



Slavery Alert: Consumer Poll, India¹

*Findings from research examining how
Indian consumers would act with regards to
products made with modern slavery.*



**WALK FREE
FOUNDATION**

Executive Summary

- The Global Slavery Index estimates that modern slavery affects some 35.8 million people.² Within India itself, an estimated 14 million people are enslaved, whether through forced or bonded labour, human trafficking or forced marriage.
- Within Indian and global markets, different forms of modern slavery find their way into the supply chains of many consumer products, whether fresh food, tea and coffee, electronics, or textiles and clothing.
- The Walk Free Foundation undertook a survey of Indian consumers to understand if they would be willing to act – through switching brands or paying higher prices - to avoid buying products made with modern slavery.
- Because of the sample used, the survey results can be extrapolated to all urban Indian consumers.
- The survey results confirm that the majority of Indian consumers would switch brands or pay higher prices to avoid buying products made with modern slavery:

- 54% of consumers said they would switch products if they learnt their favourite product was made using modern slavery (11% were not sure, 34% said they would continue buying the product). Of the people who knew how they would act (i.e.: answered clearly they would or would not switch brands), the vast majority (61%) would switch products.

- 74% of consumers said they would pay more for their favourite products in order to ensure they were free from modern slavery (9% were not sure, 17% said they would not pay more). Of the people who knew how they would act (i.e.: answered clearly that they would, or would not pay more), a vast majority (82%) stated they would pay more to ensure their favourite products were not made with modern slavery. Only 18% of these respondents would not pay more.

- The United States is the number one importer of goods from India, by value of trade and share of total (nearly 14% of market share).³ Walk Free Foundation research indicates that 66% of US consumers would switch products if they learnt they were tainted by modern slavery.⁴

- Indian consumers indicated a certification mark from a government body would be more trusted than other sources, to identify and guarantee products are made without modern slavery.

India is entering a phase of rapid economic and social change. Politicians and businesses need to understand that consumers – both in India and in key global markets – will take action to avoid buying products made with modern slavery.

Are consumers prepared to push corporates to change their practices, through switching brands or paying more to ensure products are slavery free? The survey results suggest they are.

1 Survey results are also available for the United States, United Kingdom and Brazil.

2 See further www.globalslaveryindex.org

3 Trade information from <http://www.theguardian.com/news/datablog/2013/feb/22/cameron-india-trade-exports-imports-partners>.

4 See analysis of US consumer poll results www.globalslaveryindex.org

Introduction

While many people think slavery is a thing of the past, unfortunately research – and recent cases including in India - confirm that modern forms of slavery still occur in 2015. Whether called forced labour, debt bondage, human trafficking, or slavery itself, modern forms of slavery persist in all countries and in many industries today, including construction, agriculture, textiles, hospitality, automobiles and electrical goods. Indeed, the Global Slavery Index estimates that modern slavery affects some 35.8 million people.⁵ Within India itself, the 2014 Global Slavery Index estimates that some 14 million people are living in modern slavery (approximately 1.141% of Indian population).

As a crime, modern slavery is typically well hidden, and perpetrated against individuals who tend to be vulnerable for a combination of individual and social reasons, whether related to their migration status, disability, gender or caste status. The hidden nature of modern slavery presents serious challenges for law enforcement but also for businesses. Within the supply chains that allow clothing to be manufactured or electronics to be assembled, the use of forced or enslaved labour in supply chains may be many tiers deep.

Just as many consumers do not want to buy products that involve cruelty to animals or environmental harm, it is likely that consumers do not want to buy products built off the back of cruelty to their fellow humans. The Walk Free Foundation set out to test this, through running a nationally representative survey in several countries, including India, to understand the shopping habits and factors that impact on purchasing decisions.

The survey results are relevant as the Indian Government and businesses look for economic opportunities to drive continuing growth, both in the domestic and global consumer markets. For example, the United States is the number one importer of goods from India, by value of trade and share of total (nearly 14% of market share).⁶ Walk Free Foundation research indicates that 66% of US consumers would switch products if they learnt they were tainted by modern slavery.⁷

While some responsible corporates already focus on this issue as part of doing business, many do not. Are Indian - and global - consumers prepared to push corporates to change their practices, through switching brands or paying more to ensure products are slavery free? The survey results suggest they are.

Consumer pressure in India, and in global markets for Indian products, has the capacity to potentially impact on the economic sustainability of many atrocities, whether this is forced labour in brick production, bonded labour in carpet weaving, or mass production of garments for the global economy. India, a lower middle income country, with a GDP of US\$1.877 trillion,⁸ is home to more than 1.2 billion people and in 2013, enjoyed GDP growth of 5%.⁹ On the strength of the growing Indian economy, regional growth in South Asia has been boosted,¹⁰ and this regional leadership is reflected on a global scale. Indian consumers report the highest levels of confidence globally¹¹ and the ever-expanding Indian consumer market is expected to outgrow both China and the United States, to approximately \$13 US trillion by 2030.¹² Indian consumers can be a powerful force for change through their purchasing decisions.



⁵ See further www.globalslaveryindex.org

⁶ Trade information from <http://www.theguardian.com/news/datablog/2013/feb/22/cameron-india-trade-exports-imports-partners>.

⁷ See analysis of US consumer poll results www.globalslaveryindex.org

⁸ <http://data.worldbank.org/country/india>

⁹ <http://www.worldbank.org/en/country/india>

¹⁰ <http://www.worldbank.org/en/publication/global-economic-prospects/data?region=SAS>

¹¹ <http://www.ibef.org/industry/indian-consumer-market.aspx>

¹² <http://www2.deloitte.com/content/dam/Deloitte/uk/Documents/about-deloitte/deloitte-uk-about-india-matters.pdf>

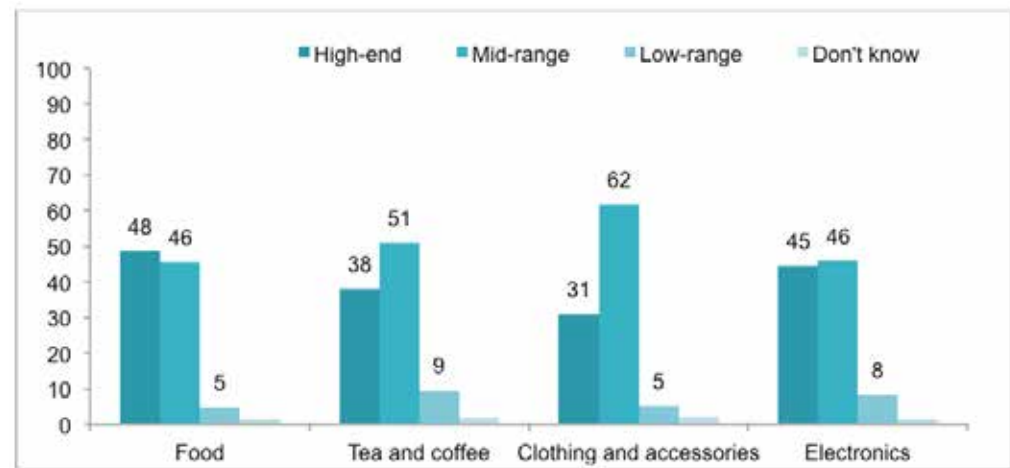
Findings

In December 2014, the Walk Free Foundation surveyed 1,000 adults across India's urban population, using an online survey delivered by YouGov. With a nationally representative sample, the results can be extrapolated across all urban Indian consumers. Consumers were asked a series of questions to understand their shopping habits and purchasing decisions in relation to the freedom of the people who make the products they buy.

First, information was sought about whether Indian consumers usually bought low, medium or high end food, tea and coffee, clothing and accessories, and electronic products. Most respondents usually purchased in the middle range for most products tested (see Figure 1). This price point information is useful to compare against information sought later in the survey about purchasing decisions.

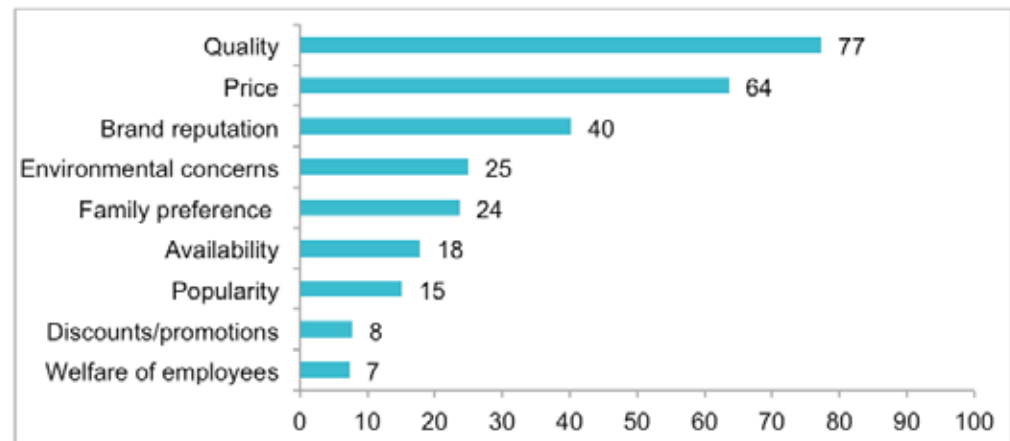


Figure 1: Purchasing break down across product categories (India)



Information was sought about what factors are important to consumers when making purchasing decisions. Of the list provided, quality, price and brand reputation were overwhelmingly the three most important factors. The welfare of employees was an important factor for only 7% of consumers (see Figure 2).

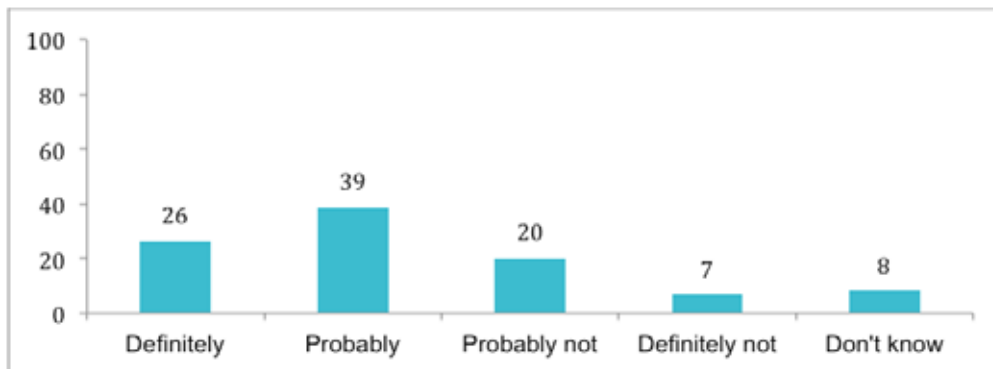
Figure 2: Factors that influence purchasing decisions (India)



Findings

After these initial questions, respondents were provided with information about the concept of “modern slavery”. It was explained that the term “modern slavery” does not mean low paid workers but instead refers to “forced labour in factories, or farms, where people are forced to work against their will, and they cannot leave”. Following this explanation, information was sought about whether consumers think the products they buy are affected by modern slavery. A majority (65%) of consumers believe that the products they buy are, or are likely to be, affected by modern slavery. A further 27% did not believe this to be the case, and 8% were not sure if their products were affected by modern slavery (see Figure 3).¹²

Figure 3: Do you think the goods that you buy are affected by modern slavery? (India)



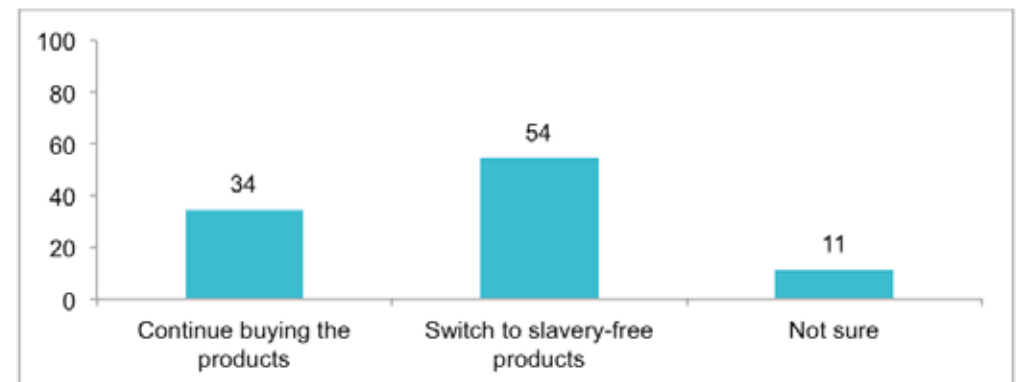
¹² Because of rounding, not all percentages add up to 100.

Consumers were then asked what they would do if they learnt that their favourite product was made involving modern slavery:

- 54% of Indian consumers said they would switch products if they learnt their favourite product was made involving modern slavery;
- 11% were not sure what they would do;
- 34% said they would continue buying the product (see Figure 4).

Of the people who knew how they would act (i.e.: excluding those who said they were not sure what they would do), the majority (61%) would switch products. Within this same group, 39% thought price and quality were more important than modern slavery considerations when buying a product.

Figure 4: What consumers would do if they found out that their favourite products were made using modern slavery (India)



Findings

When asked if they would be willing to pay more for some of their favourite products if this ensured they were produced without the use of modern slavery:

- 74% of Indian consumers said they would pay more to ensure products were produced without modern slavery;
- 17% were not sure;
- 9% said they would not pay more.

Of the people who knew how they would act (i.e.: excluding those who said they were not sure what they would do), the vast majority (82%) would pay more to ensure their favourite products were not made with modern slavery. The remaining 18% said they would not pay more.

Contrary to expectations, price was not a barrier

to action, even for those consumers who had nominated price as one of the top three factors that influence their purchasing decisions. Of the consumers who indicated they would pay more to avoid modern slavery in their purchases, 62% of these had also selected price as one of the three most important factors determining purchasing decisions.

When information about usual price points (low, medium, high end) for products is compared with information about behaviour, it becomes clear that the majority of consumers across all price points, and across all consumer categories tested would take action of some form in response to modern slavery.

Specifically:

- 65% of consumers who buy mainly low-price products would take action involving switching brands or paying more in response to modern slavery;
- 87% of consumers who buy mainly mid-price products would take action involving switching brands or paying more in response to modern slavery;
- 92% of consumers who buy mainly high-priced products would take action involving switching brands or paying more in response to modern slavery.



Findings

Of the group who said they would be willing to pay more, information was sought about *how much more* they would be willing to pay, across food, tea and coffee, clothing and electronics.



Within this group, for food:

- 34% said they would be willing to pay *up to 10% more* to ensure these products were produced without use of modern slavery;
- 65% said they would be willing to pay *over 10% more*;
- 1% didn't know.



For tea and coffee:

- 43% said they would be willing to pay *up to 10% more* to ensure their favourite tea and coffee is produced without use of modern slavery;
- 56% said they would be willing to pay *over 10% more*;
- 2% said they didn't know.



For clothing:

- 35% said they would be willing to pay *up to 10% more* to ensure their favourite clothing was produced without use of modern slavery
- 63% said they would be willing to pay *over 10% more*;
- 2% said they didn't know.



For electronics:

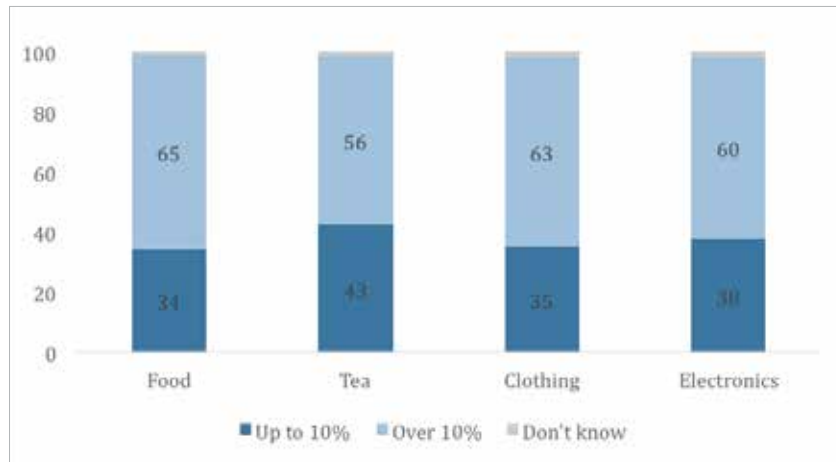
- 38% said they would be willing to pay *up to 10% more* to ensure their favourite electronics were produced without use of modern slavery
- 60% said they would be willing to pay *over 10% more*;
- 2% said they didn't know.

In summary, within the very large group of Indian consumers (74%) who were willing to pay more to ensure purchases were free from modern slavery, 34-43% are willing to pay up to 10% more. A further 56% - 65% of this group would pay over 10% more for food, tea and coffee, clothing and electronics for this guarantee. (See Figure 5 - page 8)



Findings

Figure 5: How much more would consumers be willing to pay to ensure products are made without slavery? (India)



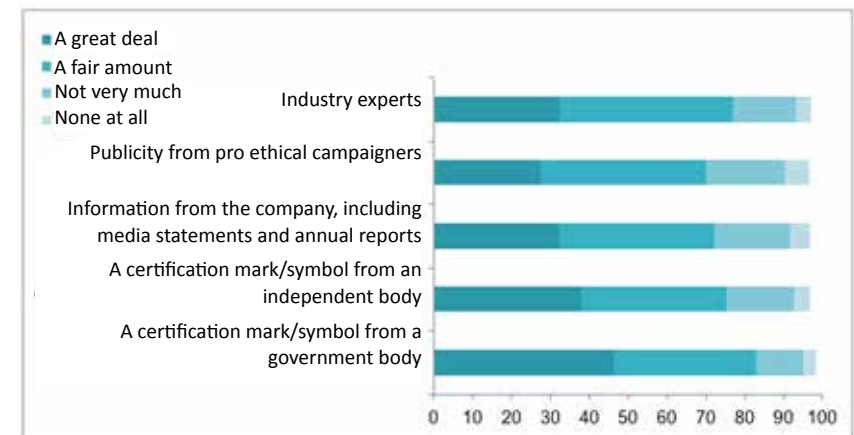
Of the group who would take action, the proportion of males (51%) and females (49%) is nearly equal. Also within the group that would take action, younger people were more likely to act, with 38% of those aged 25 and 34 willing to take action, followed by 33% of those aged 35-54 years.

Do people who say they will switch products or pay more actually do so in practice? For the purposes of this survey, it was assumed that past behaviour is some indication of likely future behaviour. Accordingly, the survey asked whether consumers had previously stopped buying products after learning they did not meet their ethical expectations. Eighty percent of Indian consumers surveyed indicated they had previously stopped buying from a brand/company after learning that the goods did

not meet their ethical expectations. Of this group, 91% also indicated they would act in some way to ensure they didn't buy products using modern slavery (7% wouldn't and 2% weren't sure). Among the 16% of consumers who had not previously acted on ethical standards, 84% would take some form of action to avoid goods made using modern slavery (10% wouldn't take any action and 6% were unsure).

Consumers were also asked about what sources of information they would trust to identify and guarantee products are made without modern slavery. The findings confirm that a certification mark from a government body would be trusted more than other sources of information (Figure 6).

Figure 6: Which sources of information would consumers trust to identify and guarantee a product was made without modern slavery? (India)



Implications

Walk Free Foundation's survey results indicate that the majority of Indian consumers across all price points, and across all consumer categories tested **would take action of some form (either through switching brands and/or paying more) to prevent or respond to concerns about modern slavery.** A large 74% of Indian consumers are willing to pay more to be assured that their purchases are slavery free. Of this group, 56% - 65% of this group would pay over 10% more for this guarantee, across food, tea and coffee, and electronics. **Consumers have a desire to be informed when a product is certified slavery free, and many would trust a certification mark from a government body more so than any other source.**

These findings are particularly relevant as when taken in absolute terms, India has the highest estimated number of persons in modern slavery in the world, at 14 million people. This, when coupled with the expanding Indian consumer market and the changing political sphere, indicates that the time for reform has never been so needed, nor so wanted. What remains to be seen is whether the Indian Government and business will take up the challenge and leverage this consumer power to fight modern slavery.

