



# COVID-19 and Modern Slavery Within the Hospitality Sector



## Introduction

The COVID-19 outbreak has been affecting Asia since January 2020. It is now a global pandemic, with over 5.7 million cases detected in 168 countries and over 352,000 deaths globally as of 27 May 2020. Much of the world has implemented severe quarantine measures in an effort to contain the spread of the virus, and these measures have significantly affected many businesses, including the hospitality sector.

The hospitality industry has felt some of the largest impacts of the spread of COVID-19. Travel has halted, and many countries have enforced quarantines and social-gathering bans which have resulted in the closure of many bars, restaurants, and hotels. As this crisis continues to unfold, many hotels are facing empty rooms, which is having a devastating impact on their overall business. As one of the biggest global industries, disruptions to the hospitality sector has caused a significant impact on workers and supply chains across the world.

Modern slavery is a serious issue for the hospitality sector. Both forced prostitution and forced labour are real concerns that affect the entire industry, from budget to five-star hotels. One of the expected impacts of the COVID-19 crisis will be an increase in modern slavery associated with the hospitality sector both in the short and long term.

## Modern Slavery Vulnerability

There are many reasons why some hotel workers may be more vulnerable to modern slavery during the ongoing COVID-19 crisis and beyond. These include loss of income, increased debt, low awareness of workplace labour rights, requirements to work excessive overtime to cover staffing gaps, and the inability to safely return to home countries. Whether a hotel employee is hired locally or hired from another country to fill a particular role, the following are risk factors as the COVID-19 pandemic continues to unfold.

### *Worker Vulnerability*

#### **Job losses**

With limited hotel guests making bookings, restrictions on international travel and limitations on social gatherings, many hospitality workers have lost their jobs or been furloughed for an extended period of time. Without a paycheck and generally unable to rely on personal savings, this situation can create desperation that can expose workers to modern slavery and other forms of exploitation from unscrupulous employers. Unless hotel occupancy begins to increase soon, this situation will become more dire.

#### **Debt bondage**

As workers are told to stay at home, often resulting in the absence of a paycheck, the possibility that they find themselves bearing excessive debt significantly increases. This debt might come from local money lenders, community institutions or family members. In taking on debts that they cannot repay, workers leave themselves open to exploitation by these various parties. Employers may offer to lend money to their employees, and in some cases this might be the best solution. However, it could also lead to a debt bondage situation, where the worker falls under the control of their employer due to the debts incurred. The situation is generally worse for migrant workers, many of whom will have already incurred debts as part of the recruitment process.

#### **Quarantine**

Hospitality workers may be unable to come to work because they need to be quarantined or live with someone who is sick or confined to their home. In the case of hotel and restaurant work, it is impossible to implement any type of homeworking arrangement. This results in an absence of wages and a significant increase in vulnerability.

### **Third-party contractors**

Hotels sometimes use third-party service providers as room cleaners, caregivers, gardeners, security guards, and dishwashers. Some of these people might be migrant workers who are vulnerable to employment situations that include debt bondage or forced labour. Contractors are usually less protected than permanent employees when it comes to paid sick leave and paid annual leave. Even more at stake is their job security. Unless an effort is made to repurpose their roles during the COVID crisis, many of them could lose their jobs and face dire consequences.

### **Hotel construction**

Modern slaves can be found working on hotel construction sites. Within the range of subcontractors supporting a major build, there are sometimes exploitative approaches used to recruit unskilled workers whose wages are withheld and never paid. Understanding the increased risks associated with modern slavery during the COVID-19 crisis period is a key step towards protecting the hospitality industry from becoming exposed to them.

### **Discrimination**

Some hotel workers who have come from virus-affected areas have been discriminated against through association with a certain country or region. Further, as countries suffer from recession, there will inevitably be a tendency for some parts of the population to turn against migrant workers, particularly where they are perceived as taking precious jobs.

## ***Workplace Pressure***

### **Excessive, involuntary overtime**

With parts of Asia slowly re-opening hotels, restaurants and bars, and as these businesses seek to recoup their losses, there may be pressure to do more with fewer employees, thus resulting in unreasonable overtime. This additional work can be exploitative if it is involuntary and not compensated appropriately.

### **Freedom of movement**

Hotels may decide to implement new measures to protect workers from being exposed to this virus. In some cases, this might include restricting workers' freedom of movement. For example, workers may be requested to remain at the hotel or within the dormitories at all times. While this is often considered a modern slavery 'red-flag', in this case the restrictions may be designed to ensure worker protection during the pandemic period.

### **Worksite departure**

In some cases, workers worried about their safety within a hotel situation may be posed an ultimatum to either stay at their own risk of contracting the virus or leave and lose their job and payment thereof. Imposing fees or penalties for leaving employment is an indicator of labour exploitation and should not be permitted under any circumstances.

## ***Health and Safety***

### **Maintaining hygiene standards**

In some locations, there may be a lack of soap and running water available in worker hotel dormitories and canteens. In addition, there may be an absence of hand sanitiser dispensers in places where there is a high chance of hand-to-face contact, and of masks to protect workers who might work in close contact with others.

## **Workforce remains uninformed**

Hotel workers may not have a clear picture of the global COVID-19 phenomenon. They may be accessing broadcasted news in their own language only, and if they are not able to access the internet they may rely on bits of information provided by colleagues, family and friends. This increases the possibility of being misinformed. In some cases, workers may not understand the complexity of the unfolding situation. This could lead to resistance to new measures imposed by their employers and inadvertently pose a risk to their or others' health.

## **Illness Disclosure**

Because hotel workers may fear losing their jobs if they are found to be sick, they may have little incentive to reveal any health conditions, particularly low-level COVID-19 symptoms, thus posing a risk to others.

## ***Supply chains***

Hotels procure a wide range of products, some of which can be harvested or produced with forced labour such as seafood, fruits and vegetables, furniture and linen. Suppliers are likely to be under increased pressure themselves because of supply chain interruptions and their own financial difficulties resulting from the COVID-19 crisis period. These pressures are likely to affect the way that workers are treated within hotel supply chains.

## ***Forced prostitution***

Modern slavery vulnerability in a hotel setting can also be found in the form of forced prostitution. The privacy that hotels offer and the transient nature of their guests means that hotels can be prime venues for 'commercial sexual exploitation', a term used to describe forced prostitution. The victims of this crime are controlled by their captors using threats or debt for the purpose of generating profits through the sale of sex. Recent history has shown that during times of crisis (economic- or disaster-related), more people turn to buying sex to reduce stress and anxiety associated with day-to-day burdens. With expected increases in forced prostitution in the coming months, this is a risk factor that can't be ignored.

## **Proposed Responses to Reduce Modern Slavery Vulnerability Within Hotels**

The hospitality sector is well positioned to identify and address modern slavery in all of its forms. With the right training and tools, it can have a positive impact on many vulnerable lives. The Mekong Club is working with hotels within our network to support and advise them to ensure that, during these difficult times, workers' human rights and health and safety remain paramount, and modern slavery and labour exploitation risk is avoided or promptly addressed. Below are some basic recommendations and scenarios that hotels should consider:

### **Clearly state your position**

As a hotel brand, consider what implications the COVID-19 outbreak could have on modern slavery and develop a statement or policy to address this scenario. Put in place short, medium, and long-term mitigation plans to address the various stages of the crisis and recovery. While these outcomes should be used for internal purposes, some companies may choose to offer a public version of this statement.

### **Respond to debt bondage vulnerability**

Workers should be educated on the risks of taking out high-interest loans from unregulated sources, including their employers, and, if at all possible, from alternative loan sources. It is important that they understand the terms and conditions of any loan arrangements, including that they will not be forced to remain in a work situation against their will.

### **Ensure quarantined policies**

During quarantine periods, hotels should inform workers of what arrangements are possible. For example, the quarantine or part of it can be offset by the workers' paid leave, to ensure the worker can receive an income. This will lessen the risk of workers becoming indebted. This is particularly important for migrant workers who send remittances home, with families depending on them.

### **Worksite departure policies**

There are cases in which workers must temporarily leave their employment under the COVID-19 outbreak for personal reasons. These workers should be properly compensated for any service provided up to their leave day, and there should be no termination or penalty ultimatums imposed, if possible.

### **Illness disclosure policies**

Workers should feel that they can rely on their employer to prioritise their health and wellbeing in this time of difficulty. There should also be a very clear escalation procedure in place for workers who feel unwell or suspect they may be experiencing symptoms of the virus that would allow them to report this and receive the appropriate medical attention as quickly and safely as possible.

### **Temporary freedom of movement limitations**

Workers may be requested to remain at the hotel or hotel dormitories at all times. In addition, they may also be asked to refrain from assembling in common areas in large groups or be asked to keep distance from one another. These should be exceptional measures given the unique circumstances. In no cases should passports be retained to restrict workers' movement. Providing regular updates to workers on the status of quarantine and the reasons for different measures is key to maximising compliance.

### **Consent forms**

It is important that worker rights are respected at all times and that their position of disadvantage in most negotiations is recognised. At the same time, in these extraordinary circumstances, workers should have the right to make an informed choice about their contribution to maintaining a viable place of employment, including accepting – on a temporary basis only – lesser conditions. If there are new measures agreed with workers as a result of the COVID-19 outbreak (e.g. extended hours), it is recommended, after appropriate training, that a consent form be signed by the workers to show their agreement of such measures. It is essential to introduce a start date and an end date to these measures with any possibility of extension mutually agreed, and clearly and plainly communicated in the language of the worker.

### **Ensure overtime policies**

Overtime work should always be tracked by the hotel, appropriately remunerated and freely chosen by the employee. There should be clear guidance and policies regarding overtime, and what the hotel would consider to be excessive overtime for workers, as well as a requirement for transparency in overtime tracking.

### **Ensure no discrimination**

No discrimination should be permitted when implementing new measures, which should apply to the whole of the workforce.

### **Protect third-party contract workers**

Where possible, hotels should encourage that contract workers be repurposed during shutdown periods to enable them to receive some payment. For example, if restaurants are closed to avoid large gatherings, staff could cover extra turns to clean and disinfect working equipment or support with temperature-taking among guests.

### **Maintain hygiene standards**

Hotels should ensure that soap and running water are available in every worker toilet and in the dormitories and canteen area. Procure and provide hand sanitiser dispensers in places where there is a high chance of hand-to-face contact. Provide masks to hotel workers and clearly-marked bins to dispose of them.

### **Keep the workforce informed**

Hotels should develop and start implementing training on the COVID-19 virus immediately. Particular emphasis should be placed on the importance of self-hygiene and social distancing, which covers both proximity and duration of contact. Simple but frequent updates on virus cases in the relevant country/region will help keep the workers informed, and reliable sources of news information should be communicated to workers to combat the spread of misinformation.

### **Modern slavery training**

Some companies are offering additional training on the nexus between modern slavery and COVID-19 to employees, contractors and subcontractors to help them understand the issue and address it. To be effective, this training should be provided in the local language of the employees.

### **Increased due diligence**

After the COVID-19 crisis passes, hotels should increase monitoring of service contractors, construction sites and suppliers using comprehensive audits, surprise inspections, worker interviews, and document inspections. Red flags related to forced labour cases should include the following: workers who lack freedom of movement, involuntarily work excessive hours, or have acquired a large amount of debt; evidence of physical abuse, restraint, or confinement; signs of malnourishment, poor hygiene, fatigue, untreated illness; and injuries, or unusual behaviour.

### **Commercial sexual exploitation**

Following the COVID crisis period, it is expected that forced prostitution will increase. Addressing commercial sexual exploitation requires hotels to train their employees to identify and report suspicious behaviour. Certain staff, in areas such as security, reception and housekeeping, are in a better position to spot signs of human trafficking. Common examples of suspicious behaviour, which hotels often use as “red flags”, include: individuals who lack freedom of movement, are constantly monitored, or have no access to money or ID; requests for services such as additional towels and linens without allowing hotel staff to enter the room; rooms that are rented for a long-term stay with many men coming and going; a group of girls travelling with an older person who doesn’t appear to be a family member; and evidence of verbal threats, emotional abuse, or demeaning treatment. It is important that hotels assign responsibilities to supervisors so that action is taken when a case is identified. Information can also be provided to guests to prevent them from participating in this activity or enable them to report a crime. This response sometimes requires protocols that link hotels with NGOs or law enforcement officials.

# Annex A: COVID-19 Response Checklist

## Internal Reviews and Updates

- Use available international resources to guide present and future due diligence processes related to the COVID-19 response to modern slavery;
- Use your internal sustainability, human rights, and/or modern slavery team to identify and mitigate modern slavery risk within your business as the COVID-19 crisis continues to unfold;
- Develop an internal policy that lays out your company's plan to mitigate modern slavery vulnerability during and after this crisis; and
- Periodically provide information and updates on the impact of COVID-19 on modern slavery risk to your company's board of directors, senior decision-makers, and overall staff.

## Protecting and Supporting Workers

- Honour current service agreements with existing third-party contractors to reduce the impact on workers, when possible;
- Explore ways in which workers who have been laid off or furloughed can be supported: this might include offering some subsidy wages or assurances of rehiring, when possible; and
- Maintain ongoing communication with your recruitment agencies to collect information and share updates on internal decisions that have been made.

## Changes in Working Conditions During the Crisis

- Inform your workers when local government authorities restrict mobility and place limits on public gatherings;
- For third-party contract workers, organise and pay for their legal travel costs to countries of origin when migrants are laid off;
- Avoid issuing ultimatums to force contract workers to accept longer hours without their consent;
- Provide sick and compassionate leave for those who need to address family needs, without fear of termination;
- Only restrict your employee's freedom of movement where necessary for the purpose of preventing the spread of the virus and only for a given period of time; and
- Explore ways to redeploy your employees to mitigate the impact of workforce reductions.

## Collect Information Directly from Construction Sites

- Maintain ongoing relationships with existing construction companies;
- If site visits are not possible, call to collect regular information on staffing levels, present and future workloads, staffing requirements, and emerging trends;
- Determine whether existing policies related to freedom of movement, overtime and health coverage have changed or been revised since the COVID-19 crisis started; and
- Ensure remediation processes continue to function if exploitative labour situations arise.

## Supply Chain Auditing and Monitoring

- Identify what can be done to collect basic audit information from higher risk suppliers (e.g. seafood, furniture, linen) during a time when third-party audits can't be done in person. This might include calls to the supplier to collect feedback on what they are doing to reduce their vulnerability to modern slavery;
- Encourage suppliers to regularly monitor modern slavery red flags, including excessive and unpaid overtime, limits on movement, documentation withholding, and excessive debt;
- Develop a schedule for resuming future audits; and
- Re-prioritise which modern slavery risks are addressed based on the impact of COVID-19.

## **Awareness-Raising Efforts Among Your Employees**

- Provide training to your employees on the risks of modern slavery practices in relevant languages;
- Open channels of communication and dialogue when questions arise;
- Communicate clearly, accurately and frequently to workers about the situation in relation to COVID-19, current measures in place, expected timeframe and reasons behind them; and
- Ensure that only verified news and information is shared with employees through official channels.

## **Commercial Sexual Exploitation**

- Train your security, reception and housekeeping staff on the increased risk of sex trafficking following the COVID-19 crisis;
- Ensure that your hotel has an updated set of processes and procedures in place to address suspected cases of forced prostitution; and
- Assign responsibility to supervisors so that action is taken if a case is identified.

## **Multi-Stakeholder Efforts and Ongoing Collaboration**

- Join multi-stakeholder initiatives that are addressing the COVID-19 crisis (e.g. The Mekong Club, Be Slavery Free);
- Collaborate with other organisations, including other hotels and civil society organisations, to identify and share best-practice approaches to protect and support vulnerable workers; and
- Engage with NGOs on options to address worker debt in ways that reduce vulnerability to exploitation.

## **Health and Safety**

- Comply with public health requirements established by the government authorities and/or the World Health Organization;
- Ensure that health and wellbeing are a priority for all your employees;
- Offer supplies to protect workers, including masks, eyewear, disinfectant and protective clothes, when possible;
- Regularly clean and disinfect common work and living areas;
- Reduce overcrowding in dormitory sites to offer social distancing;
- Ensure there is a regular supply of soap and running water;
- Ensure that handwashing, social distancing and use of face masks are in place throughout your hotel; and
- Put in place activities to address the stress and anxiety of your employees.

## **Stigma and Discrimination**

- Offer training and awareness-raising activities to reduce any stigmatisation and discrimination associated with the COVID crisis among staff or guests; and
- Encourage your staff to treat everyone with dignity and respect.



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