



Written evidence submitted by the University of Nottingham's Rights Lab

1 Introduction

- 1.1 The Rights Lab is a University Beacon of Excellence at the University of Nottingham. It brings together more than 100 researchers from all faculties of the University to focus on the eradication of global slavery to support the United Nations' sustainable development goal of complete abolition by 2030. It is home to the world's leading experts in contemporary slavery, and brings together different faculties, disciplines and cutting-edge research tools and methods across the university to create recipes for solutions to this critical problem. In collaboration with the Independent Anti-Slavery Commissioner, we are currently aiming to develop a better understanding of the nature and prevalence of labour exploitation in hand car washes in the UK, and establish a stronger foundation for research and intervention in the sector.

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- 1.2 We are submitting responses to the following questions:

- How have hand car washes developed over the past decade? What impact has this had upon the wider car wash industry?
- What can the Government do to ensure that they meet their commitment to "decent work" under Sustainable Development Goal 8 in the hand car wash industry?
- What proportion of hand car washes are thought to be exploiting workers? Is there a clear link to human trafficking?
- How has the 2015 Modern Slavery Act worked in tackling the problem of slavery in the industry?

1.3 Key points:

- 1.3.1 Hand Car Wash (HCW) is not an illegitimate business activity. Furthermore, not all HCWs are unregulated and violate labour, employment, health and safety, and environment regulations.

HCW businesses provide a largely commoditised service that competes predominantly on costs and convenience of access. The commercial rationale for undercutting labour



standards is sufficiently systemically dominant to be leading to widespread practices of undercutting labour standards and other regulation.

- 1.3.2 While there have been reports of workers being referred into the National Referral Mechanism as potential victims of human trafficking and modern slavery, and separately, instances of exploitative conduct in HCWs such as lack of breaks, and below national minimum wage payments, not all exploitative conduct will meet the threshold for human trafficking and modern slavery. Moreover, though commonalities may exist in cases of labour exploitation, the degree of such factors varies across HCWs.

It must also be highlighted that many victims who are offered referral to the NRM declined the option as they may not feel exploited, in subjective comparison to labour and pay conditions in their home countries.

- 1.3.3 The unregulated nature of HCWs, the absence of adequate licensing, the hidden nature of labour exploitation, and lack of an understanding of this growing phenomenon, largely contribute to the challenge in assessing the number of HCWs that are thought to be exploiting workers.

As HCWs are not licensed, the data basis for accurate analyses of the sector and its workforce is not sufficiently comprehensive. Although some data exist about HCWs operating on the premises of larger (mainly retail) businesses, it can be assumed that the majority of HCWs are not covered by these data sets.

- 1.3.4 The Modern Slavery Act 2015 (MSA) has fallen short in bringing attention to labour exploitation in HCWs. The MSA only brings companies with a turnover of £36 million or more into scope. Typically, HCW businesses do not reach this threshold as the sector is highly fragmented.

The fragmentation of the sector, in combination with commoditisation of the service and the absence of licensing leads to systemic structures that are fostering the exploitation of workers and in many cases lead to modern slavery.

Furthermore, HCWs are not picked up by corporate risk management systems of companies that are in-scope of the MSA as the spent on HCW is a relatively minor expense and usually no formal relationships are established with the service providers of HCWs.

1.4 Key Recommendations:

- 1.4.1 There is a need for a system to register and license HCWs to ensure compliance, and monitoring and enforcement of relevant regulations. The proposition that HCWs would



improve conditions based on brand reputation considerations is not feasible for independent HCWs.

- 1.4.2 The government needs to address consumer behaviour that has fuelled and normalised unlawful labour practices in HCWs by increasing awareness. This will also improve the intelligence provision from the general public to law enforcement as bad labour practices will become more clearly distinct from normal practice.
- 1.4.3 Establishment and promotion of platforms to engage workers and educate them on their rights, particularly vulnerable workers such as migrants and agency workers. More robust legislation and enforcement against the use of inappropriate use of employment types, for example false self-employment.
- 1.4.4 Multi-agency partnership with local actors, including local authorities, law enforcement bodies and civic leaders, particularly those who share the same nationality as workers, should be encouraged and resourced to tackle labour exploitation in HCWs.

2 How have hand car washes developed over the past decade? What impact has this had upon the wider car wash industry?

- 2.1 Prior to 2004, the presence of Hand Car Washes (HCWs) were virtually non-existent ([Clark and Colling, 2017](#)). Now they have sprung up on the side of the road, petrol stations, disused forecourts, and in supermarket car parks. Such an industry offers a competitively low-cost alternative to its automatic counterparts as they are easy to establish and often utilise cheap and unskilled labour, predominately migrants originating from Eastern Europe.
- 2.2 Over the last 15 years, Automated Car Washes (ACWs) have significantly declined, struggling to compete with the low-cost alternative. The Petrol Retailers Association (PRA) suggests that HCWs now make up more than 70% of the market share of the sector ([Petrol Retailers Association, 2018](#)). It must be emphasised that HCWs are not illegal business activities, but nevertheless, it is reported that as many as 20,000 are unregulated and are non-compliant in environment, health and safety, and employment regulations ([Car Wash Advisory, 2018](#)).
- 2.3 Though in violation of a number of regulations, unregulated HCWs have become normalised as they are used by suppliers, and landlords who rent spaces to them. ([Clark and Colling, 2017](#)). Moreover, the regular use of HCWs by the general public has contributed to the growth and acceptance of such unregulated practices. On the other hand, in some instances, the scarcity of ACWs may leave customers with no other choice but to use the services of HCWs which may utilise unlawful business practices.
- 2.4 The increase in the number and use of unregulated HCWs, is also facilitated by poor regulation and lack of an understanding of this growing phenomenon. Though there are a



number of regulations by which car washes should abide, and schemes they can voluntarily participate in, the UK lacks a system to enforce registering and licensing of these operations ([Director of Labour Market Enforcement, 2018](#)).

3 What can the Government do to ensure that they meet their commitment to “decent work” under Sustainable Development Goal 8 in the hand car wash industry?

- 3.1 In 2015 the United Nations established a 2030 agenda for sustainable development comprising of 17 goals with 179 targets. Goal 8 focuses on promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Concerning decent work, target 8.7 calls on governments to take immediate and effective measures to eradicate forced labour, modern slavery and human trafficking, while target 8.8 highlights the importance of protecting labour rights, and promoting safe and secure working environments for all workers, including migrant workers and those in precarious employment ([A/RES/70/1](#)).
- 3.2 To ensure that they meet their commitment to “decent work” under Sustainable Development Goal 8 in the hand car wash industry, the UK government should adopt a number of measures:
- 3.3 Establish a system for registering and licensing hand car washes to ensure that such businesses are compliant with relevant protocols such as health and safety, national minimum wage, and working time regulations. Part of the problem in ensuring compliance of HCWs is the absence of data on the number and locations of HCWs in the UK, and lack of an understanding of their business models. The enforcement of regulations has therefore been inadequate as authorities struggle to gain traction on this new phenomenon. Ensuring that regulations are enforced also requires collaboration between agencies such as HMRC and law enforcement bodies, and the involvement of Local Authority regulatory services ([Director of Labour Market Enforcement, 2018](#)).
- 3.4 Support mechanisms that encourage HCW compliance by educating employers on labour and employment standards, the actions that they must take to comply with such regulations and the benefits of compliance.
- 3.5 Promote incentives and deterrents to influence business compliance. Positive incentives could include an industry certification or accreditation of compliance, such as the [WashMark](#) offered by the Car Wash Advisory Service. Deterrents to prevent employers from violating regulations can include targeted labour inspections, and the establishment of sanctions.
- 3.6 Engage workers in understanding their labour or working rights, including those susceptible to abuse, such as migrant workers and agency workers, and whistleblowing protocols. This should also include encouraging Local Authorities to partner with community actors who



share workers' nationalities and background, to help educate workers and raise awareness within their communities.

4 What proportion of hand car washes are thought to be exploiting workers? Is there a clear link to human trafficking?

4.1 Because of the unregulated nature of HCWs, the lack of licensing, and the hidden nature of labour exploitation, it is difficult to assess the proportion of HCWs that are thought to be exploiting workers. Operations and research carried out on HCWs have showed that in some instances, abusive employment practices are present, while others meet the threshold for more extreme forms of exploitation, such as human trafficking and modern slavery. Moreover, it should be noted that just because a HCW is deemed unregulated, that does not imply that the presence of exploitative labour practices are inevitable.

4.2 Common exploitative variables in HCWs include illegal employment, workers being paid below the national minimum wage (NMW), as little as £3 an hour, working up to 12 hours a day, 7 days a week, and being compelled to work in extremely poor or hazardous conditions, often with lack of protective clothing, gear and equipment. Further, some workers are reported to have been housed in derelict and unsafe accommodation with lack of adequate facilities, both on and off site, provided by car wash owners. For instance, in 2015 [Sandu Laurentiu-Sava](#), a Romanian national, was electrocuted while showering in squalid accommodation adjacent to the car wash where he worked. In some cases, a percentage of the workers' already low salary is deducted as payment for accommodation.

4.3 While common in many HCW operations, the presence of the above factors vary. Though an obvious violation of regulations, and exploitation of labour, assessment of intelligence on HCW indicates that such practices do not always satisfy the threshold for human trafficking and modern slavery, chiefly because some workers willingly accept this type of employment. Furthermore, some do not consider themselves as victims, or their situation analogous to slavery. For instance, their wages, though falling below the NMW, allows them the opportunity to send money back home to their families ([GLAA, 2018](#)). Separately, others may choose to work in HCWs to develop their skills to help move them up the job ladder, or because they are most likely to be employed due to the need for cheap labour, and also because HCWs were often known to be managed by migrants for migrants ([Clark and Colling, 2017](#)). While some may view HCW as a form of temporary work, it has been reported that others view it as a more long-term form of employment ([GLAA, 2018](#)). It must be underlined, that reports from car wash workers who claim that they are not subject to abuse, and are free to leave, have highlighted that such claims could be false, due to the level of control exerted by their employers.

4.4 Though some car wash workers willingly accept to work under such exploitative and informal conditions, there are others who are subject to more extreme forms of exploitation that



prevents them from exercising free will to leave. There have been reports of passports and identification documents being withheld, threats of denouncement to immigration enforcement, infliction of physical abuse or threat of, and debt bondage to control workers. Between 10th October 2016 and 31st August 2017, Unseen's Modern Slavery Helpline reported that out of 211 cases that made mention of car washes, the helpline received 112 (53%) of cases that concerned modern slavery ([Unseen, 2017](#)). According to its report, overall, there were 692 potential victims of human trafficking and modern slavery. Concerning referrals to the National Referral Mechanism (NRM), the UK's process for identifying and supporting victims, the helpline made 99 referrals to law enforcement, 7 local authority child safeguarding referrals, 2 referrals to the GLAA, and 2 referrals to Non-Governmental Organisations (NGOs). Further, the helpline reported that it made 3 referrals to GLAA for potential labour abuse that did not satisfy the threshold for modern slavery.

4.5 Regarding human trafficking, the act of moving people for the purpose of exploiting them, there is limited evidence to indicate that individuals are being trafficked to the UK specifically to work in HCWs ([GLAA, 2018](#)). However, there have been reports of workers being moved across the UK to work in different HCWs (*Ibid*). Moreover, as HCWs appear to be run by migrants for migrants, reports have also indicated that some workers have been recruited in their country of origin through social channels.

5 How has the 2015 Modern Slavery Act worked in tackling the problem of slavery in the industry?

5.1 The Modern Slavery Act, in emphasising the role of large corporate entities in combatting slavery in their business operations and supply chains, has neglected the role of smaller businesses, such as HCWs, in the regulation of slavery. The Act legally requires businesses with an annual turnover of £36 million or more to report on the steps they have taken, or have not taken, to combat slavery, and fails to acknowledge that smaller-scale operations can also be complicit in related human rights abuses, and violate labour, and health and safety regulations. As a result of not falling within the scope of the Act, operations such as HCWs do not have to report on the steps they are taking to ensure compliance in tackling slavery.

5.2 Moreover, though the Act has stimulated awareness around human trafficking and modern slavery, the continued presence and use of unregulated HCWs has represented acceptance and normalisation of informal labour practices. HCW is an industry where exploitation hides but also thrives in plain sight as the general and often unsuspecting public continue to utilise their services, as opposed to more regulated operations (e.g. those run by supermarkets) because of the considerably low prices offered.

5.3 A further shortcoming in the Act has been the lack of attention to local implementation and enforcement of anti-slavery policy. Although in many areas multi-agency operations are



now being used to target potential sites of exploitation, such as hand car washes, these tactics have developed and spread organically over time, rather than through direction as part of a national anti-slavery strategy. Research conducted with local anti-slavery partnerships ([Gardner, 2017](#)) also shows that local multi-agency work also frequently lacks resources and co-ordination.