State Department Looks to Blockchain to Fight Human Trafficking, Forced Labor

Three pilots are in the works to address some of these challenges.

[Amanda Ziadeh](#)

Thu, 04/26/2018 - 11:23

Illustration: MF3d/iStock

The potential of blockchain goes deeper than supply chain management and financial reporting. The State Department is applying it to forced labor and human trafficking prevention worldwide, with the help of industry partnerships and crowdsourced ideas.

Silvana Rodriguez, the State Department's senior partnership adviser in the Office of Global Partnership, said the blockchain conversation started last year when the department held a cross-sector [forum](#) of 300 people to explore how blockchain could address global diplomacy challenges.

"It was really eye opening," Rodriguez said in a April 25 panel at the GITEC Summit in Annapolis, Maryland. Use cases ranged from tracking foreign aid dollars and better patient delivery of antiretroviral drugs, to managing the shipment of items needed to sustain operations at embassies and consulates. It can even be used to create economic identities for vulnerable populations like refugees.

"When you really start thinking big picture what this can do, it kind of blows your mind," she said. "It's very powerful." But what the department landed on first was human trafficking and forced labor.

Proof is in the Pilots

The department [announced](#) a partnership with Coca-Cola Co., Blockchain Trust Accelerator, the Bitfury Group and Emercoin in March and the launch of a pilot project to address forced labor practices.

Specifically, the department wants to know if it can use blockchain to prevent some of the exploitative practices international migrant workers face, especially with labor contracts. These workers sign the contract in their home village, but when they travel to wherever they'll be working, the situation and contract change.

For example, passports may be taken away, and workers may be paid less than originally told, suddenly charged illegal fees, and forced to work 16-hour days instead of the 10 hours initially agreed upon.

"Could blockchain help us have more visibility into the entire experience of a migrant worker, to help prevent some of these practices?" Rodriguez asked. Possibly — the partnership would create a secure registry for workers and their contracts using blockchain validation and digital notary, Reuters [reported](#). And though it can't force companies to follow labor contracts, it can create the validated chain of evidence to encourage them to comply.

The Office of Global Partnership is hoping to roll out this project by the yearend,

according to Rodriguez, as it's currently in the design phase.

The State Department's Bureau of Democracy, Human Rights and Labor also closed a [competition](#) April 13 with an award ceiling of $500,000 on blockchain and worker rights. It was open to public, private, nonprofit and higher-education organization applications for "projects that develop and pilot the use of blockchain solution to solve worker rights challenges," according to the grant notice.

Rodriguez said there's also a third blockchain project in the works the department plans to announce in the next few months, along with ongoing thought leadership and education.

Blockchain Revelations

But getting started with new technology comes with challenges and lessons learned.

First, the technology is new, and the cultural change for a large organization is difficult. Education will be key in overcoming this, as will keeping up with what other departments are doing with blockchain.

Rodriguez also learned that picking the right pilot is crucial, and it's important to form criteria to determine if blockchain is really the appropriate solution for the challenge. If it is, the next step is to outline the scope and design of the blockchain, and have the right people at the table.

All involved need to be clear about their different interests, but share an objective. For example, in the pilot with Coca-Cola Co., all partners want to prevent forced labor, but the company specifically wants to up transparency of the verification process as it relates to labor policies with its sugar supply chain.

And to really get the ball rolling, Rodriguez found you need at least four sets of players. One is the tech sector to build the tech solution, and the second is the test bed for applications — the government.

The third is someone on the ground, aware of what's happening, truthing and verifying the work. For what the State Department is doing, that could be a civil society organization. And lastly, the funding.

But again, "the tech piece isn't actually the hardest piece," Rodriguez said, and

neither is the funding. Rather, it's looking at the systemic issues aimed to be tackled with the pilot project, and figuring out how to address everything the technology can't solve.

For example, in the migrant worker pilot, long before the contract is on a blockchain linked to the immigration systems, the department has to think about the exploitation that happens at the labor recruiter and village level.

Recruiters may be extorting or blackmailing people, or not being clear about what their actual hours, pay and fees will be. And because that happens at the ground level, "you really have to think through how the technology piece is going to be integrated into the reality," Rodriguez said.

That has been a huge challenge for the department, and where most of its blockchain conversations linger — along with privacy and security discussions. But these initial steps and pilots leave Rodriguez optimistic and hopeful about the technology's potential in global diplomacy.

[View printer friendly version](#)
[blockchain](#)
[emerging tech](#)
[State Department](#)
[Silvana Rodriguez](#)
[human trafficking](#)
[diplomacy](#)
[transparency](#)
[Duplicate](#)
[data protection](#)