

What price freedom?

Modern slavery, Xinjiang and the disruption of the liberal international order

Remarks to the Australian Institute of International Affairs

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INTRODUCTION

1. We live at a moment of significant international change.
2. We face two significant sources of disruption to the established order: the rise of Communist China, and climate change.
3. The international order we know has had a comparatively 'liberal' character.
4. Compared to previous eras, the post-World War Two era has been both purposive and effective in promoting freedom: individual liberties and human rights, liberal democracy, free trade, and free movement of capital.
5. This is not to suggest the post-War order has lacked abuse of power, domination, or coercion.
6. Many nations have experienced this order as deeply unequal, allowing rich, often white countries privileges that have sometimes been exercised brutally at other countries' expense.
7. Likewise, the so-called 'free' market can mask both structural disadvantage and inter-personal coercion.

8. In some 28 million cases worldwide, by a recent estimate from the International Labour Organization, coercion in the workplace rises to the level we call 'modern slavery'.
9. International law and the global order no longer tolerate chattel slavery. Legal ownership of another person is not permitted, anywhere, anytime.ⁱ That is a hallmark of the liberalism of the current international order.
10. But people are still treated *as if* they are owned. Some people still exercise *de facto* powers of ownership over others - the test for slavery in international and Australian law.ⁱⁱ
11. This is by no means a purely foreign phenomenon.
12. Here in Australia, we see signs of modern slavery in berry picking on the NSW mid-north Coast, in cleaning and facilities management, in domestic work, retail services, and the sex industry, among others.
13. And I want to begin, tonight, by acknowledging not only that we are on the traditional country of the Gadigal people of the Eora nation, but also that Australia's First Nations peoples have, in living memory, experienced practices that today we call 'modern slavery'.ⁱⁱⁱ
14. The liberal international order has *not* been particularly liberal towards indigenous peoples – if, by 'liberal', we mean respectful of rights and liberties.
15. We owe our wealth and prosperity here in New South Wales to settler policies of dispossession and even assimilation that drove coerced work by First Nations peoples, from agriculture

to domestic service, not to mention the cross-border human trafficking of Pacific Islanders that we euphemistically call 'blackbirding'.

16. The intergenerational impacts of those practices are still being felt today.
17. Yet, we continue to celebrate slavers and slaving. I live around the corner from a street named after a notorious slaver, Ben Boyd, which just a couple of years ago the local council refused to rename.^{iv}

1 – THE STORY I WANT TO SHARE

18. As an appointee of the Crown, as the state's inaugural Anti-slavery Commissioner, this is a domestic history I feel we need to acknowledge and in time address, if we are to have credibility in commenting on practices of assimilation and forced labour in other countries – as I will tonight.
19. Still, the history of First Nations' experience of modern slavery in this country is a story for others – principally First Nations peoples themselves – to tell.
20. The story I want to share tonight is a story about how we, here, in New South Wales, are connected into global value-chains, into liberalized trade and financial regimes, that generate and even sometimes rely on modern slavery.
21. And the story of our power to begin to change that.
22. Now, I am not a foreign policy actor.

23. The *Modern Slavery Act 2018* (NSW), which created the role I now occupy, gives the Anti-slavery Commissioner no authority to speak for any government, federal or state.
24. But it does charge me with advocating for, and promoting, action to combat modern slavery.
25. It does charge me to raise community awareness of modern slavery.
26. It does charge me to address risks of modern slavery in supply-chains.
27. Since the first of July this year, NSW government buyers – who spend over 30 billion dollars each year – are obliged not to buy products of modern slavery.
28. The *Modern Slavery Act* charges me to oversee these efforts in various ways. And so it is with those obligations in mind that I offer these remarks tonight.
29. The story I want to share with you tonight, is the story of the power we have, here in New South Wales, to help prevent and remedy modern slavery – even when it occurs far away from our shores. Even in a place like Xinjiang Uyghur Autonomous Region in the People’s Republic of China, which I will call ‘Xinjiang’.
30. At the heart of this story is a question: *what price freedom?*
31. We live in a notionally free market system.

32. But what is the price being paid by the people who make the cheap cotton garments, the tomato sauce, the vinyl flooring that this market furnishes?
33. What is the price being paid by the workers who produce the polysilicon used in the solar panels we are all turning to as we seek to arrest climate change?
34. Is the enslavement of Uyghur workers to make these goods a price we are willing to pay for them?
35. If not, what price premium would you pay for slave-free products?
36. And what if the price of goods being slavery-free is not only the retail price, but a delay – for example a delay in the transition to renewables?
37. Is *that* a price you are willing to pay to end modern slavery?
38. The answers we collectively fashion to these questions will tell us much. Not just about modern slavery, not just about the future of the international order, but also about what we hold dear.
39. After all, what you buy shows what you value.
40. To answer these questions, we need to understand three things.
41. First, how the liberal international order sometimes generates modern slavery.

42. Second, why – particularly in the context of Xinjiang – modern slavery is emerging as a flashpoint in international affairs.
43. Third, how thinking about modern slavery as a *system failure* may help us figure out what we can all, together, do about it.

2 – MODERN SLAVERY AND THE FREE MARKET

44. Let's begin with some vexing questions:
 - 44.1. How can a 'liberal' international order leave 50 million people in modern slavery?^v This is by some accounts more people enslaved than at any other point in history.^{vi}
 - 44.2. How can we call a system that denies freedom to 1 in every 285 people alive – and an even greater proportion of women and girls – a 'free market'?
 - 44.3. And why has modern slavery risen by a staggering 20 per cent in just five years, worldwide?^{vii}
45. Scholarship offers some clear answers. Modern slavery arises where 1) nefarious actors take advantage of 2) institutional weakness to 3) exploit vulnerable people.^{viii}
46. Global victimization has increased by 20 per cent in five years largely because there are more people vulnerable to exploitation, thanks to COVID, conflict and climate change.
47. In around 44 per cent of cases worldwide, the vulnerable people are those, usually women and girls, forced into marriage.

48. In 48 per cent of cases, the people are workers, forced to work against their will in private workplaces.
49. And in the remaining 8 per cent of cases, it is the state that forces people to work.^{ix}
50. In the commercial context, where I will focus tonight, modern slavery arises where employers see the risks and costs of coercion being outstripped by the resulting increase in profit.^x
51. Modern slavery is more likely in informal and so-called 'low-skill' work undertaken in isolation from communities – the norm in industries like horticulture.
52. Low rates of worker organization also increase risks of exploitation, as can industry concentration and regulatory capture, as we see in the palm oil sector in South East Asia, for example, or in beef production in Brazil.
53. Corruption is often key to entrenching modern slavery, so modern slavery is particularly likely in weakly regulated sectors with low barriers to entry, and workforces vulnerable to coercion – because they have temporary visa status, do not speak the local language, or are from a marginalized group.
54. In Australia, sectors such as cleaning, horticulture and the sex industry exhibit these characteristics.
55. Now, think for a moment about the effects of globalization over the last 40 years on industrial organization.
56. In many sectors, trade liberalization has created long global value-chains, where the goods sold to final buyers have passed

through many stages of design and production, often spread around the globe.

57. States with large pools of low-skill labour have competed for capital investment, by increasing labour market flexibility and reducing labour costs.
58. Production moves to countries offering to lower overall labour costs.
59. This is why the centre of garment production has moved repeatedly in recent years, from Western countries, to China, to South East Asia, to Bangladesh, to Ethiopia, and now to Myanmar.
60. The unintended result, however, is that profit funnels up the value chain, to major brands, while risk trickles down, to workers.
61. Take the move to ultrafast fashion by companies such as Boohoo! and Shein.
62. Their business model is based on 'ultrafast' introduction and turnover of styles, copying posts by social media influencers, with prices dropping ever lower.
63. The model works by forcing contractors to accept ultrafast and risky production schedules and unequal payment terms.
64. Contractors deal with the resulting risk by pushing it down to subcontractors, who in turn cascade it down to their subcontractors - and so on through the supply chain.

65. Ultimately, it is the worker at the point of production that ends up carrying the can.
66. Now, globalisation has been a powerful engine of growth. It has raised wages and household incomes, and improved women's workforce participation, around the world.^{xi}
67. At the same time, it has disconnected consumers and investors from the people that make their products and, increasingly, their services.
68. Globalisation increases not only the physical distance that goods travel from production to consumption, but also the moral distance.
69. It creates a yawning empathy and accountability gap.
70. It's in that gap that modern slavery flourishes.
71. Yet the reality is that these business models are not sustainable over the long term.
72. Modern slavery, it turns out, leaves us all worse off.^{xii}
73. The evidence shows that by drawing capital to low productivity sectors, it reduces wages for all workers, reduces innovation and even reduces gender equality.
74. It reduces multiplier effects in the economy, as individuals are transformed from both workers and consumers into, in Kevin Bales' memorable phrase, "disposable people".^{xiii}

75. It increases disease burdens and healthcare costs.
76. And it even worsens environmental outcomes, from carbon emissions to deforestation, overfishing and biodiversity loss.^{xiv}
77. So why does it persist?
78. Because modern slavery is a rent-taking system.
79. Powerful individuals and firms use their political and economic power to legitimise what is formally illegal: treating people as if they are owned.
80. And they reap the rewards – lower labour costs, higher profits, political buy-in.
81. Let me rephrase that. *We* reap the rewards: cheaper jeans and petfood; higher stock dividends; higher standards of living.
82. So while abolishing slavery may leave us all better off in the long-run, in the short-run, it means disruption, system change – and loss of vested interests.
83. The conclusion should be clear: Ending slavery will come at a price, even if, in the long-term, it does leave us all better off.

3 – THE XINJIANG RECKONING

84. So where does Xinjiang fit into this picture?
85. The plight of Uyghur and other minority peoples in Xinjiang Uyghur Autonomous Region, in the People's Republic of China,

throws all of this into stark relief.

86. Modern slavery and related human rights abuses are so widespread and systematic in Xinjiang that the UN Office of the High Commissioner for Human Rights recently concluded they may constitute crimes against humanity.^{xv}
87. Several of Australia's allies have recognized what is happening in Xinjiang as genocide.^{xvi}
88. Now modern slavery in Xinjiang is both different to, and alike to, the pattern of modern slavery in global supply chains that I have just described.^{xvii}
89. It is different, because the coercion that forces Uyghurs to work is not introduced by employers as a profit-maximizing strategy inside the workplace, but by the state, as part of a larger strategy of governance and social transformation in the region, forcing people into workplaces in the first place.
90. But it is alike to what I've been describing, because that state strategy plays out within a commercial context – and specifically in the context of embedding Uyghur forced labour into global value chains.
91. Allow me to explain.
92. Xinjiang – literally 'new frontier' in Mandarin – has long been perceived by China's rulers as a gateway through which disruptive forces from the west can enter the Han ethnic 'core' of eastern China.

93. President Xi Jinping's father, Xi Zhongxun, served as the top Communist Party official in the region during the 1950s, while it was being brought firmly under control of the People's Republic of China.
94. Beijing's strategy focused at this point on stabilisation, through Han settler colonialism.
95. A military garrison, the Xinjiang Production and Construction Corps, known as the *Bingtuan*, oversaw large-scale land reclamation and Sinification, with significant transfers of poor Han agricultural workers into the region.
96. Some local minority workers and students were forced into agricultural work, but the focus at this stage was on Han control and exploitation of resources, not on integration of ethnic minorities.
97. Now we have to pause our story for a moment here. It would be borderline hypocritical not to note the parallels between Beijing's policies towards Xinjiang in that period, and London's policies towards Australia's development in the eighteenth and nineteenth centuries.
98. Both cases involve a development strategy based on military-led settler colonialism.
99. Both involve strategies that seek to forcibly incorporate land, natural resources, and ultimately labour, into global trade and capital circuits.
100. And just as, in Australia, dispossession and forced displacement of our First Nations led, ultimately, and tragically,

to state-sponsored assimilation through family separation, forced labour and internment, so have policies played out in Xinjiang.

101. 2014 was the inflection point.
102. An indiscriminate attack in March 2014, allegedly carried out by Uyghur separatists at the Kunming Railway Station, left 31 dead and 143 injured.
103. Beijing now saw separatism and violent extremism in Xinjiang as a threat to broader Chinese stability. In a key speech, President Xi framed stability in Xinjiang as the foundation for the stability of the entire nation.
104. Under the guise of counterterrorism – a characterization roundly criticized in the recent report of the UN Office of the High Commissioner for Human Rights^{xviii} – Beijing set a new course in governing Xinjiang.^{xix}
105. This was a much more heavy-handed, interventionist policy, a strategy of proletarianization that forced Xinjiang's minority populations to give up their traditional lifestyles and to integrate into global commerce.
106. To achieve this, the Chinese Communist Party has unleashed what President Xi has called “the weapons of the people's democratic dictatorship”, extending surveillance infrastructure deep into religious, political and family spaces.
107. Besides technological, data and cybersurveillance, the “Becoming Family” (结对认亲) campaign has placed a million Han ‘guests’ into the homes and bedrooms of minority host families

to monitor and report on their hosts' private lives and thinking.

108. Next, from 2017, under a "De-Extremification Regulation" (新疆维吾尔自治区去极端化条例), Beijing constructed a large number of so-called Vocational Skills Education and Training Centres (职业技能教育培训中心) across Xinjiang.
109. Constructed behind high walls, barbed wire and watchtowers, this network of "concentration camps" has been described as China's "gulag archipelago", to use Solzhenitsyn's famous Cold War phrase.^{xx}
110. Between 1 and 2 *million* people from Uyghur, Kazakh and other minorities are estimated to have been involuntarily detained in these residential detention centres, where they undergo a program of quote "behavioural correction" based on Maoist political re-education practices.
111. There is extensive evidence that these centres are the sites of massive human rights abuse, including:
 - 111.1. hooding, shackling and handcuffing,
 - 111.2. sexual and physical assault,
 - 111.3. torture, such as prolonged confinement in the infamous 'tiger chair', and
 - 111.4. shoot-to-kill orders for those attempting escape or causing security disturbances.^{xxi}
112. Re-education through labour is a key part of this programme. In international fora, the Chinese government represents these centres as an affirmative action campaign to improve the "employability of workers" and promote "stable employment"

for disadvantaged minority workers.^{xxii}

113. At the same time, within the Party, leaders describe it as a way to prevent minorities' "infection" by separatism or religious extremism.
114. Detainees are forced to work in factories built, often with major tax and financial incentives from Beijing, adjacent to these camps.
115. The government typically pays enterprises a fee for each "trainee" they employ.
116. In some supply chains, this government support lowers production costs by as much as 30 per cent.
117. And after workers "graduate" from these centres, they are often sent to work in factories in eastern China, with the government again playing a significant role in connecting supply and demand.
118. Separate to these Centres, the government runs a parallel Poverty Alleviation through Labour Transfers scheme (转移就业脱贫).^{xxiii}
119. Since 2014 the scheme has moved hundreds of thousands of ethnic minority workers into labour-intensive industry, notably cotton, tomatoes and polysilicon in Xinjiang, and electronics, automotive and apparel factories in eastern China.
120. Now, worker placement schemes like this do not necessarily violate international labour norms and standards, and have had an important place in rural development efforts in recent

decades.

121. But they must be careful to guard against coercion, especially when adopted in the context of larger socio-cultural transformation and security efforts.
122. In Xinjiang, rather than safeguarding against coercion, the implementation of this scheme seems to have *invited* it. Teams of officials have visited Uyghurs in their homes to coerce them into the scheme.
123. To refuse is to risk yourself or your family members being sent to a Vocational Skills and Education Training Centre.
124. This is what scholars call “structural coercion”.^{xxiv} Workers may present to employers and social auditors willing to be there. But that is because they have no choice but to do so.
125. The reckoning in the West comes not simply from the growing awareness of the scale and gravity of these crimes.
126. It comes also from the realisation that we are buying products made by enslaved people.
127. Around 1 in 5 garments made worldwide likely contains cotton made with Xinjiang forced labour.^{xxv} The figure may be higher in Australia, given our trading patterns.
128. Xinjiang also accounts for around 18 per cent of global trade by volume in processed tomato products such as tomato paste and tomato sauce.

129. Check a jar of tomato paste in the supermarket, and it probably says 'Product of Italy'. But because of the way global supply-chains work, in reality a large share of those 'Products of Italy' are in fact simply diluted concentrates produced in Xinjiang.
130. And then there is solar power.
131. A staggering 90 per cent or more of the solar energy produced in OECD countries is thought to be made by solar panels that contain polysilicon from Xinjiang.^{xxvi}
132. In all three sectors – cotton, tomatoes and solar – and in other supply-chains running through Xinjiang – there is now significant evidence of modern slavery.

4 – USING TRADE RULES TO DEFEND LABOUR RIGHTS

133. Hence, the reckoning.
134. A rapidly growing list of countries, from the US to Japan, from Mexico to Norway - are rethinking commercial ties to Xinjiang – and moving to exclude imports of forced labour goods more broadly.
135. In the United States, the *Uyghur Forced Labor Prevention Act* was adopted just before Christmas last year with just one contrary vote in both houses of Congress. It creates a rebuttable presumption that any supply-chain passing through Xinjiang is tainted by forced labour.
136. US Customs and Border Protection can turn these goods back at the point of entry to US markets.

137. Enforcement action has already affected billions of dollars worth of goods, with a particular impact on cotton and solar products.
138. The US Trade Representative is now developing a *global Trade Strategy to Combat Forced Labor*.
139. The European Union is currently considering a proposal, championed by European Commission President Ursula von der Leyen, to ban import and sale of goods made with forced labour.
140. The G7 has committed to action.
141. And countries as diverse as Canada, France, Germany, Japan, Mexico, Netherlands, New Zealand, Norway and the UK have either adopted supply-chain due diligence and disclosure requirements, or are currently contemplating them.
142. Here in Australia, the last Parliament also considered an import ban on goods made with forced labour.^{xxvii}
143. The Australian Labor Party, now in government in Canberra, committed at the last election to create a federal anti-slavery commissioner, who
 - 143.1. “will publish an annual list of countries, regions, industries, and products with a high risk of modern slavery, including forced labour. Companies importing from these places would be required to prove goods are not made with forced labour.”^{xxviii}
144. Nor is the focus solely on trade measures.
145. A database of binding government measures responding to Xinjiang forced labour lists 324 such measures, encompassing

import bans, export control, targeted financial and travel sanctions, business guidance and, in a limited number of cases, capital market controls.^{xxix}

146. Shareholders and investors are also beginning to act, independent of government.
147. Shareholder proposals on these issues have emerged in several listed companies recently, including Apple, Disney, Nike and Volkswagen.
148. Here in Australia, Investors Against Slavery and Trafficking Asia-Pacific, a group of 37 institutional investors with 7.8 trillion dollars in assets under management, is actively engaging firms to address ties to Xinjiang forced labour in their supply-chains.

5 – BRINGING PURPOSE BACK IN

149. What is going on?
150. Is this simply a product of anti-China hawkishness? Of concern about environmental, social and governance issues – or ‘ESG’ – gone haywire? Or is *laissez faire* suddenly *passé*?
151. My answer, put simply, is that we have entered a period of systemic competition at the international level. Great Powers are competing not just for power in the international system, but to control the political values and purpose that animates that system.
152. Just two weeks ago, Josep Borrell, the EU foreign policy chief, harking back to Bill Clinton’s famous phrase at the beginning of the 1990s, said: “Remember this sentence: ‘It is the identity,

stupid.' It is no longer the economy, it is the identity."^{xxx}

153. What did he mean by 'identity'?
154. A clue came a week later, when in another speech, he contrasted the European 'garden', where law and rights hold sway, to the 'jungle' outside Europe, where might is right.
155. His word choice was poor, and he was duly criticized for exhibiting a neo-colonial, Eurocentric mindset.
156. But as his subsequent apology post tried to explain, the point Borrell was trying to make was essentially a distinction between the liberalism of the European political order, and the illiberalism of some other political and social systems.^{xxxi}
157. As Rana Farooq put it this weekend just passed in The Financial Times - the global free marketeers' paper of record: "From surveillance capitalism to concepts of corporate power, values and the laws that enforce them will increasingly shape markets."^{xxxii}
158. Increasingly, Western political leaders see modern slavery and forced labour in global value-chains as a flashpoint in this emerging "systemic competition".
159. The German Labour and Social Affairs Minister Hubertus Heil spelled this out three weeks ago.
160. Asked about a corporate human rights due diligence law currently being debated in the European Parliament, he said this:
 - 160.1. *Europe is more than a single market; it is also a political community with values that tries to combine democracy, a market economy,*

and the welfare state. We know that politically and economically, we are in systemic competition with other states.

160.2. We are challenged by how we deal with other economic areas in South America, Africa and Asia. We have the task of building fair partnerships with mutual benefits and not turning a blind eye to forced labour and child labour.

160.3. The planned European supply chain law will help us because non-European companies will also fall under its scope. In this way, companies from autocratic states will also be obliged to comply with our standards if they want to do business in the EU.^{xxxiii}

161. Something similar is afoot in Washington.

162. Kurt Campbell, who leads White House policy in Asia, and Rush Doshi, one of his key lieutenants, penned a seminal article entitled “How America can Shore up Asian Order”, published in *Foreign Affairs* in January 2021.

163. In it, drawing on Henry Kissinger’s analysis of changing Great Power relations in Europe in the 19th Century, they argue that what is missing in Asia today is not just a balance of power, but an order that regional actors see as legitimate.

164. Such legitimacy, they argue, will depend on rules “around supply chains, standards, investment regimes, and trade agreements.”^{xxxiv}

165. These are the key shapers of the Biden administration’s Asia policy. They are telling us that regulation of supply-chains is now central to creating and maintaining a legitimate order in Asia. This is the context in which we must now understand debates over Xinjiang forced labour.

6 – A NEW TRANSFORMATION

166. It is not unusual for shifts in the international balance of power to reveal these values-based fault-lines in the international political economy.
167. Many who follow these issues know the late great Harvard Professor, John Ruggie, as the father of the UN Guiding Principles on Business and Human Rights, the so-called 'Ruggie Principles'.
168. But before he developed that framework, now the *lingua franca* of contemporary business and human rights efforts, John was a renowned scholar of international political economy.
169. One of the articles that made his name was a 1982 piece, "*International regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order*".^{xxxv}
170. Where Campbell and Doshi looked to Kissinger as a guide to how shifting Great Power relations can disrupt international order, John's 1982 piece looks to the work of Karl Polanyi, the Hungarian-born author of a hugely influential, but dense, volume, *The Great Transformation*, that also looks at these issues.^{xxxvi}
171. Drawing on Polanyi, Ruggie created a general framework explaining how the misalignment of power and 'purpose', or political values, between Great Powers, can disrupt the international order.
172. Polanyi had explained how the liberal international order of the 19th Century was constructed by the Great Powers in service to their domestic, liberal political economies. As Polanyi famously

put it: "*Laissez faire* was planned".

173. Ruggie used Polanyi's work to create a general framework for explaining realignments in the international system, which he then applied to the Great Powers' construction of the Bretton Woods system after World War Two.
174. He famously described this system as 'embedded liberalism' – liberal, in the sense of maintaining an international free market project, but embedded, in the sense that international market forces were embedded into a framework allowing national governments to intervene in capital and currency markets in order to protect employment and welfare.
175. I think Professor Ruggie's insights help us understand is now going on now, including in the push to ban products made with forced labour.
176. It is an effort, perhaps belated, to realign power and purpose in the international trading system.
177. In Ruggie's terms, the neoliberal project of the last 50 years has been an effort to 'disembed' liberalism.^{xxxvii}
178. A deliberate project, funded by wealthy patrons and prosecuted by an array of thinktanks, political parties and media outlets, aimed at freeing international commerce – and especially capital – from local constraints.
179. This is the political project that manifests in global value chains, offshore tax havens and the free circulation of capital.

180. Today, the international order is being challenged by two forces - each of which is, in a way, an unexpected consequence of the success of that project of disembedding liberalism.
181. First, the rapid rise of Communist China – itself propelled by China’s participation in the liberal trading system, and financed by Wall Street, the City of London and European capital.
182. Second, by climate change precipitated by the accelerating burning of fossil fuels that has accompanied globalization.
183. Both of these factors are now forcing a reckoning with the sometimes illiberal and negative social impacts of the ‘liberal’ international order, as we have known and managed it.
184. Modern slavery – particularly in Xinjiang, and particularly in its ties to solar supply-chains – throws all of that into stark relief, and forces us to grapple with the shortcomings of the system we have built.
185. It is forcing a reckoning around the political impacts, the ‘purpose’, of our economic systems.
186. And it forces us to ask, what price are we prepared to pay to defend and fix the system, to realign power and purpose?
187. To ensure that freedom – whether that of Uyghurs today, or our children and grandchildren tomorrow – is not the price we pay for cheap goods?

7 – SYSTEM FAILURE, SYSTEM RESPONSE

188. What I am arguing is that modern slavery is a system failure.
189. It is an unintended consequence of a global political economy that allows risk to be externalized onto the most vulnerable, without real accountability or remedy.
190. Fixing that will require a system response. It will require change across the system. Change that will come at a short-term price.
191. To achieve that change, we will need an anti-slavery industrial policy, closely connected to an anti-slavery foreign and trade policy.
192. That change will come at a price. Not just the slave-free premium paid by end users, but the price paid by the people who push for change across the system.
193. Fixing modern slavery systems is disruptive and difficult, and threatens the power and profit of rent-takers. Typically, it meets active, hostile resistance, often leading to violence.^{xxxviii}
194. This is what we see in Xinjiang.
195. Western efforts to call out human rights abuses in Xinjiang, and to regulate supply-chains passing through Xinjiang, have been met by a furious backlash from Beijing, with many components:
 - 195.1. a full-court media and diplomatic push, describing the allegation as the “lie of the century”;
 - 195.2. the adoption of an Anti-Sanctions Law that criminalizes cooperation with foreign supply chain due diligence efforts;

- 195.3. harassment and intimidation of auditors and raids on auditing firms;
 - 195.4. government-stoked online vitriol against campaigners, including several leading Australian researchers'
 - 195.5. and organised government boycotts and administrative harassment of Western retail brands operating in China, including major players such as H&M, Walmart and Intel.^{xxxix}
196. Overcoming that resistance will require patience, strategy and careful strategic coordination.
197. The good news is that we know this is possible.
198. We have evidence of systemic change in the past, in places like Uzbekistan, where rent-takers have been induced to give up the profits from modern slavery.
199. This requires coordinated action among diplomats, international organisations, buyers, investors and civil society.^{xi}
200. And it requires framing the change not as a loss for one party, but as a system upgrade that benefits all stakeholders.
201. This is the ground we must stake out: the costs involved in upgrading supply-chains to ensure respect for international labour standards and human rights must be framed as short-term investments with long-term payoffs.
202. It is not slavery, but *anti-slavery*, that will underpin sustainable development.

8 – WE ALL HAVE A PART TO PLAY

203. We all have a part to play in this change.
204. What you buy shows what you value.
205. What you invest in, perhaps even more so.
206. Here, in New South Wales, we have a unique opportunity to contribute to this change, with world-leading laws on government procurement.
207. I will be working hard in the years ahead to help government buyers avoid buying goods and services produced through modern slavery, with goods from Xinjiang high on my list of risky products.
208. What we do here in New South Wales may not – alone – end modern slavery in Xinjiang or elsewhere.
209. But, just as with climate action, that is no excuse for not making our contribution.
210. So next time you go to buy business shirts or tomato paste, or invest in a renewables firm, ask yourself whether perhaps those products were produced in part through the forced labour of a Uyghur man, woman or child in Xinjiang.
211. So, I will leave you tonight with that one, simple question:
- 211.1. What price are you prepared to pay for freedom?
212. Thank you.

213. References

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- ⁱ *Barcelona Traction, Light and Power Company Limited*, Belgium v. Spain, Judgment, Merits [1970] ICJ Rep 3, (1970) 9 ILM 227, 5 February 1970.
- ⁱⁱ *R v Tang*, [2008] HCA 39, (2008) 237 CLR 1.
- ⁱⁱⁱ Thalia Anthony and Stephen Gray, "Was there slavery in Australia? Yes. It shouldn't even be up for debate", *The Conversation*, 11 June 2020. Available at <https://theconversation.com/was-there-slavery-in-australia-yes-it-shouldnt-even-be-up-for-debate-140544#:~:text=Some%2062%2C000%20Melanesian%20people%20were,then%20in%20the%20cattle%20industry.>
- ^{iv} Mitchell Van Homrigh, "Bid to remove 'racist' slave trader Ben Boyd's name from Sydney street fails", news.com.au, 28 September 2021. Available at [https://www.news.com.au/national/nsw-act/news/calls-to-remove-slave-trader-ben-boyds-name-from-sydney-street-fail/news-story/eeff8e3513dbbc92c629d0d11252934e.](https://www.news.com.au/national/nsw-act/news/calls-to-remove-slave-trader-ben-boyds-name-from-sydney-street-fail/news-story/eeff8e3513dbbc92c629d0d11252934e)
- ^v See ILO, Walk Free and IOM, *Global Estimates*, op. cit.
- ^{vi} See e.g. ILO, *50 for freedom*, at <https://50forfreedom.org/modern-slavery/>. But see also Brayden Gerrard, "Are There Really More Slaves Now Than Anytime In History?", *Medium*, 1 November 2020. Available at [https://braydeng.medium.com/are-there-more-slaves-now-than-anytime-in-history-38420e0542e5.](https://braydeng.medium.com/are-there-more-slaves-now-than-anytime-in-history-38420e0542e5)
- ^{vii} ILO, Walk Free, IOM, *Global Estimates*, op. cit.
- ^{viii} James Cockayne, *Developing Freedom: The Sustainable Development Case for Ending Modern Slavery, Forced Labour and Human Trafficking* (United Nations University: New York, 2021). Available at www.developingfreedom.org.
- ^{ix} ILO, Walk Free, IOM, *Global Estimates*, op. cit.
- ^x This section draws on Cockayne, *Developing Freedom*, op. cit.
- ^{xi} World Bank, *World Development Report 2020. Trading for Development in the Age of Global Value Chains* (Washington DC: 2020). Available at <https://www.worldbank.org/en/publication/wdr2020>.
- ^{xii} This section draws on Cockayne, *Developing Freedom*, op. cit.
- ^{xiii} Kevin Bales, *Disposable People: New Slavery in the Global Economy*, 3rd ed. (University of California Press, 2012).
- ^{xiv} See Cockayne, *Developing Freedom*, op. cit.
- ^{xv} United Nations Office of the High Commissioner for Human Rights, *OHCHR Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China*, Geneva, 31 August 2022. Available at <https://www.ohchr.org/en/documents/country-reports/ohchr-assessment-human-rights-concerns-xinjiang-uyghur-autonomous-region>.
- ^{xvi} Including, at the date this speech was given, including the House of Commons of Canada, the Dutch parliament, the House of Commons of the United Kingdom, the Seimas of Lithuania, and the French National Assembly. Others, including New Zealand, have characterised events in Xinjiang as giving rise to crimes against humanity.
- ^{xvii} This section draws on James Cockayne, *Making Xinjiang Sanctions Work* (University of Nottingham, 2022). Available at www.xinjiangsanctions.info.
- ^{xviii} See UN OHCHR, op. cit.
- ^{xix} For evidence supporting this characterisation and discussion in this section, see Cockayne, *Making Xinjiang Sanctions Work*, op. cit.
- ^{xx} See Mustafa Akyol, "China's Gulag for Muslims", *New York Times*, 2 January 2019, available at <https://www.nytimes.com/2019/01/02/opinion/uighurmuslims-china-gulag.html>; and Philip Wen and Olzhas Auyezov, "Tracking China's Muslim Gulag", *Reuters*, 29 November 2018, available at <https://www.reuters.com/investigates/special-report/muslims-campschina/>. Kasikci argues the concentration camp is a better analogy than the gulag, because of the shared 'preventive'

purpose, and the ethnically discriminatory nature, of both the centres in Xinjiang and those colonial concentration camps – neither of which characteristics the gulag shared. See also Kasikci, Mehmet Volkan. 2019. Is the Gulag the right historical analogy for China's concentration camps? Al Sharq Strategic Research, 14 May 2019. Available at https://research.sharqforum.org/2019/05/14/is-the-gulag-the-right-historical-analogy-for-chinas-concentration-camps/#_ednref3. On the other hand, like the gulag, the Xinjiang centres see work as a path to reeducation and political and spiritual liberation; grimly, they share that in common with the discourse used to legitimise Nazi concentration camps, including the infamous slogan inscribed over the entrance to Auschwitz-Birkenau, *Arbeit macht frei*.

^{xxi} See Uyghur Tribunal, *Judgment*, 9 December 2021. Available at <https://uyghurtribunal.com/wp-content/uploads/2022/01/Uyghur-TribunalJudgment-9th-Dec-21.pdf>; B. Mauk, "Inside Xinjiang's prison state", *The New Yorker*, 26 February 2021. Available at <https://www.newyorker.com/news/a-reporter-at-large/china-xinjiang-prison-state-uyghur-detentioncamps-prisoner-testimony>; Darren Byler, *In the Camps: China's High-Tech Penal Colony*. *Columbia Global Reports*, October 2021. Available at <https://globalreports.columbia.edu/books/in-the-camps/>; David Tobin, Laura Murphy, Rian Thum, Rachel Harris and Jo Smith Finley. 2021. 'State Violence in Xinjiang: A Comprehensive Assessment'. A submission of evidence to the Uyghur Tribunal, June 4-7, 2021. University of Manchester, SOAS, Newcastle University and Sheffield Hallam University; James Millward and Dahlia Peterson, *China's system of oppression in Xinjiang: How it developed and how to curb it*, Brookings Institution, September 2020. Available at: https://www.brookings.edu/wp-content/uploads/2020/09/FP_20200914_china_oppression_xinjiang_millward_peterson.pdf; Adrian Zenz, "Sterilizations, IUDs, and mandatory birth control: The CCP's campaign to suppress Uyghur birthrates in Xinjiang", Working Paper, 21 July 2020 (Washington DC: The Jamestown Foundation). Available at: <http://www.jamestown.org/wp-content/uploads/2020/06/Zenz-Internment-Sterilizations-and-IUDsUPDATED-July-21-Rev2.pdf?x58715>; Adrian Zenz, "Evidence of the Chinese Central Government's Knowledge of and Involvement in Xinjiang's Re-Education Internment Campaign" (Washington DC: The Jamestown Foundation, 2021). Available at <https://jamestown.org/program/evidence-of-the-chinese-central-governmentsknowledge-of-and-involvement-in-xinjiangs-reeducation-internment-campaign/>; Adrian Zenz, "The Xinjiang Police Files: ReEducation Camp Security and Political Paranoia in the Xinjiang Uyghur Autonomous Region", i, 3 (May 2022): 1–56. Available at <https://doi.org/10.25365/jeacs.2022.3.zenz>; Jo Smith Finley, "Uyghur Islam and Religious "De-Extremification": On China's Discourse of "Thought Liberation" in Xinjiang". *Oxford Islamic Studies Online*, OUP, 2019. Available at <http://www.oxfordislamicstudies.com/Public/focus.html>; A. Killing and M. Rajagopalan, "What they saw: Ex-prisoners detail the horrors of China's detention camps", *BuzzFeed News*, 27 August 2020. Available at https://www.buzzfeednews.com/article/alison_killing/china-ex-prisoners-horrorsxinjiang-camps-uyghurs.

^{xxii} See for example ILO, *2022 Report on the application of international labour standards. Report of the Committee of Experts on the Application of Conventions and Recommendations*, International Labour Conference, 110th Session. International Labour Conference, Geneva, 2022. Available at https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_836653.pdf.

^{xxiii} This section draws on Cockayne, *Making Xinjiang Sanctions Work*, op. cit. For the evidence supporting the claims made in this section see that report and especially the work of Adrian Zenz, including "Coercive Labor and Forced Displacement in Xinjiang's Cross-Regional Labor Transfer Program" (Washington DC: The Jamestown Foundation, 2021). Available at <https://jamestown.org/wp-content/uploads/2022/03/Coercive-Labor-and-Forced-Displacementin-Xinjiangs-Cross-Regional-Labor-TransfersA-Process-Oriented->

[Evaluation UpdatedDecember-2021 .pdf?x74752](#); and “Unemployment Monitoring and Early Warning: New Trends in Xinjiang’s Coercive Labor Placement System” (Washington DC: The Jamestown Foundation, 2022). Available at <https://jamestown.org/program/unemploymentmonitoring-and-early-warning-new-trends-inxinjiangs-coercive-labor-placement-systems/>.

^{xxiv} See e.g. Rutger Claassen and Lisa Herzog, “Why economic agency matters: An account of structural domination in the economic realm”, *European Journal of Political Theory*, March 2019.

^{xxv} See James Cockayne, “Policy Brief No. 7 – Cotton”, *Making Xinjiang Sanctions Work* (University of Nottingham: 2022), available at <https://www.xinjiangsanctions.info/wp-content/uploads/2022/07/Policy-Brief-No-7-Cotton.pdf>.

^{xxvi} James Cockayne, “Policy Brief No. 9 - Solar”, *Making Xinjiang Sanctions Work* (University of Nottingham: 2022), available at <https://www.xinjiangsanctions.info/wp-content/uploads/2022/07/Policy-Brief-No-9-Solar.pdf>; and see British Academy, “The Energy of Freedom? Solar energy, modern slavery, and the just transition”, The British Academy, London, <http://doi.org/10.5871/just-transitions-s-i/j-C>.

^{xxvii} This was the Customs Amendment (Banning Goods Produced By Forced Labour) Bill 2021. See

https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bld=s1307#:~:text=Summary,in%20part%20by%20forced%20labour.

^{xxviii} ALP, “Tackling modern slavery”, 2022. Available at <https://www.alp.org.au/policies/tackling-modern-slavery>.

^{xxix} See www.xinjiangsanctions.info.

^{xxx} Josep Borrell, “EU Ambassadors Annual Conference 2022: Opening speech by High Representative Josep Borrell”, *European External Action Service*, 10 October 2022. Available at https://www.eeas.europa.eu/eeas/eu-ambassadors-annual-conference-2022-opening-speech-high-representative-josep-borrell_en.

^{xxxi} Joseph Borrell, “On metaphors and geopolitics”, *European External Action Service*, 18 October 2022, available at https://www.eeas.europa.eu/eeas/metaphors-and-geo-politics_en.

^{xxxii} Rana Farooq, “My guide to a deglobalising world”, *Financial Times*, 20 October 2022, <https://www.ft.com/content/f4c17c8c-9097-417e-94d6-36825fe85c24>.

^{xxxiii} Oliver Noyan, “Due diligence law will help global competition of systems, says German minister”, *Euractiv.com*, 3 October 2022. Available at <https://www.euractiv.com/section/economy-jobs/interview/due-diligence-law-will-help-in-global-competition-of-systems-says-german-minister/>.

^{xxxiv} Kurt M. Campbell and Rush Doshi, “How America Can Shore Up Asian Order. A Strategy for Restoring Balance and Legitimacy”, *Foreign Affairs*, 12 January 2021, available in <https://www.foreignaffairs.com/articles/united-states/2021-01-12/how-america-can-shore-asian-order>

^{xxxv} John Gerard Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order”. *International Organization* (1982), vol. 36, no. 2, pp. 379–415.

^{xxxvi} Karl Polanyi, *The Great Transformation* (Farrar & Rinehart, 1944).

^{xxxvii} John Ruggie, “Globalization and the Embedded Liberalism Compromise: The End of an Era?”. Max Planck Institute for the Study of Societies, 1 January 1997. Available at <https://web.archive.org/web/20150910220511/http://www.mpifg.de/pu/workpap/wp97-1/wp97-1.html>.

^{xxxviii} See Cockayne, *Developing Freedom*, op. cit.

^{xxxix} See James Cockayne, “Policy Brief No. 5 – Chinese counter-measures”, *Making Xinjiang Sanctions Work* (University of Nottingham: 2022), available at <https://www.xinjiangsanctions.info/wp-content/uploads/2022/07/Policy-Brief-No-5-Chinese-countermeasures.pdf>.

^{xl} See Cockayne, *Developing Freedom*, op. cit.