.id)

²⁾University of South Australia Business, University of South Australia

³⁾ The Australian National University

Introduction

Modern slavery is a relatively new term with no generally accepted definition (Mende, 2018), but is used to describe a collection of human rights abuses where one party exercises power equivalent to that of ownership over another person and coercion, threats or deception are used for exploitation. Unlike traditional slavery, modern slavery does not generally involve actual ownership, yet the presence of threats and/or coercion mean the result is much the same with the victim unable to leave or end the exploitation (Crane, 2013; Gold et al., 2015).

Although modern slavery can involve private and domestic arrangements, the business sector has been increasingly implicated in this scourge on society. At the current time estimates suggest there are more than 40 million people enslaved worldwide, with over 20 million victims involved with activities that support the supply chains of large corporations (Crane et al., 2017; Wen, 2016). To combat this practice a growing number of developed countries such as the United Kingdom and Australia have introduced legislation requiring large companies to provide an account of what they are doing to identify and combat modern slavery, not only in their own operations but in their supply chains (Christ et al., 2020; Crane et al., 2017). Extension of accountability to include the supply chain is pushing business organisations into uncharted waters and it is expected these requirements will have positive implications for victims of modern slavery in the many, mostly developing countries, from which large organisations source materials, services and products.

Modern slavery has been found to pervade every industry and country but it has been suggested the practice is more concentrated in specific locations and sectors (Christ et al., 2020; Nolan and Bott, 2018). South East Asia is particularly identified as a modern slavery hot spot (LeBaron et al., 2018). When large organisations subject to mandated supply chain reporting requirements assess their modern slavery risk it is likely and expected they will focus on operations and suppliers located in 'at risk' countries. At present there is a burgeoning body of research being conducted into organisations located in developed countries where legislation has been introduced (Christ et al., 2020). Given new due diligence requirements implicate upstream suppliers largely located in developing countries (GRI, 2021), research is needed to determine what business managers in these countries understand by modern slavery, their obligations and what support they need to ensure the practice is identified and eradicated. Without such research, modern slavery legislative initiatives are unlikely to fulfil their aims and objectives.

This study considers the problem outlined above in the context of Indonesia. To date, modern slavery research has largely ignored Indonesia as a research setting. This is surprising given its developing country status, proximity to Australia where modern slavery legislation is now in place and large population with just under 5% already living in poverty and another 20% of the population considered at risk (World Bank, 2021). In 2019 the Global Slavery Index rated the Indonesian Government's response to modern slavery at 5/10 (Walk Free Foundation, 2021).

The situation outlined suggests companies operating in Indonesia will soon be implicated by the modern slavery due diligence activities of foreign trading partners. Thus it is important that Indonesian business managers understand what modern slavery is and its potential impact on their business. This study considers this by addressing the following research question:

What is the perception of modern slavery by Indonesian business managers?

The paper proceeds as follows: Section 2 examines literature on modern slavery in business as it pertains to developing countries and Indonesia; Section 2 provides an outline of the method used for analysis of the case study; Section 3 provides the results of a questionnaire of managers in various parts of the coffee supply chain in Indonesia; Discussion takes place in Section 4, followed in Section 5 by a brief conclusion.

Key elements of modern slavery and Indonesia

Modern slavery is the term used to describe a collection of human rights abuses in which rights equivalent to ownership are exerted by one party over another, the victim (Crane, 2013; Gold et al., 2015). Although modern slavery is generally held to include forced marriage, domestic servitude and organ trafficking, from a business perspective most common forms of slavery involve forced labour, debt bonded labour or debt bondage, traditional slavery and the worst forms of child labour (Christ et al., 2020). Notwithstanding the commonly held perception that slavery ended with abolition, estimates suggest there are currently more than 20 million people enslaved in corporate supply chains worldwide leading to US\$354 billion of at risk goods being imported into G20 countries alone every year (Walk Free Foundation, 2018). Indeed, there are more people enslaved in the world today than fell victim during the entire period of the trans-Atlantic slave trade and while the number of victims has increased the 'cost' to effectively 'purchase' a human being has decreased dramatically (Bales, 2009, p. 15; Page, 2017). In addition, every country and every industry is believed to be impacted by slavery to some extent.

With so many victims of modern slavery involved with the production of goods and services used to support corporate activities the focus has shifted onto the role business plays in perpetuating modern slavery (Gold et al., 2015). Indeed, even if businesses are not directly responsible for the slavery that occurs in relation to their suppliers, or the suppliers of their suppliers, there is an increasingly accepted argument that they should have at least suspected such practices were occurring even if they chose not to address the risk of human rights abuse (LeBaron et al., 2018). The notion of businesses benefitting from worker exploitation in the supply chain while relying on this, or turning a blind eye, is a practice sometimes referred to as 'wilful blindness' (Pierce, 2010, p. 579). However, in recognition that business is part of the problem and must be part of the solution, global legislative efforts are increasingly concerned with how to engage the business sector with identifying and minimising the modern slavery risk associated with their activities (Gold et al., 2015). Of concern here is how businesses can be

encouraged to improve conditions for all workers in the labour supply chain. To date most efforts in this regard have focussed on what is sometimes referred to as transparency-based legislation where large organisations are required to publish an annual statement outlining what they are doing to identify and reduce the risk of slavery in their own operations and supply chains (Christ et al., 2020; Koekkoek et al., 2017). Examples of such legislation include the California Transparency in Supply Chains Act (2010), the UK Modern Slavery Act (2015) and the Australian Modern Slavery Act (2018) (Christ et al., 2020). Similar legislation is also being considered in Canada and New Zealand. Furthermore, on the 10 March 2021 the European Union Parliament voted to adopt mandatory human rights due diligence requirements for companies (Low and Tan, 2021). By forcing organisations to account for modern slavery risk it is expected that examples of poor conditions and slavery will be identified and rectified.

Although the majority of legislation in the modern slavery area emanates from developed countries, their long supply chains and need to undertake a modern slavery risk assessment and due diligence will impact other companies and suppliers upstream (Miller, 2017; Stevenson and Cole, 2018). Given the propensity in recent decades for MNEs to offshore low value, labour intensive activities it is expected that many of these suppliers will be located in developing countries. In such countries conditions and worker protections are different and knowledge of what constitutes appropriate work based on Western notions may not be well understood (Benstead et al., 2020; LeBaron et al., 2018). Many countries crucial to western supply chains have very different cultural, socioeconomic and regulatory contexts that create a situation where slavery is more likely to occur (Crane, 2013).

One developing country with much modern slavery is Indonesia, one of the top ten countries in terms of the absolute number of people in modern slavery (Global Slavery Index, 2018). Indonesia is the world's largest island country by populous located in Southeast Asia with 269 million people (Britannica, 2021). It is mainly a Muslim country with a diverse and unique history and culture. The problem of slavery in the Indonesian context has been known for some time with The Jakarta Post reporting there were 200,000 victims in 2013 (Jakarta Post, 2013). However, while the absolute number of estimated victims is large, on a per capita basis the country is ranked at 114 of 162. Although the per capita ranking may make the problem seem less urgent, modern slavery is generally underreported and underestimated and is of great concern (Roden, 2020; Wilkens, 2018). Furthermore, since The Jakarta Post report in 2013, the number of estimated victims has increased with the latest Global Slavery Index estimating 1,220,000 people are currently victims of slavery in the country (Walk Free Foundation, 2018). Furthermore, the Indonesian government was only awarded a BB rating for the overall quality of its response to modern slavery, suggesting there is much work still to be done especially in relation to 'at risk' industries like agriculture, fisheries, construction and manufacturing.

While migrant workers are the people most often exploited within the Indonesian context, native born people can also fall victim (Yosephine, 2016). In addition, the need for broader forms of education on the issue is also seen in the number of Indonesians who fall victim to

slavery when going overseas to work. Indonesia has begun to address the issue of modern slavery risk in the country. For example, there have been initiatives such as a joint anti-slavery project developed and delivered by the Global Freedom Network and Paramadina University to provide training about modern slavery and human trafficking to religious leaders and organisations, local government agencies and civil society (Global Freedom Network and Paramadina University, 2018). The government is also conducting 'training of trainers' events and trying to raise awareness of trafficking and modern slavery issues among the general public with such efforts being recognised by the US Department of State (US Department of State, 2020). Nevertheless, one area noted for improvement is the need to coordinate national efforts with provincial and local level authorities (US Department of State, 2020). Various regulations have been implemented to protect workers such as a requirement from the Ministry of Marine Affairs and Fisheries that all Indonesian fishing businesses comply with international human rights requirements, however such regulations are often not effectively enforced. Given the identified risk of modern slavery in the Indonesian context, for effective steps to be taken towards its elimination there is a need to understand current awareness of the problem within business supply chains.

Inductive-narrative method

The method adopted is an inductive-narrative analysis case study in the Indonesian coffee industry. Analysis is based on contextual literature and face-to-face interviews of managers operating in and across different stages in the coffee supply chain. Purposeful sampling of interviewees is used to ensure views from across the supply chain. The units of analysis are manager perceptions of individual entities and the complete coffee supply chain.

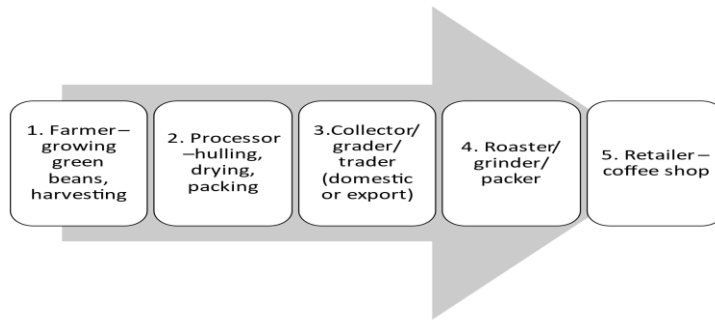
Case study: background to the Indonesian coffee industry

In 2018 the size of the global coffee industry measured by the annual volume of crop produced was about 170 million bags, using 60 kg. bags as the core unit (International Coffee Organization, 2021). Brazil, Vietnam and Columbia were the top producers and Indonesia with 5.5% of global production was the fourth largest. All four of these key producers are developing countries and it is in such countries, where labour is cheaply available and more open to exploitation, that modern slavery practices in business supply chains are the most prevalent (Christ and Burritt, 2018). Nevertheless, estimates for these four countries indicate Indonesia has the largest absolute number of victims and the highest proportion of the population living in modern slavery (Walk Free Foundation, 2021). As the main purchasers of coffee from Indonesia consist of both developed and developing countries, with the USA, the Philippines, Japan, Germany and Malaysia being the top importers (<https://comtrade.un.org/labs/data-explorer>), the possibility of sustainability issues in general and modern slavery risk in particular

in these global supply chains is of growing importance (see e.g., child and forced labour in Indonesia in Bashiri et al., 2021).

The coffee supply chain is complex and ranges from growing the green beans to serving coffee in a drinking container (Figure 1).

Figure 1 Coffee supply chain stages



Each of these stages presents a potential opportunity for modern slavery, such as forced or extreme forms of child labour, to become an integral part of the final product. In Indonesia the largest group of entities is found at the first stage of the supply chain and involves upwards of 2 million smallholder plantations averaging between 1 to 2 hectares per plantation, with a few larger plantations up to 4,000 hectares (USDA, 2019).

Structured interview questionnaire

The perceptions of business managers were sought through a structured questionnaire (Appendix 1), with inductive analysis being used to interrogate the data. Interviews of 16 managers were conducted across the different stages of the coffee industry supply chain (see Table 1). The aim was to ensure that perceptions of business managers gained from each stage of the supply chain were represented in the interviews. Interviewee responses were anonymized because of the sensitivity of the subject, but this has not distorted the scholarly meaning of the analysis.

Table 1: Sequential order of interviews and supply chain stages

Anonymised Interviewee’s Business #	Stages of the business	Knowledge of modern slavery
1	3, 4, 5	Low
2	3, 4, 5	Low
3	1, 2, 3, 4, 5	Medium

4	2, 3, 4, 5	Medium
5	3	Medium
6	3	Low
7	4, 5	Low
8	4	Low
9	3	Low
10	1, 2, 3	Low
11	2, 3, 4	Medium
12	1	Low
13	3, 5	Medium
14	3, 4	Low
15	3	Low
16	1, 2, 3, 4	Medium

Notes: (i) Stages: Stage 1 = Farmer; Stage 2 = Processor; Stage 3 = Collector; Stage 4 = Roaster; Stage 5 = Retailer (ii) Knowledge: Low = no knowledge or incorrect interpretation; Medium = knowledge of some aspects of modern slavery; High = knowledge of at least three aspects of modern slavery = extreme forms of child labour, forced labour, bonded labour.

The structured questionnaire was divided into two parts. Part A, contained 11 questions and sought descriptive information about the respondents and the business for which they worked. Part B, through a further 12 questions, interrogated interviewee perceptions about modern slavery and its prevalence in their business and in the Indonesian coffee industry as a whole.

Interview questions were developed and written in English, translated into Indonesian and then backwards translated from Indonesian to English using an independent bi-lingual Indonesian researcher (Behr, 2017). The interviews were conducted and recorded in Indonesian, transcribed into Indonesian and then translated into English by one of the bi-lingual co-authors. This helped maintain accuracy and authenticity of the information provided to and obtained from interviewees by an independent interviewer, such that the original meaning was not lost in translation (Welch and Piekkari, 2006).

Analysis of manager responses was based on primary and secondary coding using Atlas ti qualitative data analysis and research software. Thematic analysis was conducted in two steps, following the method outlined by Braun and Clarke (2006). After initial coding of transcribed interviewee responses, themes were then clustered to group the responses into categories based on similarity. For example, responses on the number of employees were used to categorize entity size and responses on perceived understanding of modern slavery terms were used to assign the businesses into low, medium or high categories (Table 1).

Unfolding narrative

Interviewee characteristics

Each entity in which a manager was interviewed operates across different sets of supply chain stages. Some entities operate through market transactions with independent suppliers, while others have internalised parts of the supply chain. For example, five of the entities collect, process and pack coffee, as well as have retail sales through coffee shops; three entities grow, collect and trade coffee; and one entity is only involved in growing beans.

Interviewees are directors and managers (purchasing, marketing and finance) located in Lampung Sumatera (11), Java and Bali (3), and Toraja Sulawesi (2), key coffee producing regions in Indonesia. Sumatera is Indonesia's largest coffee producing region, producing between 70 – 75 percent of all green bean coffee (USDA, 2019). Although 11 of the entities were small or micro, with under 50 workers, perceptions from medium (2) and relatively large (3) entities were also obtained. For example, Business 5 employs 30 casual workers, Business 7 has about 100 employees including contracted workers and interns, while Business 13 has over 600 employees with only 7 permanently employed in coffee and 20 in coffee shops. Given that modern slavery is often associated with casual employment it is notable that interviewees at 13 of the entities indicated the use of casual employees, although none were acknowledged as coming from overseas.

Together with connections to internal and external suppliers it might be expected that these entities are aware of the potential of modern slavery. For example, Business 5 has a supply chain of over 1,700 farmers and the possibility of extreme forms of child labour, bonded labour or forced labour should be on their agenda. Indeed, 10 of the entities have no branches or franchises and are fully engaged with upstream parts of the supply chain, while the remainder have downstream branches or franchises through their coffee shops.

While four of the businesses sell to international markets and might be influenced by changes in legislation, such as the introduction of codes of conduct for suppliers, eight signalled their intention to engage in these markets in the future raising the issue of their need to be aware of potential modern slavery risk. For example, while there “are no restrictions or quotas on coffee, tea, and spices whether bottled, brewed or packaged” into the USA (US Customs and Border Protection, 2021), there are import controls on coffee from most producing countries (including the main competitors) where forced or child labour is suspected (US Department of Labor, 2021). Indonesia currently has a competitive advantage in this regard and building awareness of modern slavery would help maintain this.

On the understanding of modern slavery and its terms

In general, the respondents showed little or limited understanding about modern slavery and its terms. Although half of the respondents said they had heard of and/or understood the term, they were unable to provide a clear definition or examples of the terms. For example, see a response of a large coffee shop manager in Bali:

Yes I heard about modern slavery from the news, but I don't really know what it means. (Business 15).

Some respondents said they understood the meaning of particular terms, but did not know if these terms are referred to as modern slavery. A coffee trader who claimed not to understand the meaning of modern slavery offered short definitions of the terms as follows:

Forced labour is a person who work without being paid, bonded labour is a person who has obligation or contract to work, child labour is an under-aged worker. I don't really understand what modern slavery means. (Business 9).

The response showed low understanding. This was quite common among the remaining respondents. An exception was a respondent with broader understanding as a consequence of their working experience in a local government office of manpower before recently switching career to coffee collecting and trading.

I think I know well about forced labour and child labour, but I actually know very little about bonded labour and modern slavery...I've heard about those terms, because to get the coffee certificates, for example, we and the farmers are not allowed to employ children under the age of 18. (Business 5).

In addition, two respondents from larger companies with international markets had a better grasp as they regularly followed the regulations and obtained relevant information from their customers.

Respondents who have heard about the terms gained information from news and social media, or through formal education before modern slavery emerged as a concept.

Yes, of course I have heard about forced labour and child labour since a long time ago from the school. I am not very sure about the terms bonded labour and modern slavery (Business 4).

Terms most frequently mentioned by respondents are forced labour, child labour and debt bondage. However, when asked for further clarification, they admitted to a low understanding

of the issue. Some respondents had heard about modern slavery, but did not really understand the term. Others had heard and had some understanding of some terms, such as forced labour, child labour, and debt bondage, but they did not know these are modern slavery terms, and they were unaware of the importance of extreme forms of child labour as targeted under the United Nations Sustainable Development Goal 8 on decent work.

When asked to provide definitions and examples of modern slavery terms, responses were limited to three terms: forced labour, child labour, and bonded labour (debt bondage). One manager of a state-owned company also mentioned human trafficking (Business 13), but the rest of the respondents did not raise any other related terms of modern slavery. Nevertheless, Indonesia has significant issues with internal human trafficking from rural to urban areas. In addition, Girls not Brides (2002) found that 16% of girls in Indonesia married before the age of 18 and 2% before their 15th birthday. This places Indonesia seventh highest in the world with the absolute number of women married or in a union before the age of 18. Although forced marriage is less of a concern to business, Indonesia is a major source and destination country for trafficking in persons, specifically trafficking associated with forced labour and with prostitution (YKYU, 2020) and it might have been expected that this aspect of modern slavery would have been familiar to interviewees.

The interviews indicated a lack of understanding of modern slavery terms across all stages in the coffee supply chain, from small local farmers to a multinational retailer. For example, the Business 12 respondent referred to forced labour as an historical condition.

Forced labour is like the one happened in [Dutch] colonial era (Business 12).

An inadequate definition of bonded labour/ debt bondage in modern slavery was also perceived by respondents, such as the manager of a large state owned company exporting their products to a number of overseas countries who said:

An example of bonded labour is when someone is given a scholarship to undertake a degree but that person has to work for the party giving the scholarship upon his/her return from the study. (Business 13);

and a large multinational coffee trader who explained:

I am not sure this example in the farm can be considered as a practice of modern slavery. Some collectors own shops in the local markets. These shops provide goods that are needed daily by the farmers, such as groceries and farming tools. These farmers often buy these goods from these collectors' shops in debt and pay it with their crops. They may sell the crops to other buyers, but usually they will sell it to the collectors who have lent them goods or advanced cash (Business 5).

Informal unstructured questioning confirmed that debt bondage or bonded labour, "ijon" in the Indonesian language, was only understood in a business-as-usual sense as "credit extended to

farmers, fishermen, or small entrepreneurs, the payment of which is made with the harvest or production based on a low price; often determined by the lenders” (Ministry of Education and Culture Republic of Indonesia, 2016). Debt bondage and forced labour in the extreme form associated with modern slavery is “not very well known by the public” (Aji, 2019) even though it has received recent attention. For example, at the government level there was an enquiry in 2016 into forced labour and debt bondage in the fisheries industry by the Indonesian International Organization for Migration (Chapsos, 2019). Also, National Action Plans on Business and Human Rights have been introduced and look for elimination of forced and child labour, but do not mention modern slavery per se (Komnas HAM and ELSAM, 2017).

Most respondents suggested that child labour involves those working under the age of 18. But they did not appreciate that modern slavery involves extreme forms of child labour and, instead, focused on tasks such as children working with parents in the coffee farms, which is a common phenomenon (Business 1).

On the existence and problems of modern slavery in Indonesian businesses

Even though there is vagueness and ambiguity about what modern slavery is, the majority of respondents did not believe that modern slavery occurs in Indonesia. Business 7 provided an example of a large coffee shop manager’s view of whether modern slavery exists in Indonesian coffee businesses:

I don’t think so....this is the era where people have access to information and to other people easily. They have smart phones and connect to social media. I don’t think slavery exists in coffee industry in the modern era. Perhaps it existed in the past, long time ago, but not today. Or perhaps they exist in the rural areas, but not in cities where our cafes are operating. If one of these things happen in the villages, I would not know either (Business 7).

There is no sense that modern slavery could exist in supply chains to the business, or that information could be gained about this. Likewise, most respondents did not think bonded labour occurs in Indonesia. Businesses 4 and 6 compared bonded labour with normal credit and necessary mutual relationships.

In overseas countries bonded labour is often associated with recruitment agents (Stevenson and Cole, 2018) but this was not so in the sample of interviewees in the Indonesian coffee industry. Where recruitment was specifically discussed, by Businesses 7 and 10, the question of agents was not mentioned. Given the important role of parantara intermediary negotiating agents in Indonesian business life, this was a surprising result.

A contrary perception was presented by a coffee collector who had prior experience working in the local manpower government office. She recognised that modern slavery exists in Indonesia, especially in the forms of forced labour, bonded labour and child labour:

We know from the news about the issues of forced labour, bonded labour and child labour. Forced labour in the fishery industry was brought up by the media not long time ago. I think bonded labour are still happening in many areas, especially in agriculture and among domestic helpers. These are modern slavery. (Business 16).

Respondents also showed a lack of confidence when asked whether modern slavery is a problem in the coffee industry, particularly in the form of debt bondage or bonded labour. Although the majority of interviewees believed that modern slavery does not exist in the coffee industry, a number of respondents mentioned that “*ijon*” (*creditor relationships*) exist as a long time practice in different sectors, including the coffee industry. Hence, care needs to be taken with the interpretation of this aspect of modern slavery in the Indonesian context.

One respondent suggested that debt issues are common among farmers of different kinds of commodity and government intervention is necessary to solve the problem (Business 9).

Only one respondent believed that bonded labour from a modern slavery perspective existed and is a problem in the coffee industry.

I think bonded labor is still happening upstream in the coffee industry, such as the sharecroppers. If the land owner has the heart, bonded labor will occur. The farmers first take money from the land owner, which is called kasbon (cash bond). With a very low salary and continuing interests, the tenant will never be able to repay his debt and will continue to work for the land owner. I think this practice still exists, especially in the remote villages. (Business 16)

On the entity's formal policy and codes of conduct

Out of 16 sample respondents, only two managers of large companies owned by foreign and private shareholders have a formal and written policy and a related code of conduct on modern slavery and human rights (Businesses 5 and 10). These policies and codes of conduct were written and disseminated to all stakeholders from business partners through their websites and other communication media.

The other respondents admit that their organisations do not have formal policies or codes of conduct written and shared with their employees, customers or business partners. Various

reasons were given but most relate to the idea that modern slavery is not a concern or priority to the business at the present time. The way they conduct business has been there for a long time - some even inherited from their great grandparents – and as a result they just continue with standing traditions. Hiring family members as employees or treating employees as family members provides validation that they are not involved in modern slavery problems. A coffee collector who also owns a large coffee shop in Bali put emphasis on how important it is for a business manager to observe the local context and culture to survive in the community.

In this village the more important issue is humanity. For example, it's hard to hire Balinese people because they so many religious holidays and cultural events in a year and they usually will refuse to work during these holidays or events. We have no choice but to respect this (Business 15).

On modern slavery practices and awareness of industry standards or guidance

With the large lack of knowledge about modern slavery, when asked about practices to combat or to mitigate modern slavery in their organizations, most respondents perceived that their operations are not involved in any forms of modern slavery.

I don't think this is a problem in our industry in this era, so I don't see why we have to be concerned about these issues. (Business 8).

One coffee shop owner and manager said that the strategy to avoid modern slavery lies in the process of recruiting high quality and well educated employees. Some respondents believed that treating employees like family members is a way of understanding and respecting human rights without having to formalize terms or policies in the organization. This statement represents one view shared by a few managers of coffee shops and a coffee collector:

Our objective is to improve the welfare of the farmers and health of coffee drinkers. With these in minds, of course we will also treat our employees well. They live in my house and eat the food my family eats, use our washing machines for their laundry, etc. I don't talk about these terms to my employees, but I think we understand and respect the human rights. (Business 1).

In general, respondents were more concerned about aspects of the economics of business, such as quality, quantity and price. A coffee collector in Lampung Sumatera who also owns and manages a coffee shop claimed that he focuses on helping coffee farmers to be independent (Business 14). He provided training and guidance for farmers to perform sustainable farming which he claimed led to higher quality and price of the crops and improved income and which could eventually liberate them from debt bondage.

The majority of respondents believed that modern slavery is not something they have to worry about or that existed within their organization and its supply chains. This might be attributed to not following the development of industry standards and regulations, or not having a policy or practices to identify or mitigate the risks of modern slavery in their entities. Business 2 explained:

We don't really have policy on these matters, but I don't think we are involved in such matters either. I am not really following the industry standards or regulations except for the minimum wages and child labour (Business 2).

Local and national authorities were more focussed on minimum wages, which political leaders used as an issue to gain the sympathy of voters (see Caraway et al, 2019). Child labour is another popular issue of concern to employers because of the Indonesian government's commitment to its eradication. It has committed to take out 1.7 million child workers of the labour force and placed back in school by 2022 (Jakarta Globe, 2015).

One exception is a multinational coffee trading company based in the Netherlands which has implemented a formal and written policy and practices on modern slavery (Business 5). This policy is applied to every step of the coffee process and every part of the supply chain. The statement from one manager reflects the company commitment to prevent the practice of modern slavery.

We have to do this because that is the rule given by our buyers. The flyers and signs are located in our office, warehouse and farms, such as the signs for smoking prohibition, evacuation routes, coffee certificates, etc. We can find these signs in every place as warnings and guidelines for safety and security. In the farm we post signs such as: no hunting and no employing children. We put the signs at many points that the farmers go through every day (Business 5).

One business mentioned schemes which certify standards on economic, environmental and social conditions (such as modern slavery) for coffee production and processing in operations and coffee supply chains. Business 5, an international trader, assisted farmers to gain certification through 4C, Mutezet and Rainforest. The small farmers were short of financial, knowledge, networking and marketing resources to achieve this themselves, and relied on a trickle-down effect from the larger companies.

On the awareness of modern slavery regulation in Indonesia and abroad

The lack of attention to regulations on modern slavery and human rights in general is evident among the respondents. Out of 16 respondents, 10 admit that they did not follow the development of such regulations in Indonesia, including a manager of a large multinational

company and a state owned enterprise who opined that it is the responsibility of the human resource department to handle such matters (Business 5).

Among the few who claimed to be aware of modern slavery regulations, their observation is also limited to the issues of minimum wages and child labour. In relation to the regulations in foreign countries few respondents claimed to be aware of such developments with the majority suggesting they had never heard about modern slavery regulation abroad and do not follow information on legislative modern slavery developments.

The reason, according to Business 12 is that they do not believe such regulations will impact on their business, either due to the small scale of their operations or the geographical scope of their markets. Most instead strived to improve their business by focusing on product and services quality and quantity, customer loyalty, as well as employees and farmer welfare (Business 8).

Even among the respondents who acknowledged the impact of international regulations on modern slavery, they were confused about who will be affected and linked this issue with other aspects of their business such as organic farming and product quality. A manager who attended and earned organic coffee certification expressed his idea on how the regulations abroad might impact on his business.

I think that is a crucial issue for overseas buyers, like other aspects too. For example, they will require information about whether the coffee is organically grown. So, they will make sure that there is no child exploitation involved in the supply chains. This is aside from other stringent requirements on the product quality, administration and legal aspects (Business 9).

Exceptions came from two managers of a large exporting company and a small collector who used to work for the government and is in charge of labour issues. They both believed that modern slavery regulations will affect Indonesian business in the future despite one claiming that they do not follow the development of labour regulations in international jurisdictions very closely.

I don't exactly follow the development of foreign regulations, but I think whatever regulations apply in those countries will eventually affect us through the requirements imposed by our customers to us. (Business 10).

Among four respondents that sold their product in international markets, one of them was a relatively small enterprise, which sold roasted coffee beans to individual customers in Singapore and Malaysia. The other three were large companies owned by international shareholders and the Indonesian government. However, they did not share the same experience in terms of international business partners' discussions or requirements related to

modern slavery issues. Only two large exporting companies belonging to national and international shareholders admitted that their overseas business customers require information about labour policy and acknowledge the impact of the modern slavery issues and regulations on their businesses (Businesses 5 and 10). The remaining 14 respondents affirmed that their local and international partners never mentioned anything related either to modern slavery or to human rights.

The following section provides discussion of the narrative and implications for development of a possible twin-track framework and policy for communication and further research.

Discussion of the narrative and implications

Indonesia is known as a major source of modern slavery and although it is largely a hidden problem evidence suggests its presence in agriculture. For example, although Indonesia has ratified all key international conventions concerning child labour (US Department of Labor, 2019), it is claimed that people in Indonesia still engage in the worst forms of child labour with agriculture as the most prevalent sector (Villadiego, 2018; UNICEF, 2016; Human Rights Watch, 2015). Nonetheless, perceptions of managers interviewed in the coffee industry are that modern slavery in the form of extreme forms of child labour does not exist. Instead, child labour on farms is perceived as normal practice where children help parents working on the farm after school hours, and school's must be attended as this is a government requirement.

Similar perceptions emerge from the narrative about forced labour, and debt bondage. Where raised at all, respondents only mentioned that forced labour is identified with the extreme working conditions of the colonial era in Indonesia, where people were forced to work in slave-like conditions, under threat and without being paid. Forced labour is perceived by the interviewees as an issue largely consigned to the past and not deemed relevant to contemporary business activities.

No interviewees at any point in the supply chain acknowledged the extreme form of bonded labour in which the worker needs to work to pay off debts incurred in relation to securing and continuing employment. Bonded labour was not perceived as an issue by the respondents. Indeed, most respondents expressed doubts about the definition of debt bondage. They are unsure whether a debt relationship between farmers of green beans and collectors is debt bondage or mutual bonding as part of business-as-usual. The typical work condition mentioned by most farmers and collectors is the soft form of debt bondage, called "ijon". These loans between the coffee farmers and collectors exist where farmers enter into debt and are unable to repay the lenders, who usually are the coffee collectors. These farmers often have no power to negotiate the price of their crops as they receive cash advances (kas bon) from the lenders before harvest time which is paid back after harvest. The perception is that businesses in the coffee supply chain need to prioritize and focus on economic considerations such as prices and costs. There was no perception that workers on the farms might be engaged in or trapped in

bonded labour. Bonded labour as part of modern slavery was not a notion that entered the thinking of respondents.

Further downstream in the coffee supply chain, interviews also revealed managers to be unconcerned about and not following government regulations and legislation on modern slavery and human rights issues. In consequence, they were not in a position to assess the impact of these developments on the coffee industry or business in general.

With growing international concern about modern slavery, the narrative reveals research is required into awareness-raising at two levels. First, between the government policy level and enforcement of legislation and managers in the supply chain. Second, between the downstream and upstream stages of the supply chain. The emerging narrative across the coffee supply chain is that communication about modern slavery activities is either misunderstood by the interviewees, perceived as business-as-usual, or seen not to be relevant to their business or industry.

Somewhat as a paradox, interviewees seemed well aware of a number of issues associated with poor work conditions in the supply chain. While discussing modern slavery many interviewee comments diverted into appropriate and legal work conditions detracting from decent work. The managers looked to discuss fair pay, worker protections and freedom to join unions among other good practices in human resource management. They also mentioned the need to recruit qualified employees, follow the development of national and international labour regulations, educate farmers about sustainable farming and reward them with high prices for green beans. Managers of the large businesses deferred to their human resource department when asked for more detailed information, indicating that the department would handle the modern slavery issues in line with existing regulations.

It is possible that no modern slavery exists in the Indonesian coffee industry. Nevertheless, with managers not being aware of or acknowledging the existence of forced, bonded or extreme forms of child labour in the coffee supply chain or industry, building awareness of the possibilities would be a first step towards overcoming the feeling that ignorance is bliss in the context explored.

Conclusion

Most of the managers interviewed in this case study of modern slavery perceptions in the coffee supply chain in Indonesia acknowledged that they were not familiar with the term modern slavery, revealing the need for an awareness campaign to build knowledge of the potential impacts on their businesses. All parties interviewed in the coffee supply chain in Indonesia seem unprepared for the potential need to demonstrate actions taken to mitigate modern slavery risk, either in their local cultural environment, to downstream purchasers or to government.

With no formal mechanisms perceived to be in place to root out and mitigate modern slavery, particularly in the upstream supply chain, two possibilities for enlightenment would be building awareness at the village level and introducing and enforcing developed country legislation to make businesses accountable and bring pressure to bear upstream. The latter involves modern slavery reporting as a first step. It would initially only be required for large downstream entities as awareness in the industry is built up. As the narrative shows only a few respondents interviewed understand the terms and definitions of modern slavery, all businesses involved are in need of understanding the issue. In addition, regulations on downstream participants related to modern slavery risk need top-down capacity building which might also trickle down to earlier stages in the supply chain. This can help parties upstream in the coffee supply chain overcome their lack of knowledge, anticipate changes in the development of modern slavery legislation, and avoid any potential shock at all supply chain stages, if modern slavery is discovered or import controls introduced by large overseas buyers who have their own reputations to uphold in relation to modern slavery. Yet, in the dispersed village context in which coffee beans are grown, a bottom-up approach is also needed to complement knowledge development. Such a twin-track policy would enlighten the managers at different stages in the Indonesian coffee supply chain, help build awareness of the potential problems for victims of modern slavery, and integrate thinking from the higher levels of government.

Care does need to be exercised not to transfer the narrative to other industries without seeking further evidence. Inductive-narrative interview research depends on the selection of people to be interviewed. Through further research, perceptions of managers from across the supply chain could be supplemented by engagement with other stakeholders – for example, regulators, non-government organisations, and people who have suffered from modern slavery. The single narrative emerging from perceptions of supply chain managers in Indonesia would be well served by further research into the narratives from other stakeholders. Perceptual research into similar industries, such as heavily exported Indonesian palm oil and cocoa, would also provide a useful point of comparison in relation to upstream awareness and effectiveness of communications in attempts to discover and eliminate modern slavery risk.

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Declarations

Ethics approval: The questionnaire for this study was approved by the Human Research Ethics committee of the University of Lampung, Indonesia. Ethics approval number: 1609/UN26.18/PP.05.02.00/2020.

Consent to Participate: Informed written consent to take part in the research was obtained from all participants prior to the commencement of the study. Interviewee comments are anonymized and this is indicated in the paper as follows, just before Table 1: “Interviewee responses were anonymized because of the sensitivity of the subject, but this has not distorted the scholarly meaning of the analysis.”

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