RESEARCH REPORT

Combating Forced Labor in Global Supply Chains

IS U.S. TRADE ENFORCEMENT MAKING A DIFFERENCE, AND CAN IT DO MORE?

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Key Findings

- Trade enforcement requires active participation from a wide variety of stakeholders. These stakeholders include federal agencies, Congress, businesses, nongovernmental organizations, and consumers.

- Trade enforcement, most noticeably under the Uyghur Forced Labor Prevention Act of 2021, is having a measurable effect on U.S. imports. However, stakeholders are encountering impediments to playing their parts.

- Trade enforcement is still valuable even if it alone cannot change China's policy on Uyghur forced labor. It can help limit U.S. imports of goods made with forced labor, prevent U.S. complicity in other countries' labor abuses, and signal the U.S. position against forced labor.

- Trade enforcement can impose costs through necessary changes in business practices and through unintended consequences, including commercial disruptions, higher retail prices, environmental harm, and backlash. The costs, regardless of their necessity, can undermine the aims of enforcement if they erode stakeholder support.

- The U.S. Department of Homeland Security (DHS) can track trade enforcement progress and unintended consequences. However, the department might not be able to evaluate the ultimate effects, partly because detecting the use of forced labor is difficult.

- DHS needs enough of the right resources, including funding, staffing, and information, to do its job, but stakeholders have suggested that it does not have them.

- DHS and its stakeholders would benefit from better information in many areas. This includes information on global working conditions, on businesses' supply chains, on the content of goods, and on enforcement processes.

Forced labor is work performed involuntarily and under menace of penalty (Box 1). Forced labor is a human rights violation that occurs globally and has been reported in every country. About 28 million people, or one in 300 people worldwide, work against their will. They are bound through physical violence, threats, debt bondage, and other exploitative means.[1]

Box 1

Defining *Forced Labor*

Under Section 307 of the Tariff Act of 1930, *forced labor* means "all work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily."[a] Section 307's prohibition on imports also covers convict and indentured labor and, as amended in 2000, "forced or indentured child labor."[b]

The Section 307 definition aligns closely with that of the International Labour Organization (ILO). However, the ILO definition does not include child labor. This is because, under ILO Convention 182, children cannot consent to work in hazardous industries or conditions considered to be among the "worst forms of child labor."[c] These include "slavery or practices similar to slavery" and work "likely to harm the health, safety or morals of children."[c]

The Section 307 and ILO definitions provide anchor points for trade enforcement and policy, but they are broad enough to be difficult to apply to real-life circumstances. The ILO has therefore developed a set of 11 factors that many federal agencies and organizations in the United States consider to be indicative of forced labor:

- abuse of vulnerability
- deception
- restriction of movement
- isolation
- physical and sexual violence
- intimidation and threats
- retention of identifying documents
- withholding of wages
- debt bondage
- abusive working and living conditions
- excessive overtime.

The agencies that use these factors to determine whether labor is forced include the U.S. Department of Homeland Security (DHS) and the U.S. Department of Labor (DOL).

[a] Public Law 71-361, Tariff Act of 1930, Section 307, Convict Made Goods—Importation Prohibited.

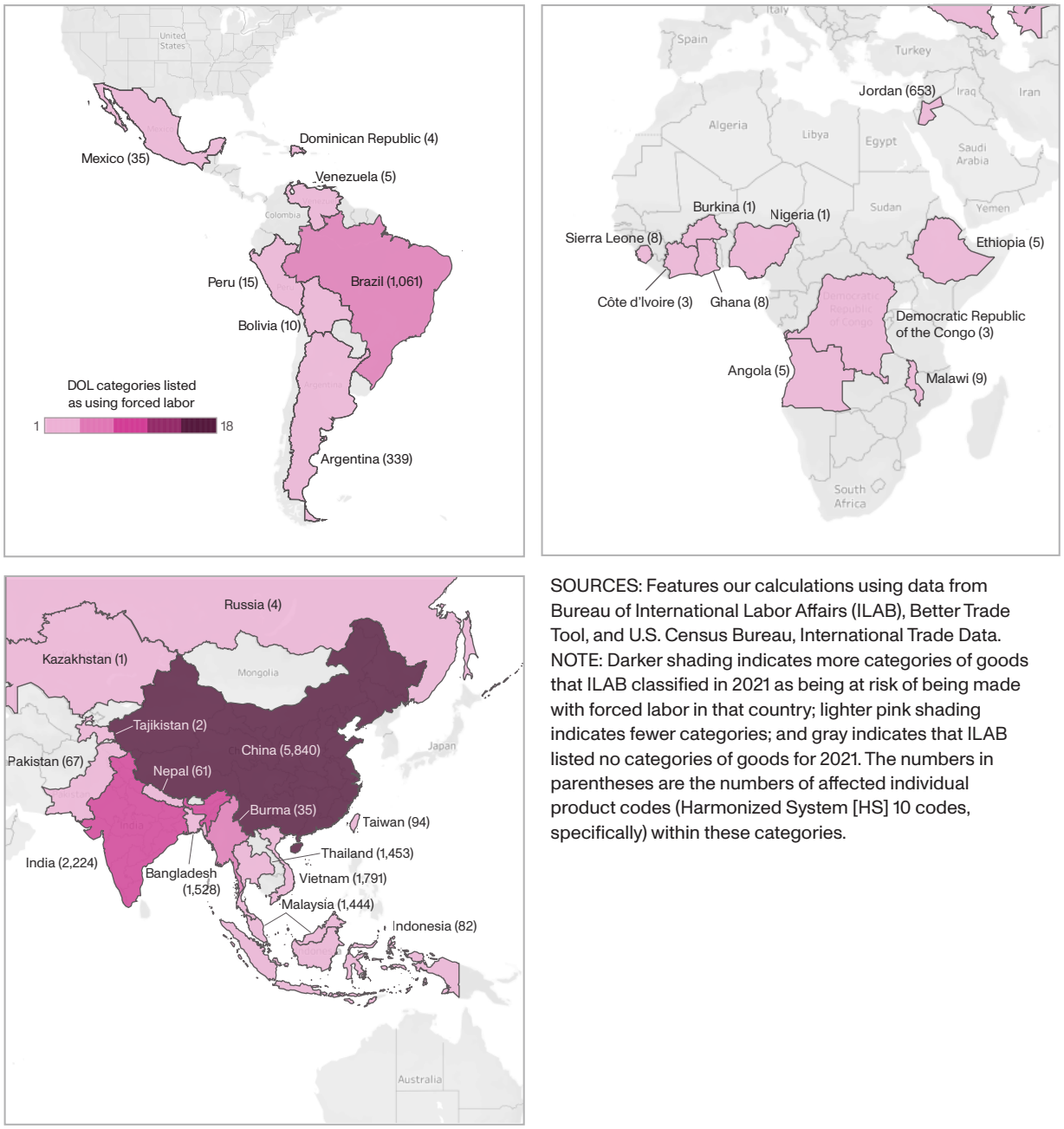
[b] Public Law 106-200, Title IV, Section 411(a).

[c] General Conference of the ILO, "Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour."

Consumers in the United States can be connected to labor abuses through U.S. imports. With widespread and often hidden use of forced labor, many kinds of imports can have ties to suppliers that use forced labor to make them. Examples include tomatoes, fish, jeans, cars, and smartphones. Figure 1 illustrates the breadth of potential sources of U.S. imports that are at risk of being made with forced labor.[2] These at-risk goods can end up in nearly any part of a consumer's life. They can appear in someone's kitchen, on their commute, or in their workplace. In 2021, the United States accounted for more than one-fifth of the world's at-risk imports.[3]

Figure 1

Potential Sources of At-Risk U.S. Imports Span the Globe



SOURCES: Features our calculations using data from Bureau of International Labor Affairs (ILAB), Better Trade Tool, and U.S. Census Bureau, International Trade Data.
NOTE: Darker shading indicates more categories of goods that ILAB classified in 2021 as being at risk of being made with forced labor in that country; lighter pink shading indicates fewer categories; and gray indicates that ILAB listed no categories of goods for 2021. The numbers in parentheses are the numbers of affected individual product codes (Harmonized System [HS] 10 codes, specifically) within these categories.

In view of the risks, the United States has long sought to prevent goods made with forced labor from coming into the country. The goals of this U.S. policy are twofold (see Figure 2):

- to eliminate U.S. imports of goods made with forced labor for the sake of U.S. businesses, workers, and consumers
- to eliminate the use of forced labor globally.

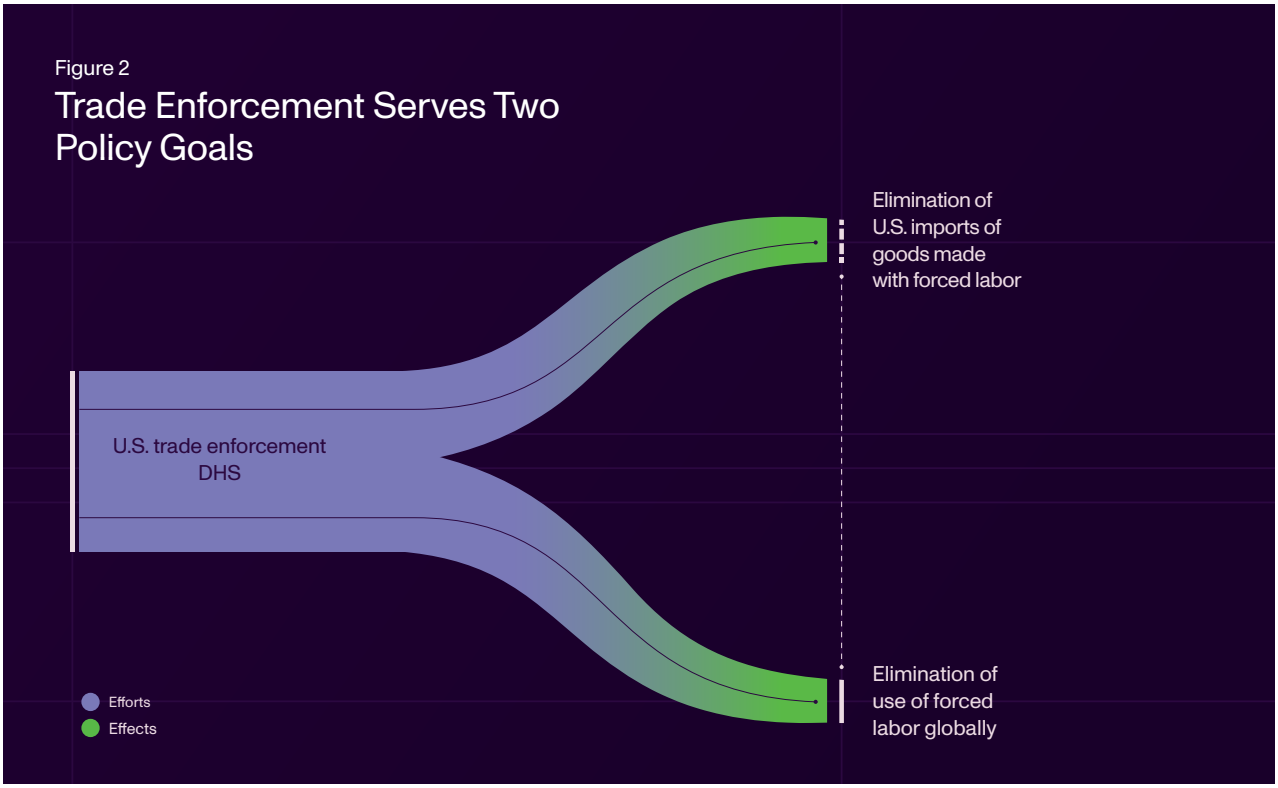
Important levers in U.S. law include Section 307 of the Tariff Act of 1930 and the Uyghur Forced Labor Prevention Act of 2021 (UFLPA). The UFLPA targets China's forced-labor policy in the Xinjiang Uyghur Autonomous Region (XUAR) by barring U.S. imports of goods mined, produced, or manufactured wholly or in part in the XUAR or by an entity on the UFLPA Entity List.

DHS leads the enforcement of these and other laws barring U.S. imports of goods made with forced labor. Its role includes evaluating evidence on forced labor in supply chains, maintaining the UFLPA Entity List, and stopping goods that have been made with forced labor from entering the United States.

DHS asked the Homeland Security Operational Analysis Center to undertake a close analysis of the impacts of its trade enforcement efforts and to help strengthen its analytical capabilities. This report emphasizes the study's findings on trade enforcement–both processes and outcomes–and recommendations for strengthening enforcement. It is derivative of a larger report that thoroughly documents our methods and findings.[4] Both reports show how important it is for other federal agencies, industry, nongovernmental organizations (NGOs), consumers, and other stakeholders to play their parts in trade enforcement to reduce both U.S. imports of goods made with forced labor and the use of forced labor globally.[5]

Figure 2

Trade Enforcement Serves Two Policy Goals



Study Approach and Methods

We began our research by laying out the global, legal, and regulatory contexts in which trade enforcement occurs. With that foundation in place, we used a mix of qualitative and quantitative analytical methods to do the following:

- **Map DHS's trade enforcement efforts as part of a system.** We developed a detailed logic model to probe relationships between enforcement resources, actions, results, and stakeholders. From this model, we were able to select indicators of progress toward impact and guide our analysis of current and potential future outcomes.
- **Evaluate the impact that trade enforcement has on U.S. imports and supply chains.** We used data-driven trade and supply chain models to see how U.S. imports and business relationships had changed between when the UFLPA was signed into law in December 2021 and when we completed our analysis in mid-2023.[6]
- **Draw insights from trade enforcement policy, documentation, and stakeholders to inform our mapping, evaluations, and conclusions.** We reviewed laws, regulations, and related policy documents. We also had discussions with stakeholders from federal agencies, Congress, industry, and NGOs. Industry participants came from importers and technology, data analytics, auditing, and legal service providers. These discussions gave us a richer panoramic view of the enforcement process and its effects.

In the next two sections of this report, we share context on the use of forced labor globally and on the legal and regulatory environment that surrounds and influences trade enforcement. That context grounded our analysis. For example, it pointed to some of the challenges of enforcement, requirements for enforcement, and necessary elements of our models. Then, we present our principal findings, our recommendations, and our concluding remarks. Each finding rests on all three research methods, but to varying degrees.[7]

How Forced Labor Is Used Around the World

Forced labor can be compelled through many kinds of exploitative practices. These practices include uses of convict labor, indentured labor, and child labor. Forced labor can also involve deception, restrictions of movement, isolation, violence, threats, debt bondage, and other abusive tactics. In some cases, it also involves human trafficking within and across borders. In this report, we work with the definition of *forced labor* in Section 307 of the Tariff Act of 1930: "all work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily." Box 1 provides context for the definition of forced labor in U.S. law and that of the ILO.

Forced labor often occurs out of public view. Its opacity can pose obstacles to anyone—including trade enforcement officials, businesses, NGOs, and consumers—seeking information about it. The challenges can differ depending on the circumstances

of the use of forced labor, such as whether it occurs in isolated cases or through state-sponsored abuse (see Box 2). For example, unrelated events of forced labor on fishing vessels in international waters can be scattered, remote, and hard to uncover. Even when a violation is discovered, the jurisdiction of the offense can be unclear. In contrast, a state imposing forced labor as a policy choice in a well-defined area might seek to

Box 2

State-Sponsored Forced Labor

We draw a distinction between forced labor imposed on individuals or groups by their governing authorities and forced labor imposed on individuals in discrete circumstances. According to the 2023 Global Slavery Index, state-sponsored forced labor is often established to serve ulterior motives of the state. These motives can include

> a. political coercion, education, or as a punishment for expressing political views; b. punishment for participating in non-violent strikes; c. mobilizing labor for the purpose of economic development; d. enforcing labour discipline; [and] e. discrimination based on race, social status, nationality, or religion.[a]

For example, in the mid-2010s, the international community recognized the existence of state-sponsored forced labor in Uzbekistan's cotton industry.[b] However, by 2021, both the ILO and DOL concluded that "forced labor in the cotton harvest has been eliminated outside of isolated incidents, largely as a result of government efforts to implement and enforce forced labor prohibitions."[c]

In July 2022, the United Nations Human Rights Council's special rapporteur on contemporary forms of slavery reported that a system of state-mandated labor in the XUAR targeted Uyghur, Kazakh, and other ethnic minorities.[d] This conclusion has been corroborated by firsthand accounts, satellite imagery, academic research, NGOs, the U.S. government, and other stakeholders.[e]

If the motives behind forced labor are not purely pecuniary, efforts to combat the use of forced labor with economic incentives alone might not be enough to eliminate the practice.[f]

[a] Walk Free, *The Global Slavery Index 2023*, p. 194.

[b] McGuire and Laaser, "'You Have to Pick.'"

[c] Office of Child Labor, Forced Labor, and Human Trafficking, *2021 Findings on the Worst Forms of Child Labor*, p. 1.

[d] Obokata, *Contemporary Forms of Slavery Affecting Persons Belonging to Ethnic, Religious and Linguistic Minority Communities*.

[e] For example, Robinson and Mann, "Investigating the Growth of Detention Facilities in Xinjiang Using Nighttime Lighting."

[f] Greenfield et al., *Forced Labor in Global Supply Chains*.

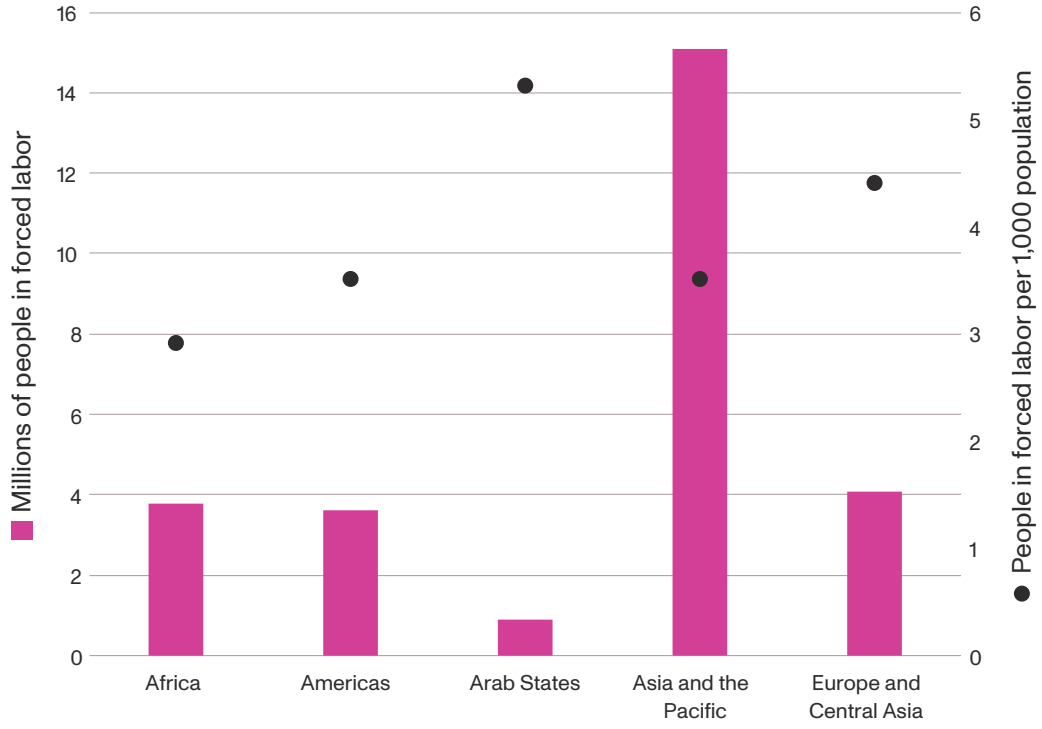
block outside observers from monitoring local labor market conditions. In either case, even when victims of forced labor can be reached, they might be fearful of punishment and avoid reporting or responding openly to interviewers.

The data are incomplete, but they paint a picture of abuse that harms tens of millions of people globally and varies regionally (Figure 3). Estimates suggest that 28 million people are bound in forced labor. That total includes an estimated 3 million children. Asia and the Pacific, a region that includes China and India, has the most people in forced labor, but it does not have the highest share of population in forced labor.[8] The Arab States region has the highest share of population in forced labor, although it has the fewest people in forced labor.

Since 2017, China has been using forced labor as a coercive policy tool in its political campaign against the Uyghur people.[9] This abuse has drawn increased attention that continues to cut across wide-ranging communities and interests. The attention is evident in news reports and social media posts that have reached tens of millions of viewers, as well as in congressional hearings broadcast to smaller but more-focused audiences.[10]

Figure 3

Global Use of Forced Labor



SOURCE: Features data from Walk Free, *The Global Slavery Index 2023*.

Efforts to Combat the Use of Forced Labor in Global Supply Chains

Countries have taken different legislative and regulatory approaches to combating forced labor in global supply chains. The three most-common approaches are

- **import bans.** These prohibit goods made with forced labor from entering a market.
- **due diligence requirements** that compel companies to assess human rights risks that workers in their supply chains face. They also establish liability for failure to follow due diligence procedures set forth in the laws.[11]
- **reporting requirements** that compel companies to disclose steps they have taken to prevent the use of forced labor in their organizations and in their supply chains.[12]

The United States has emphasized import bans in its laws and regulations, and other countries have tended to rely more heavily on due diligence and reporting requirements. However, the distinction between how the United States and other countries approach the use of forced labor is nuanced. For example, the United States supports due diligence and reporting as best practices,[13] while the European Union has become increasingly interested in adopting an import ban. Moreover, the United States–Mexico–Canada Agreement (USMCA) prohibits all three countries from importing goods made with forced labor.[14]

Section 307 of the Tariff Act of 1930 represented a watershed moment for the U.S. approach to combating the use of forced labor in global supply chains. It banned imports of goods made "wholly or in part" with forced labor and did not set a minimum threshold for coverage.

Since 1930, Section 307 amendments and other new provisions have expanded the scope of the body of U.S. laws on forced labor in trade. They have also increased the stringency of this body of law. The most recent entry to this area of lawmaking is the UFLPA. The UFLPA creates a rebuttable presumption that goods mined, produced, or manufactured wholly or in part in the XUAR or by an entity on the UFLPA Entity List were made with forced labor.[15] These goods cannot enter the U.S. market unless the importer can prove inapplicability or obtain an exception. Figure 4 provides a timeline for some of the most-critical elements of the U.S. approach.

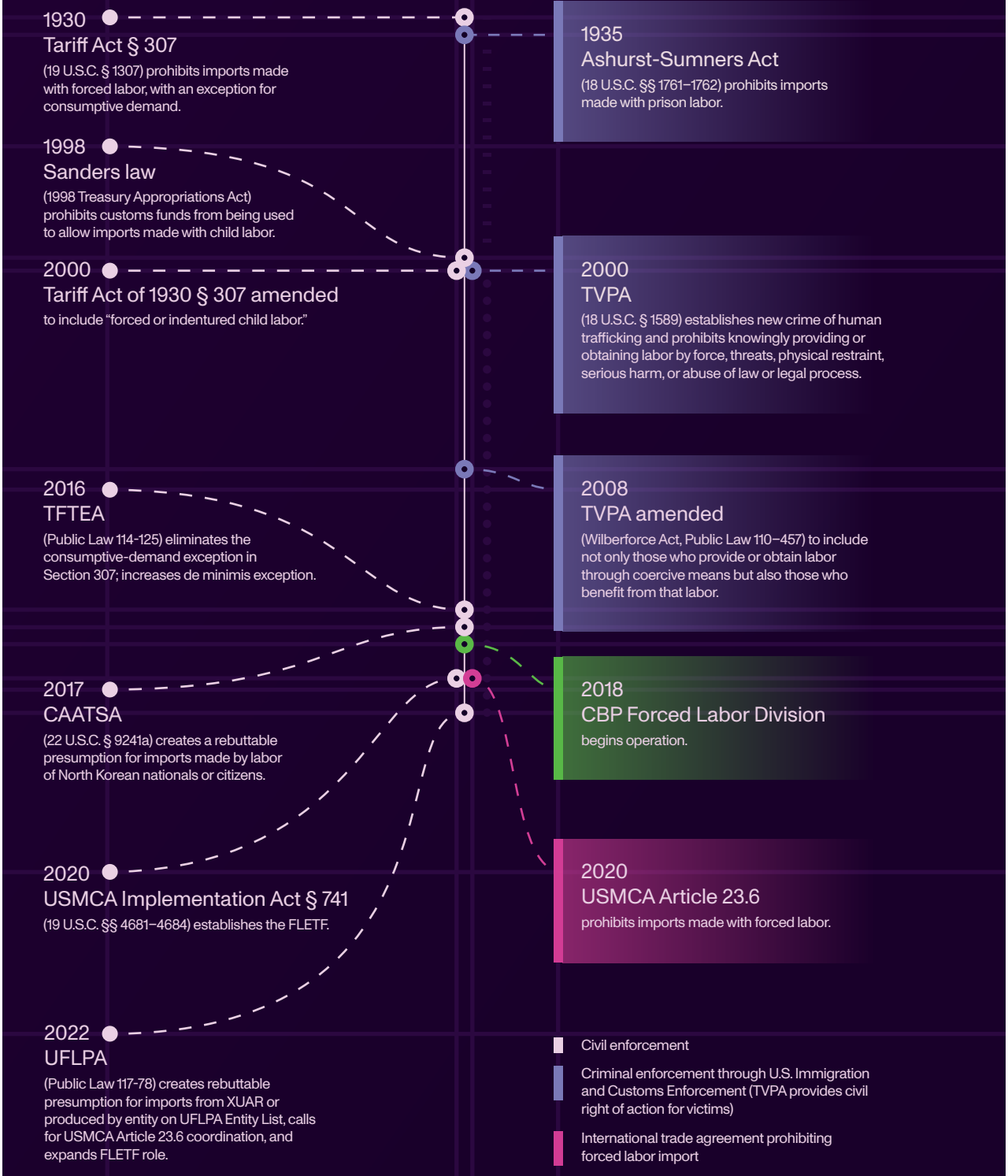
In each case, DHS takes the lead on trade enforcement, but it also works with other federal agencies and stakeholders outside the government as partners. In its leadership role, DHS chairs the Forced Labor Enforcement Task Force (FLETF), which is an interagency body. The FLETF includes seven federal agencies as members and several others as observers.[16]

Section 307 gave DHS the burden of establishing a "reasonable" indication that a shipment was made with forced labor, under a process set out in the Code of Federal Regulations and explained in other guidance (Figure 5).[17] The FLETF describes just how easy it is for forced labor to enter a supply chain:

> [I]f fish feed was produced with forced labor, then farmed fish given that feed are products of forced labor under this law. Similarly, for example, if gold was mined with forced labor and that gold is used to build semiconductors put in smartphones, then those smartphones are products of forced labor under this law.[18]

Figure 4

Milestones in the U.S. Approach to Combating Forced Labor in Global Supply Chains



NOTE: CAATSA = Countering America's Adversaries Through Sanctions Act; CBP = U.S. Customs and Border Protection; TFTEA = Trade Facilitation and Trade Enforcement Act of 2015 (signed in February 2016); TVPA = Victims of Trafficking and Violence Protection Act of 2000.

Figure 5

Application of Section 307

SOURCE: Adapted from Casey and Cimino-Isaacs, *Section 307 and Imports Produced by Forced Labor*, p. 1.

Under regulations for applying Section 307, anyone who has reason to believe that merchandise produced by forced labor is being, or is likely to be, imported into the United States may petition CBP to initiate an investigation.[19] The commissioner of CBP must initiate an investigation "as appears to be warranted by the circumstances of the case."[20] After receiving a petition, CBP "conducts a preliminary review of the submission, which includes source and evidence verification, risk and impact assessment, and case prioritization."[21] Alternatively, CBP can initiate the investigation itself.[22]

If the CBP commissioner finds evidence that "reasonably but not conclusively indicates that merchandise within the purview of section 307 is being, or is likely to be, imported" into the United States, CBP issues a withhold release order (WRO) for the goods.[23] Goods under a WRO cannot enter the U.S. market. If CBP detains a shipment with a WRO, the importer has three months to either contest the WRO or redirect the goods to a location outside the United States. If the importer does neither, CBP seizes and destroys the goods.[24] With conclusive evidence or probable cause of a violation, the CBP commissioner will publish a Finding that enables permanent seizure.[25]

In contrast, the rebuttable presumption under the UFLPA places the burden on industry to disprove a violation. Because of this presumption, the way the UFLPA is enforced is different from the way Section 307 is but still with zero tolerance for forced-labor content. Under the UFLPA, CBP

- identifies questionable shipments (those thought to violate the UFLPA)
- detains them for examination
- pending its examination, decides whether to deny the shipments entry or release them into the U.S. market.

The examination may include an evaluation of documentation submitted by the importer if the importer seeks entry for the shipments through an applicability review or an exception request.[26]

Notably, TFTEA strengthened CBP's enforcement authority under Section 307 by removing a prior exception for imports of goods that filled unmet U.S. demand (the consumptive-demand exception). However, it also raised the de minimis threshold for entry

under Section 321 of the Tariff Act of 1930 from $200 to $800 (see Box 3). Although Section 307 and the UFLPA apply to all shipments no matter how small they are, a higher de minimis threshold for scrutiny might make identifying and stopping suspect shipments more difficult.[27]

Study Findings

Our examination of the U.S. approach to combating forced labor in global supply chains yielded findings that form a narrative about how trade enforcement works. The narrative includes

- stakeholders' essential roles in achieving U.S. policy aims
- what trade enforcement, especially that of the UFLPA, has been able to accomplish so far
- the costs and unintended consequences of enforcement
- means of evaluating the results of enforcement
- ongoing needs for funding, staffing, and information.

Box 3

The De Minimis Exemption: Definition and Policy

Under Section 321 of the Tariff Act of 1930, one person on one day may import merchandise valued at not more than $800 into the United States without duties or taxes.[a] TFTEA raised the threshold for this exemption, known as a de minimis entry, from $200 to $800. Data from CBP show that the total volume of de minimis shipments grew from around 411 million shipments in 2018 to a peak of 771 million in 2021, before decreasing to 685 million in 2022.[b] The expansion of e-commerce and direct-to-consumer online sales might have contributed to this increase. Both of these channels can tend to favor individual, low-value shipments that can fall under the de minimis threshold.

Between 2018 and 2021, China was the origin of the largest volume of de minimis shipments to the United States. However, China's share of total U.S. de minimis imports decreased during this period, from approximately 75 percent in 2018 to 58 percent by 2021, even as the absolute number continued rising.[c] This drop could indicate a diversification of origins of de minimis entries.

Although there is no de minimis exemption in Section 307 or the UFLPA, labor and human rights advocates have raised concerns that "limited information disclosure required for such shipments, and the streamlined clearance procedures utilized by CBP, may have the effect of shielding de minimis shipments not only from duty and tax, but also from forced labor scrutiny."[d] In its April 11, 2023, letter to the chair of the FLETF, the Congressional–Executive Commission on China requested "information about how CBP enforces UFLPA with regard to 'de-minimis' shipments from the PRC [People's Republic of China]."[e]

CBP is operating two voluntary programs related to de minimis entries that could shed more light on these issues:

- the Section 321 data pilot designed to "more clearly and accurately identify the entity causing the [Section] 321 shipment to move, the final recipient, and the contents of the package"
- the Automated Commercial Environment entry test designed to "provide greater visibility into the *de minimis* universe for both CBP and PGAs [partner government agencies] while ensuring [that] regulatory requirements are met."[f]

[a] See CBP, "Section 321 Programs"; and CBP, "What Is Section 321?" for limitations and additional details.

[b] CBP, "Trade Statistics."

[c] Office of Trade, "Section 321 De Minimis Shipments Fiscal Year 2018 to 2021 Statistics."

[d] Nova, "Ending Trade That Cheats American Workers by Modernizing Trade Laws and Enforcement, Fighting Forced Labor, Eliminating Counterfeits, and Leveling the Playing Field," p. 17.

[e] Congressional–Executive Commission on China, letter to Robert P. Silvers.

[f] CBP, "What Is Section 321?"

Trade Enforcement Requires Active Stakeholder Participation

DHS efforts are part of a much larger system of efforts that involves a wide variety of stakeholders. These stakeholders include other federal agencies, Congress, industry, NGOs, and consumers. The system relies heavily on everyone's active participation. Without that participation, the system will have less impact.

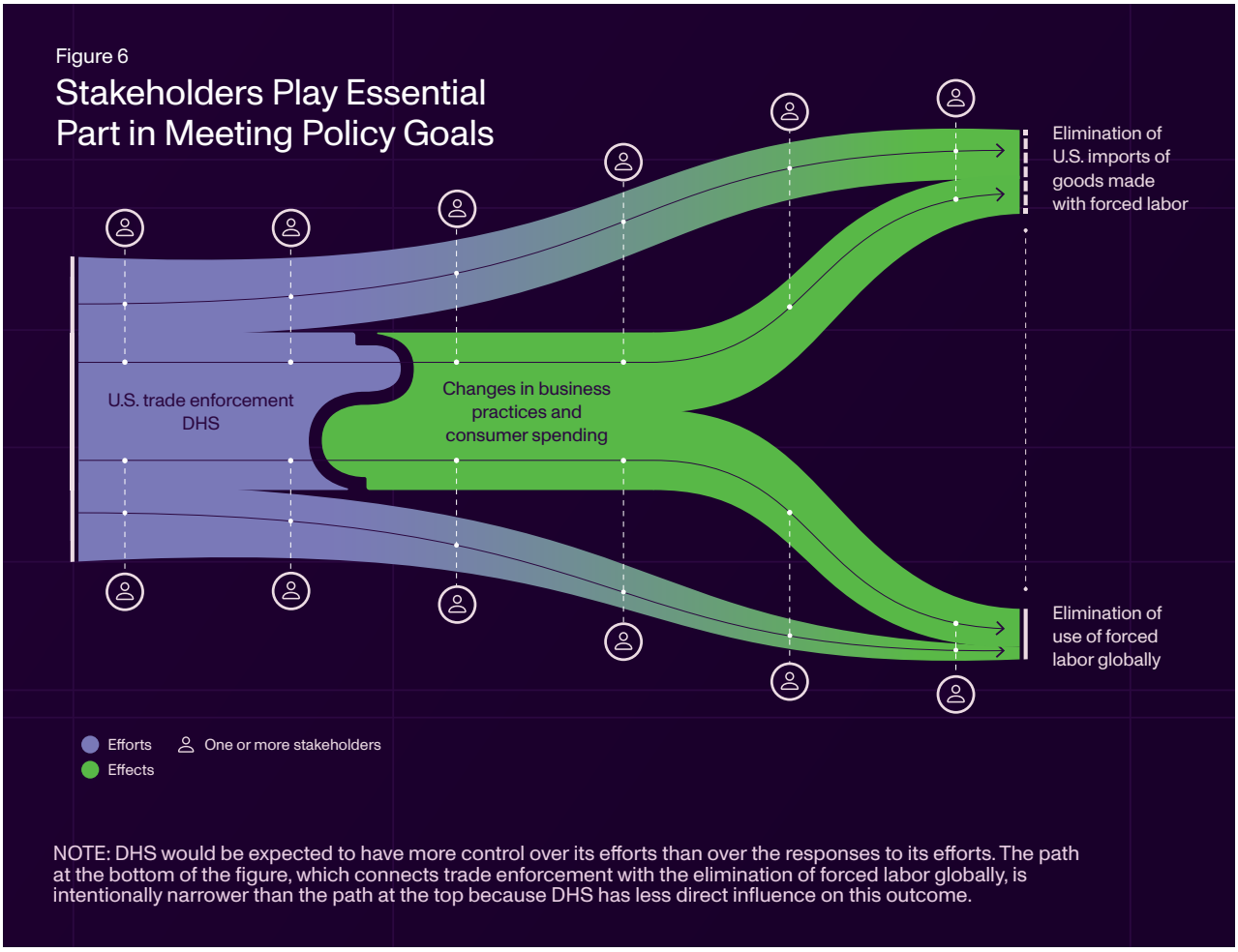
In broad strokes, Figure 6 traces the direct and indirect routes from DHS's trade enforcement efforts to effects with stakeholders' participation. It also suggests the limits of what those efforts can accomplish when stakeholders do not participate. The figure focuses on a few significant parts of the overall system:

- It calls out stakeholders.
- It highlights the interface between trade enforcement, businesses, and consumers.
- It distinguishes between trade enforcement efforts and effects.
- It traces both direct and indirect routes to meeting trade enforcement's goals (to eliminate U.S. imports of goods made with forced labor and the use of forced labor globally).

A series of implicit conditional statements underlies the routes. For example, *if* DHS has the right funding, a skilled workforce, and other key resources, *then* it can carry out necessary

Figure 6

Stakeholders Play Essential Part in Meeting Policy Goals



NOTE: DHS would be expected to have more control over its efforts than over the responses to its efforts. The path at the bottom of the figure, which connects trade enforcement with the elimination of forced labor globally, is intentionally narrower than the path at the top because DHS has less direct influence on this outcome.

activities, including direct *interventions*, such as detaining and examining questionable shipments. Those efforts can also increase awareness among and produce valuable information for businesses, consumers, and other stakeholders. Stakeholder success is conditional too. For example, *if* businesses become aware of compliance requirements and face concerns about getting into the U.S. market, *then* they can preemptively identify goods made with forced labor in their supply chains and shift suppliers. At the same time, circumstances outside the trade enforcement system can also affect how the system operates along the path from efforts to effects. These circumstances include general economic conditions and other countries' behavior.

Our larger report contains a full process map depicting a panoply of resources, actions, results, stakeholders, and external factors.[28] It shows enforcement's ultimate effects on

- U.S. businesses, workers, and consumers
- the environment
- and working conditions in other countries.

Some of those effects are intended and some are not:

- The intended outcomes include
  - better prospects for U.S. businesses and workers
  - better working conditions in target countries, such as China
  - less obviously, preventing U.S. businesses, workers, and consumers' complicity in human rights abuses.
- The unintended consequences can include
  - commercial disruptions
  - higher retail prices
  - environmental harm
  - backlash from target countries.

That backlash can take the form of retaliation against businesses and heightened attempts to obfuscate labor abuses and conceal forced labor in the supply chain.[29] U.S. businesses can also face higher costs when compliance necessitates actions that are themselves costly. Examples of costly actions are tracing and reconfiguring supply chains.

Trade enforcement's impact is its distinct contribution to achieving intended outcomes. However, achieving those outcomes depends not just on actions within DHS's control but also on the actions of the many stakeholders that serve as partners in and respond to enforcement. Those stakeholders can contribute by

- helping identify the use of forced labor
- developing means to identify the use of forced labor
- changing their business practices
- voicing opposition to purchasing goods made with forced labor
- making other essential contributions to the enforcement system (Box 4).

Without their participation, DHS can block the goods that it can identify as being made with forced labor from entering U.S. markets, but it might not be able to accomplish more. Trade enforcement, then, is not just about *enforcement*. It is also about eliciting change through outreach and engagement with stakeholders that encourage participation.

Trade Enforcement Is Bringing About Change, but Challenges Remain

Trade enforcement, most noticeably under the UFLPA, is having a measurable effect on U.S. imports. However, stakeholders are facing impediments to playing their parts,

Box 4

Combating the Use of Forced Labor Takes a Team

We found that further reducing both U.S. imports of goods made with forced labor and the use of forced labor globally will take the active participation of many stakeholders. Here are some of the stakeholders and roles we discuss in the larger report:[a]

- **Federal agencies other than DHS** take an active role in supporting and contributing to trade enforcement. These agencies include DOL, the U.S. Department of State, and the Office of the U.S. Trade Representative.
- **NGOs, technologists, data analysts, and auditors** can assist DHS in identifying where forced labor is being used and how it is entering the U.S. supply chain.
- **Technologists and data analysts** can also continue to develop new products and leverage available information for tracing supply chains and detecting the origin of goods.
- **Businesses** can prioritize compliance and do business differently.
- **Consumers** can speak with their wallets and shun goods made with forced labor.
- **Other countries** can adopt policies to combat the use of forced labor in global supply chains.

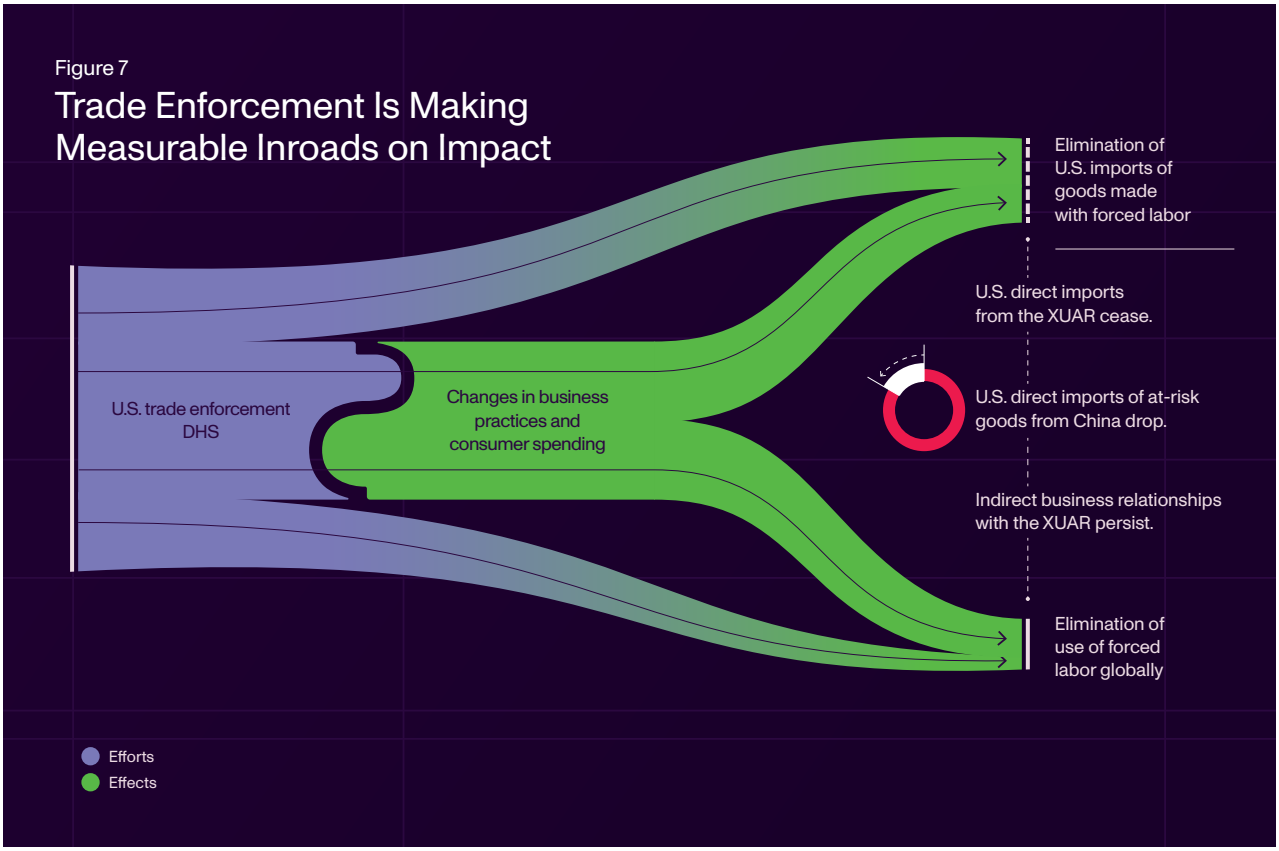
only some of which DHS can address on its own. Our analyses of trade patterns and supply chain relationships suggest that U.S. importers are trying to reduce their ties to the XUAR and are making progress, but the importers are not necessarily succeeding beyond their most-direct connections. Figure 7 summarizes some of our main findings on trade effects in relation to the goals of trade enforcement.

Figure 8 shows the relatively steep drop in direct U.S. imports from the XUAR since 2022. The number of direct shipments from the XUAR began declining in 2021. This decline occurred amid a substantial increase in regionally directed WROs and while the UFLPA was still under consideration. By the start of the second quarter of 2023, there were no direct shipments. Shipments from the rest of China and other countries picked up again starting in late 2022 but remained lower than they had been in 2019. This could suggest that global trade patterns have been changing more broadly, beyond UFLPA influences. It is also important to note that our analysis did not include de minimis shipments. Information on those shipments is less available (Box 3).[30]

Figure 9 shows trends in direct U.S. imports of at-risk goods from China and from other sources alongside those of other, less risky goods. Since the UFLPA was signed into law, direct imports of these at-risk goods from China have fallen. In that same period, imports of similarly at-risk goods from other countries and of other goods from China and elsewhere have not changed much. We estimated that *direct imports of at-risk goods from China had fallen by about 12 percent from December 2021 (when the UFLPA was signed into law) to the time of this study (2023).* We further estimated that *import prices of those goods might have risen by about 4 percent*. However, the relative stability of imports of at-risk goods from the rest of the world (ROW) strongly suggests that U.S. import-

Figure 7

Trade Enforcement Is Making Measurable Inroads on Impact

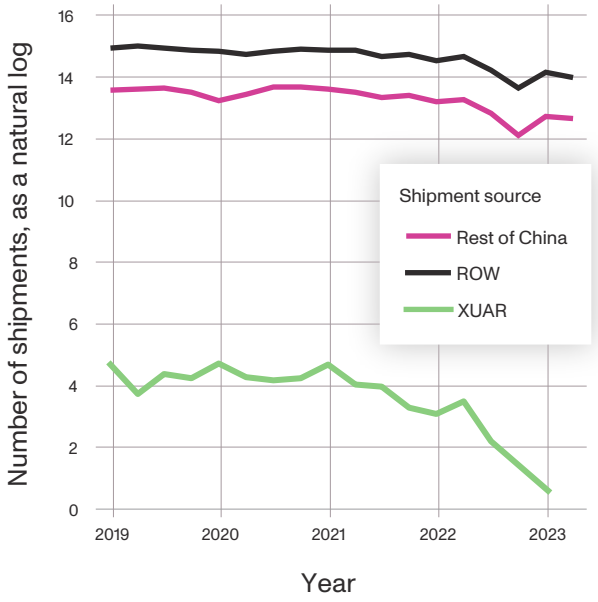


ers still face a substantial risk of exposure to goods made with forced labor from other sources.

U.S. importers also continue to risk connections to the XUAR—and exposure to goods made with forced labor—through their business relationships with global suppliers. Figure 10 highlights that risk. It shows the percentage of U.S. import shipments originating from global companies that might have direct or indirect business links with the XUAR. More specifically, it shows the average percentage across all products in the data and for each of the three product categories with the largest numbers of average annual shipments from XUAR-connected global suppliers.[31] On average, for all products, *approximately 10 percent of total import shipments in the previous five years (from the first quarter of 2018 to the second quarter of 2023, including after the UFLPA went into effect in June 2022) had come from businesses potentially associated with the XUAR*. Some product categories might be more linked to the XUAR than others. For instance, we also found that *almost 40 percent of motor vehicle–related shipments came from a supplier that was potentially connected to the XUAR*. Some of the apparent growth in links might reflect differences in awareness, data collection, and reporting.[32] The appearance of growth might be partly an artifact of new information about business relationships, meaning that the relationships were already in place. However, even if they were in place, that fact would not change the underlying reality that the links exist. This finding suggests that U.S. importers have limited visibility into their supply

Figure 8

U.S. Imports from the XUAR Drop Sharply After the UFLPA Goes into Effect



SOURCE: Features our calculation using domestic customs data from FactSet, Shipping.
NOTE: This figure shows the number (count) of direct shipments from the XUAR, businesses in the rest of China, and businesses in ROW over time. The horizontal axis shows the years of the shipments (each year is marked at its first quarter), and the vertical axis shows the natural log of the number of shipments. The figure shows that the number of shipments from the XUAR is significantly lower than the number from the rest of China and ROW because the XUAR is relatively small, economically speaking.

chains, which can increase the difficulty of stopping goods made with forced labor from entering the U.S. market.

None of the trade results can show definitively that fewer goods made with forced labor are entering U.S. markets, because one cannot *see* forced labor in goods, but they point to progress in that direction. Still, the results also speak to the remaining challenges of reducing those imports and the use of forced labor itself.

Regarding those challenges, stakeholders suggested that outcomes could improve if stakeholders could play their parts more fully. For example, NGOs, researchers, and industry stakeholders discussed how the use of forced labor can be hard to identify in supply chains because of poor visibility into working conditions, the composition of supply chains, and the goods in those supply chains. Stakeholders noted that, although technologists and data analysts are developing new products to help trace supply chains and detect the origin and content of goods, the products are not fully mature or broadly affordable. In addition, some stakeholders noted that sources of information on working conditions and business operations in China are drying up because of changes in policies there. Stakeholders, especially in industry, also noted uncertainties about how to comply with enforcement provisions and other compliance-related challenges. They and others pointed to needs for

- greater transparency about enforcement
- more-consistent engagement with stakeholders across interests
- better flows of information from DHS.

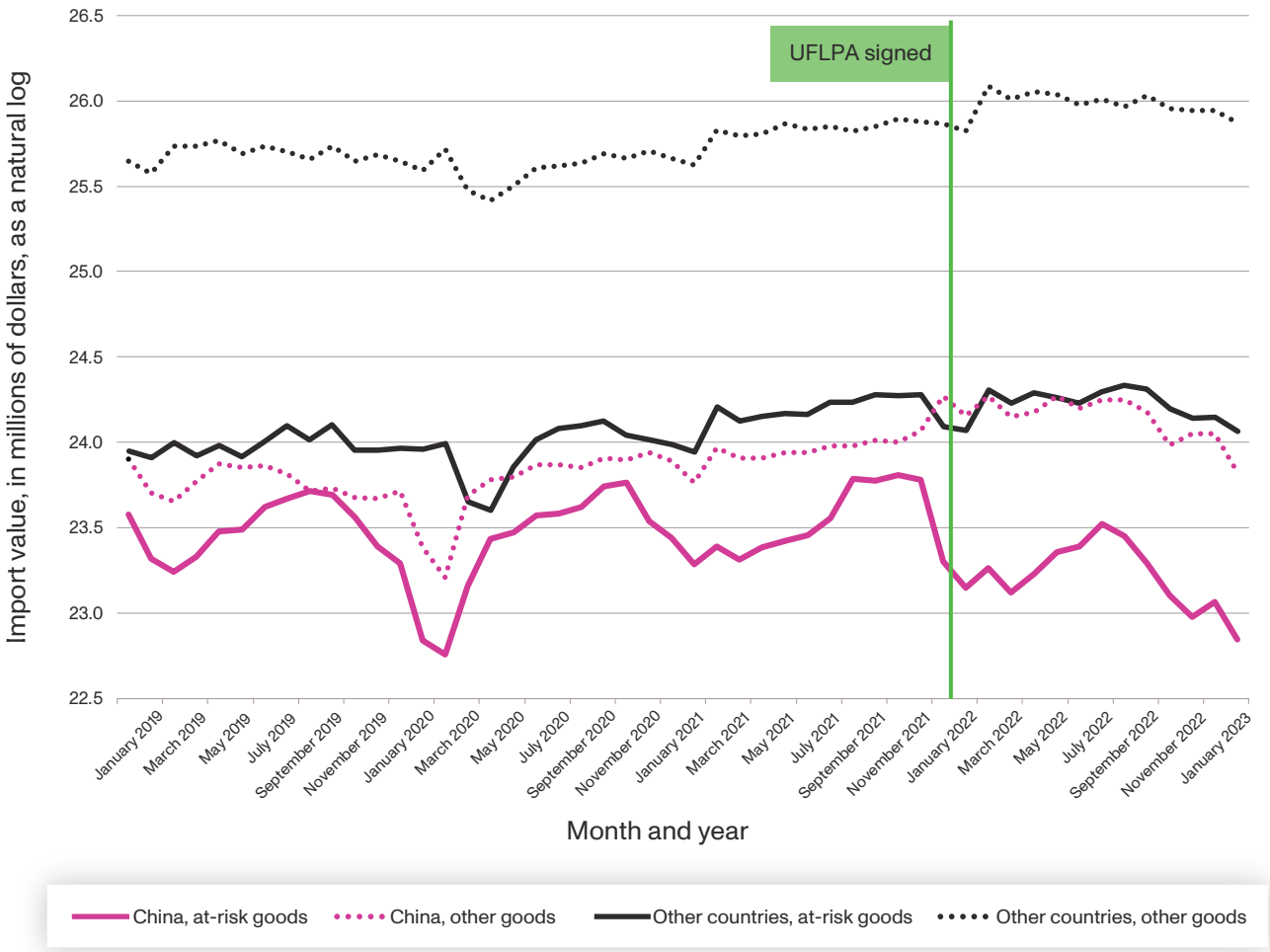
For example, stakeholders raised concerns about

- the development of the UFLPA Entity List
- the criteria for evidence in applicability reviews
- the accuracy of selections for detention
- the pace of investigations.

In addition, some stakeholders pointed to inherent obstacles in using an import ban, which is an economic sanction, to influence a politically motivated policy, such as China's policy on forced labor in the XUAR. Their observations on the obstacles suggest that China's policy could persist even with stakeholder participation.

Figure 9

The Value of U.S. Imports of At-Risk Goods from China Also Declined



SOURCE: Features our calculation using data from ILAB, Better Trade Tool, and U.S. Census Bureau, International Trade Data.
NOTE: This figure displays the trends in the value of imports of goods at risk of being made with forced labor in China (at-risk goods) and other goods from China and all other countries. Import value is shown on the vertical axis and is in natural log scale. The vertical line represents the month that the UFLPA was signed into law.

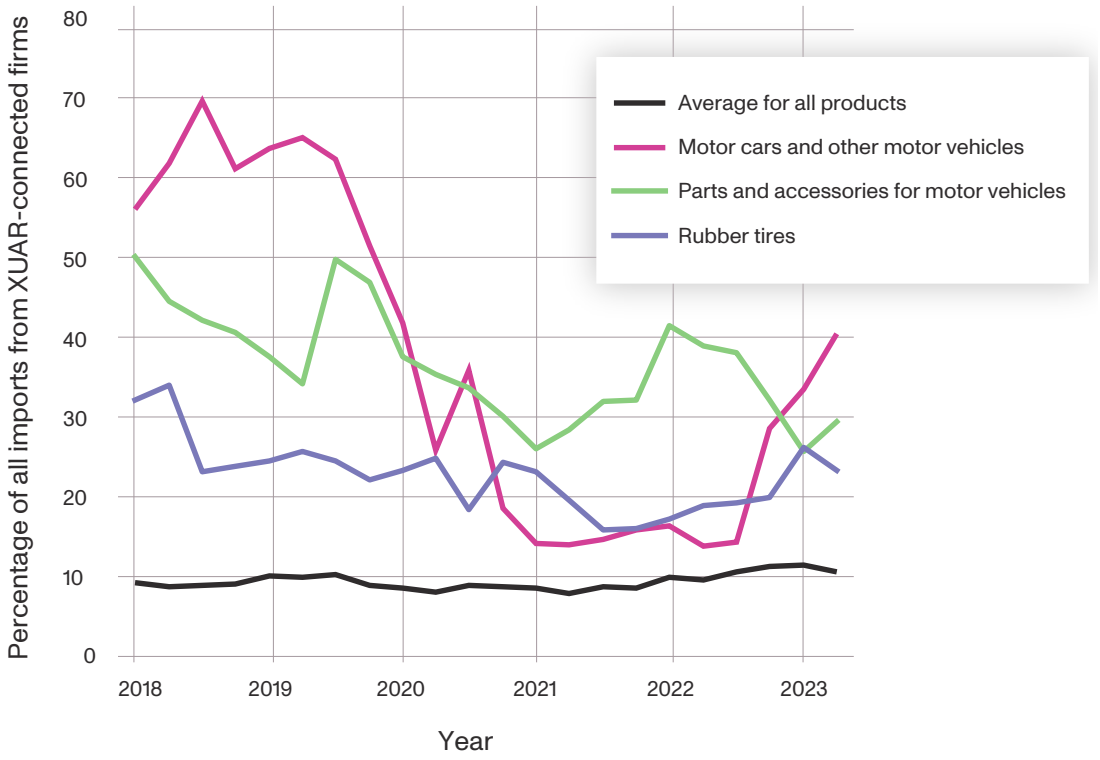
Trade Enforcement Is Valuable Despite Inherent Obstacles

Trade enforcement is still valuable even if it alone cannot change China's policy on forced labor in the XUAR. Trade enforcement might face inherent obstacles in what it can accomplish in the context of politically motivated labor abuses in the XUAR, but our analyses nevertheless point to three benefits of trade enforcement:

- It can help limit U.S. imports of goods made with forced labor.
- It can help prevent U.S. complicity in other countries' labor abuses.
- It can send a strong signal on the U.S. position against labor abuses.

Figure 10

Exposure to Imports from the XUAR Remains Through Shipments from Other Sources



SOURCE: Our calculation using data from FactSet, FactSet Revere Supply Chain Relationships, and FactSet, Shipping.
NOTE: This figure shows the share of the total number of imports purchased from a global (i.e., non-U.S.) supplier with a connection to the XUAR in its business relationship network. It also shows the average share across products and the share for the three product categories (based on four-digit HS codes) with the largest average annual number of shipments. As noted in Greenfield et al., *Forced Labor in Global Supply Chains*, the apparent increase after mid-2022 could reflect increased awareness, data collection, and reporting on XUAR connections.

As shown in the depiction of the enforcement system in Figure 6, two primary and mutually reinforcing types of mechanisms can drive success in these regards:

- direct mechanisms. For example, DHS's border interventions can reach all the way to end results by blocking shipments of goods made with forced labor.
- indirect mechanisms. For example, stakeholders' awareness of forced labor and compliance requirements—as well as the deterrent effect of border interventions—can lead stakeholders to behave differently.

The results of the quantitative analysis presented above provide evidence of changes in patterns of trade that could signal reductions in U.S. imports of goods made with forced labor and bear on the use of forced labor globally. These results include evidence of reductions in direct U.S. imports from the XUAR. Moreover, if trade enforcement can

help limit U.S. imports of these goods, it can also help prevent U.S. businesses, workers, and consumers' complicity in other countries' labor abuses.

Beyond China and the XUAR, trade enforcement can send a clear message to other perpetrators that the United States will not accept imports made with forced labor. It might also be better able to affect these perpetrators' policies and business practices, especially if their motives are more economic than political.

In our conversations with stakeholders, some representatives of industry and NGOs noted that the UFLPA had increased awareness of forced labor as a problem and had brought new attention to how it occurs around the world, not just in the XUAR. Others, though, pointed to the UFLPA as a possible distraction from those conditions.

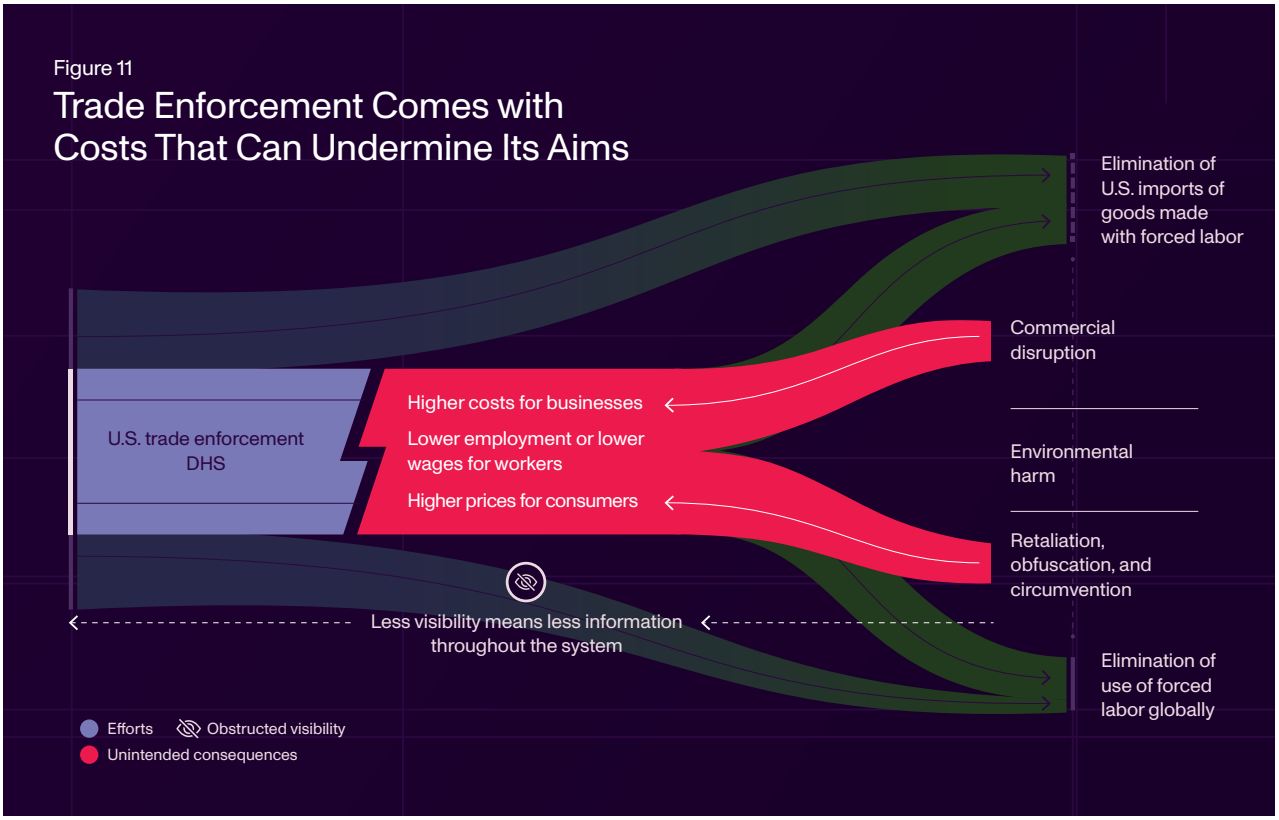
Trade Enforcement Comes with Costs

Some costs might be necessary for compliance and others might not. Regardless of their necessity, the costs can undermine DHS's efforts to meet U.S. policy aims if they result in less stakeholder support and participation. Figure 11 summarizes some of our main findings on enforcement costs in relation to the goals of trade enforcement.

Trade enforcement intends to change businesses and other stakeholders' behavior. This change can be costly for them, at least in the short term but possibly longer. For example, compliant U.S. businesses could incur costs from tracing their supply chains and switching suppliers. Some of those costs might persist. For instance, businesses might need to work with new suppliers that are farther away and charge more for shipping because of the greater distance. Other costs, instead, might fade away with time. An example would be

Figure 11

Trade Enforcement Comes with Costs That Can Undermine Its Aims



costs of establishing business relationships with new suppliers.

Costs can also emerge from unintended consequences of trade enforcement, such as commercial disruptions. For example, detention of goods that have not been made with forced labor can lead to

- delays in those goods entering the U.S. market
- redirection of the goods to other, less attractive markets to avoid delays
- outright abandonment of the goods.

Goods can lose some or all of their value through storage costs, depreciation, deterioration, or desertion. Those decreases can cause financial losses to industry. There is also the potential for environmental harm through excess resource use and waste when goods are redirected to alternative markets or destroyed and by disrupting environmental initiatives that rely on affected imports. One example might be an initiative to recycle cotton; another might be an initiative to adopt solar energy. Moreover, if U.S. businesses face declining returns, they might hire fewer workers or pay them less and pass some costs on to consumers through higher retail prices.

Finally, a handful of firms have met some form of retaliation in China for foreign policies and laws against forced labor in the XUAR. That retaliation can also be costly. A few companies that have experienced such retaliation are Nike, Intel, and Walmart. Box 5 lists examples of companies' experiences with retaliation. China might also be trying to conceal its labor practices and circumvent policies against the use of forced labor

- by taking away auditors' access to facilities
- through labor transfers outside the XUAR
- possibly, by rerouting trade.

Ongoing efforts to enforce—and comply with—the UFLPA could continue to lead to backlash in what is an increasingly unfriendly legal and policy environment. Those efforts must also contend with China's deliberate efforts to hide the use of forced labor.

The costs of trade enforcement, even the necessary ones, can erode stakeholders' support for trade enforcement and jeopardize their commitment to participation. A loss of stakeholder support and participation would then make it more difficult for trade enforcement to meet its goals.

Box 5

Types of Retaliation That Companies Experience in China

- Backlash on social media sites
- Delisting of companies and their products from China's e-commerce sites (e.g., Pinduoduo, Taobao, JD.com, Tmall)
- Telecom companies (e.g., Huawei) dropping a company's app from their smartphone app stores
- Loss of local brand ambassadors
- Loss of celebrity endorsements
- Consumer boycotts
- Negative media coverage
- Official statements criticizing companies
- Barriers to conducting audits.

Beyond the direct effects on U.S. interests, China's retaliation and obfuscation could mean

- less visibility
- less insight into working conditions in China
- less information throughout the trade enforcement system.

Stakeholders noted that some losses of visibility, insight, and information were already happening. Further retaliation or obfuscation could make UFLPA enforcement and compliance even harder. This, in turn, could also undermine efforts to improve working conditions in China.

The U.S. Department of Homeland Security Can Use Indicators to Track Progress and Unintended Consequences

DHS can use indicators, consisting of metrics and measures (Box 6), to track trade enforcement's progress and its unintended consequences. However, DHS might not be able to know whether enforcement is meeting its aims, partly because of the difficulty of observing forced labor and detecting its presence in U.S. imports.

Our review of the trade enforcement system pointed to near-term priorities for developing and implementing indicators of program efforts and effects (Figure 12).[33] Among the former, we point to indicators related to pillars of enforcement:

- process governance
- stakeholder engagement
- the quality and availability of information.

For example, DHS might prioritize indicators of the accuracy and timeliness of detentions and consider potential trade-offs between them. The near-term priorities for indicators of effects cover industry responses to trade enforcement, such as changes in import patterns and supply chain relationships (see, e.g., Figures 8 through 10 for illustrative metrics and measures). The priorities also address enforcement's ultimate effects on the U.S. economy, the environment, and working conditions in other countries. However, capturing broad effects on U.S. businesses, workers, and consumers; on the environment;

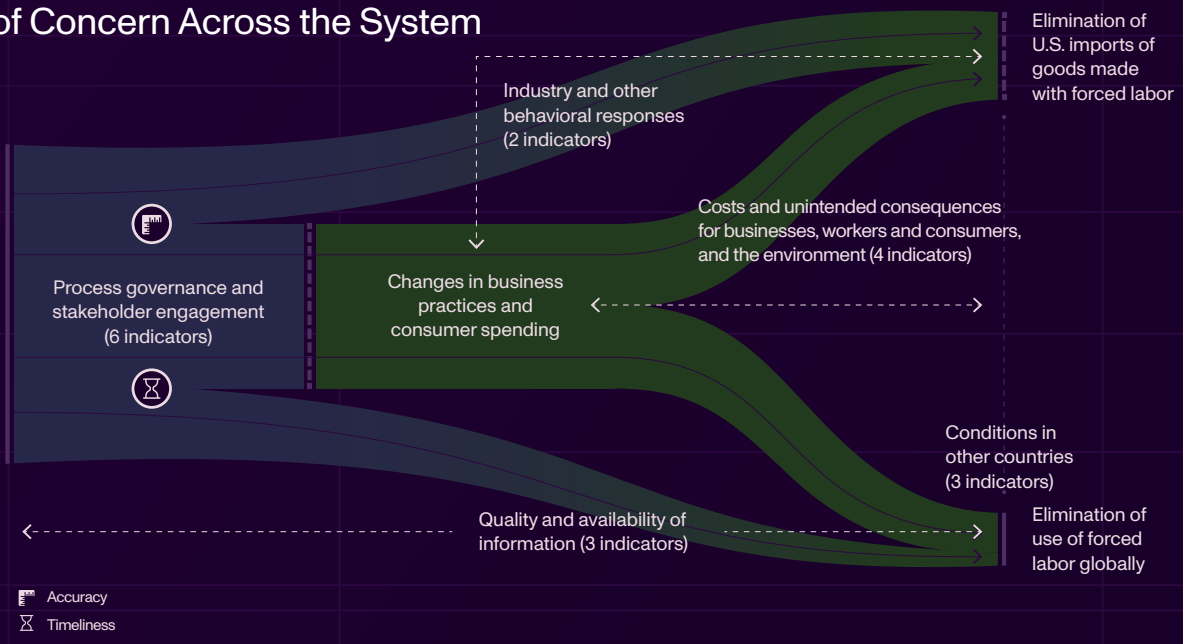
Box 6

What Are Indicators?

Indicators are metrics and measures that can be used to track progress toward meeting policy aims. Those aims include eliminating imports of goods made with forced labor and improving global working conditions. A metric covers an area of concern, such as timeliness or accuracy. A measure is a specific means of capturing the area of concern, such as a turnaround time or error rate. Metrics and measures can also be used to capture unintended consequences and the effects of changes in circumstances outside the trade enforcement system. An example of the latter is that, if advances in technology make it easier to detect goods made with forced labor, DHS might be able to make decisions about shipments faster and more accurately.

Figure 12

Priority Indicators Cover Major Areas of Concern Across the System



NOTE: Greenfield et al., *Forced Labor in Global Supply Chains*, specifies 18 indicators, as shown in this figure, and distills them to a shorter list of highest, most-immediate priorities.

and on global working conditions is likely to be much harder than capturing progress on enforcement efforts themselves.

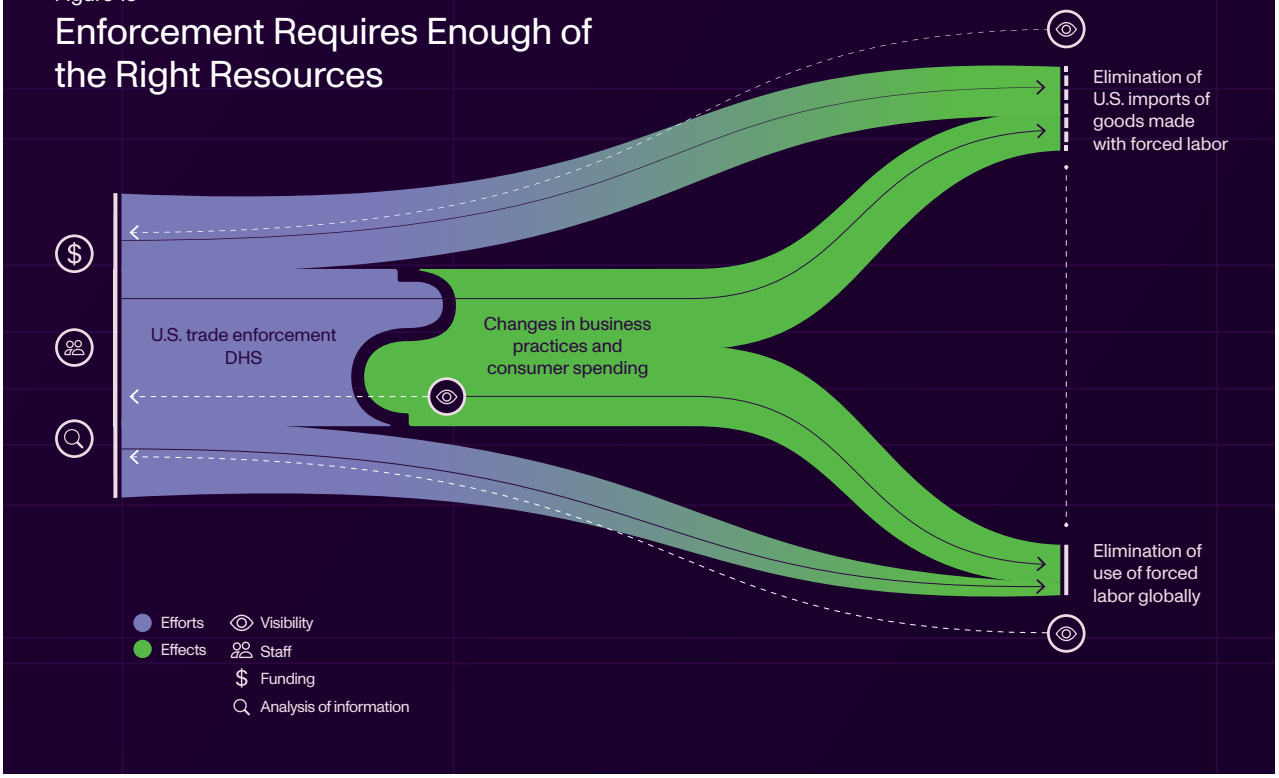
DHS would benefit from working with these indicators, both to know how well trade enforcement is working and to learn how to strengthen it. But not all the indicators would fall naturally under DHS's purview. Other federal agencies that contribute to and serve as partners in enforcement in the FLETF might be in a better position to gather evidence and measure progress in some domains, especially those directly related to global working conditions. Two such partners are DOL and the U.S. Department of State. Those agencies already bear responsibility for collecting related information and reporting on it.[34]

The U.S. Department of Homeland Security Needs Enough of the Right Resources

DHS needs enough of the right resources—including funding, staffing, and information—to do its job, but stakeholders suggested that the department is expected to do too much with too little (Figure 13). Stakeholders' concerns about staffing included burnout, retention, and hiring people with the necessary skills. Stakeholders also pointed to what they saw as challenges in analyzing and interpreting data. They noted seemingly high rates of false positives (detentions of goods that were eventually released into the U.S. market) and lengthy investigations. Along these lines, some stakeholders questioned whether DHS

Figure 13

Enforcement Requires Enough of the Right Resources



was effectively harvesting feedback or lessons learned. They also questioned whether DHS had the tools, such as automated processes, and the proficiencies it needed to harvest them. At the same time, DHS is operating in a system that needs information to function well, but the department could be suffering from growing deficits of information. Ongoing changes in the legal and policy environment in China suggest an increasingly obstructed view of working conditions and supply chains in that country. Improvements in technology and methods of data analysis might be able to fill some of the need, but less and poorer-quality information could be on the immediate horizon.

The U.S. Department of Homeland Security and Its Stakeholders Would Benefit from Better Information

As much as engagement is necessary to promote stakeholder participation, information is necessary for stakeholders to participate effectively. Everyone in this system—DHS, other federal agencies, NGOs, businesses, consumers, and many others—needs to be able to "see" something to play their part well. They need visibility into

- enforcement processes
- working conditions in forced labor–affected regions
- the composition of supply chains
- the forced-labor content of goods.

Depending on their roles, they need the visibility for enforcement itself, for compliance, to exercise their preferences, and to gauge their progress. Technologists and data analysts could help provide some of that visibility to DHS and other stakeholders, but they too need visibility to develop their tools and conduct their analyses.

Recommendations

These recommendations are limited to conditions that DHS and its partners can control or substantially influence. Implementing them would entail costs that DHS and its partners should weigh against the benefits in their deliberations and decisionmaking.

Look for opportunities to encourage robust stakeholder participation by improving the flow and quality of information through

- greater transparency, including more-consistent and routinized stakeholder engagement
- improvements in tools, technology, and data analytics.

Stakeholders—including enforcement partners and consumers—need better information delivered to them in ways they can understand and use.

Consider options for taking a more comprehensive approach to combating the use of forced labor in global supply chains by working with other federal agencies and countries to better leverage potential complementarities of

- economic sanctions, including import bans
- other measures, such as requirements for reporting and due diligence.

In addition, a concerted multilateral effort could

- make it harder for perpetrators to circumvent policies against using forced labor
- reinforce the larger aim of eliminating the use of forced labor by galvanizing international norms
- reduce the costs of compliance for individual businesses by presenting a single set of rules and a level playing field.

Consider options for mitigating unintended consequences in concert with other federal agencies and with input from nongovernmental stakeholders. Work first toward understanding the severity and frequency of the consequence. Then decide how the consequence can be reduced or, if it cannot be reduced, be made less burdensome. For example, in the case of port delays, DHS would want to know

- how often shipments are detained and then released
- how long they are held
- what storing them costs
- how rapidly they lose value.

DHS and its partners might wish to compare options for mitigating unintended consequences. What would each option achieve, at what cost, and to whom? Mitigating those unintended consequences could increase the likelihood of successful enforcement by gaining more support from stakeholders and promoting compliance.

Work with other federal agencies to track indicators of progress and unintended consequences over time to better understand how conditions are evolving. DHS could set up one or more databases to track the indicators with input from the partner agency responsible for each indicator. Getting regular input from

agencies and sharing responsibility for developing and implementing indicators could also improve the availability and flow of information. Agencies that already bear responsibility for collecting and reporting related information, such as DOL and the U.S. Department of State, could play an especially important part in this process.

Develop evidence with stakeholders to inform public debates on trade enforcement. Such debates include those on concerns about de minimis entries and environmental initiatives. The U.S. Department of Commerce and the Office of the U.S. Trade Representative might be able to provide analytical support to efforts

- to assess the significance of de minimis shipments
- to weigh the costs and benefits of policy options.

These efforts could complement existing efforts on voluntary pilot and test programs (Box 3). The U.S. Environmental Protection Agency and U.S. Agency for International Development might be able to support other efforts to assess trade enforcement's implications for the environment in the United States and overseas. Although sometimes framed as a zero-sum game, with a discrete choice between protecting workers and protecting the environment, a balance sheet–like approach could provide more nuance.

Continue to make the case for funding and staffing, both of which likely need to increase. Funding and staffing are crucial initial resources for trade enforcement and might not yet be sufficient. Moreover, adopting any of the foregoing recommendations would likely require additional resources, even if the benefits outweigh the costs.

Concluding Remarks

The title of this report asks, "Is U.S. trade enforcement making a difference, and can it do more?" In short, the answer to both questions is "yes." Trade enforcement appears to be making a difference, but it can also do more. This is true even if some aims of U.S. policy remain out of reach. Early evidence suggests that many stakeholders are taking note of enforcement—and underlying concerns about forced labor—and some are changing their behavior in response. Focusing on the effects of the UFLPA, our analysis suggests that a combination of DHS's interventions and changes in businesses' behavior has led to a decline in direct imports of goods originating from the XUAR. However, deeper ties to that region will be difficult to root out and expunge. Reducing the use of forced labor globally might be yet more difficult. But these challenges do not negate the value of trying.

About This Report

This report summarizes findings and recommendations from a project to assist the U.S. Department of Homeland Security (DHS) in developing analytical capabilities for assessing the impact of its efforts to combat forced labor in global supply chains through trade enforcement and in evaluating the impact of those efforts. It draws substantially from a larger report that discusses the methods and results of the analysis in more detail.[35]

This report should be of interest to members of the enforcement community and to its stakeholders, including industry, nongovernmental organizations, and researchers, and to consumers with an interest in combating forced labor.

This research was sponsored by the DHS Science and Technology Directorate and U.S. Customs and Border Protection and conducted in the Infrastructure, Immigration, and Security Operations Program of the RAND Homeland Security Research Division, which operates the Homeland Security Operational Analysis Center (HSOAC).

About the Homeland Security Operational Analysis Center

The Homeland Security Act of 2002 (Public Law 107-296, § 305, as codified at 6 U.S.C. § 185) authorizes the Secretary of Homeland Security, acting through the Under Secretary for Science and Technology, to establish one or more federally funded research and development centers (FFRDCs) to provide independent analysis of homeland security issues. RAND operates HSOAC as an FFRDC for DHS under contract 70RSAT22D00000001.

The HSOAC FFRDC provides the government with independent and objective analyses and advice in core areas important to the department in support of policy development, decisionmaking, alternative approaches, and new ideas on issues of significance. HSOAC also works with and supports other federal, state, local, tribal, and public- and private-sector organizations that make up the homeland security enterprise. HSOAC's research is undertaken by mutual consent with DHS and organized as a set of discrete tasks. This report presents the results of research and analysis conducted under task order 70RSAT23FR0000003, Measuring Impact of Efforts to Combat Forced Labor. The results presented in this report do not necessarily reflect official DHS opinion or policy.

For more information on HSRD, see www.rand.org/hsrd. For more information on this publication, see www.rand.org/t/RRA2534-2.

Abbreviations

CBP	U.S. Customs and Border Protection
DHS	U.S. Department of Homeland Security
DOL	U.S. Department of Labor
FLETF	Forced Labor Enforcement Task Force
HS	Harmonized System
ILAB	Bureau of International Labor Affairs
ILO	International Labour Organization
NGO	nongovernmental organization
ROW	rest of the world
TFTEA	Trade Facilitation and Trade Enforcement Act of 2015
TVPA	Victims of Trafficking and Violence Protection Act of 2000
UFLPA	Uyghur Forced Labor Prevention Act of 2021
USMCA	United States–Mexico–Canada Agreement
WRO	withhold release order
XUAR	Xinjiang Uyghur Autonomous Region

Notes

[1] Walk Free, *The Global Slavery Index 2023*. For an in-depth discussion, see Edmonds, "Globalization and the Persistence of Forced Labor and Child Labor."

[2] *At risk* is a broad category of goods that DOL's Bureau of International Labor Affairs (ILAB) has reason to believe are at elevated risk of being produced with forced labor on a country-by-country basis. However, we cannot say whether they were actually produced with forced labor. ILAB makes the *at-risk* determination based on government research or inspection data, private-sector monitoring data, and independent research data. These can include evidence that forced labor is being used in more than an isolated incident.

[3] Our calculations are from Centre d'Études Prospectives et d'Informations Internationales, Base pour l'Analyse du Commerce International, and ILAB, Better Trade Tool.

[4] Greenfield et al., *Forced Labor in Global Supply Chains*.

[5] In this report, we also use the term *stakeholder* to refer to discussion participants.

[6] We treated the UFLPA as a focal point mostly because the UFLPA was at the forefront of U.S. policy and enforcement efforts at the time of this study. However, we did not look *only* at the UFLPA.

[7] To illustrate the variation, we can compare the basis of our findings on the necessity of stakeholder participation and on progress toward impact. In the first instance, we drew most obviously from our mapping effort and our discussions with stakeholders, but we also found validation in our trade and supply chain models. By contrast, in our finding on progress toward impact, we leaned heavily on our trade and supply chain models but still considered the configuration of the enforcement system and stakeholders' perspectives on impediments to action.

[8] The data and lists of countries for each region can be found in Walk Free, *The Global Slavery Index 2023*. The countries with the highest shares of their populations in forced labor are North Korea, Eritrea, Mauritania, Saudi Arabia, and Turkey (Walk Free, *The Global Slavery Index 2023*).

[9] Ramzy and Buckley, "Absolutely No Mercy."

[10] For example, John Oliver's Home Box Office (HBO) segment on China and Uyghurs reached more than 10 million views on YouTube in the three years after its initial broadcast in July 2020.

[11] Brudney, "Hiding in Plain Sight," p. 277.

[12] These are also known as *disclosure requirements*. The term does not always refer to forced labor explicitly but rather might reference related ideas. Examples include laws enacted in the United Kingdom, Australia, and Canada framing the requirements for businesses in terms of preventing slavery and human trafficking in their organizations and supply chains.

[13] The United States requires these practices for businesses to participate in its voluntary Customs Trade Partnership Against Terrorism program. For more information on Customs Trade Partnership Against Terrorism, see U.S. Customs and Border Protection (CBP), *CTPAT Trade Compliance Handbook*.

[14] USMCA, Chapter 23, Article 23.6.

[15] Arguably, the rebuttable presumption under the UFLPA builds on that under the Countering America's Adversaries Through Sanctions Act (CAATSA) (Public Law 115-44), which passed in 2017.

[16] The seven members of the FLETF consist of DHS (the chair), the Office of the U.S. Trade Representative, DOL, the U.S. Department of State, the U.S. Department of the Treasury, the U.S. Department of Justice, and the U.S. Department of Commerce. The observers are the U.S. Agency for International Development, the U.S. Department of Agriculture, the U.S. Department of Energy, and the National Security Council and, from within DHS, CBP and U.S. Immigration and Customs Enforcement's Homeland Security Investigations. For any changes in the composition of the FLETF, see DHS, "Forced Labor Enforcement Task Force."

[17] Code of Federal Regulations, Title 19, Sections 12.42 through 12.44.

[18] Office of Strategy, Policy, and Plans, *Forced Labor Enforcement Task Force Report to Congress*, p. 6, footnote 8.

[19] Code of Federal Regulations, Title 19, Section 12.42, Findings of Commissioner of Customs.

[20] Code of Federal Regulations, Title 19, Section 12.42(d).

[21] Office of Strategy, Policy, and Plans, *Forced Labor Enforcement Task Force Report to Congress*, p. 16.

[22] Code of Federal Regulations, Title 19, Section 12.42, Findings of Commissioner of Customs.

[23] Code of Federal Regulations, Title 19, Section 12.42(e). As noted by the FLETF, "A reasonableness standard is one of the lowest thresholds among various burdens of proof in the U.S. legal system" (Office of Strategy, Policy, and Plans, *Forced Labor Enforcement Task Force Report to Congress*, pp. 9, 10).

[24] Casey and Cimino-Isaacs, *Section 307 and Imports Produced by Forced Labor*, p. 1; Code of Federal Regulations, Title 19, Section 12.43, Proof of Admissibility; Code of Federal Regulations, Title 19, Section 12.44, Disposition.

[25] Code of Federal Regulations, Title 19, Section 12.44, Disposition. CBP "may also issue penalties against those who facilitated the importation of goods produced with forced labor" (Office of Strategy, Policy, and Plans, *Forced Labor Enforcement Task Force Report to Congress*, p. 9, noting in footnote 27, "For example, 19 U.S.C. § 1592 provides that CBP may issue penalties for import violations involving fraud, gross negligence, and negligence, and 19 U.S.C. § 1595a provides that CBP may issue penalties against individuals who aid in unlawful importation").

[26] CBP guidance describes two possible avenues for release:

- An importer can attempt to demonstrate that a shipment is not subject to the UFLPA rebuttable presumption because the merchandise was not produced in whole or in part in the XUAR or by an XUAR entity (an out-of-scope challenge or applicability review).
- An importer can attempt to demonstrate by clear and convincing evidence that—although the shipment was produced in the XUAR—the imports were not mined, produced, or manufactured wholly or in part by forced labor (an exception request) (CBP, *Uyghur Forced Labor Prevention Act*, pp. 7–9).

For legislative language on exceptions, see also Public Law 117-78, Section 3(b). Entities whose goods are presumed tainted are recorded on the UFLPA Entity List. The Entity List is really a consolidated register of four lists.

[27] See Kutz, "The De Minimis Exception."

[28] Greenfield et al., *Forced Labor in Global Supply Chains*.

[29] We discuss unintended consequences and compliance costs in more detail under "Trade Enforcement Comes with Costs" later in this "Study Findings" section.

[30] If some larger shipments that had been originating from the XUAR were broken up into smaller, de minimis shipments, some of the apparent decline in direct shipments from the XUAR in Figure 8 might overstate the degree to which direct imports from the region have actually declined.

[31] We define product categories based on four-digit Harmonized System (HS) codes. Additionally, because not all records contained HS code information, our analysis was limited to those records that included that information.

[32] We cannot entirely dismiss the possibility that the observed growth in links is a data collection and reporting artifact. However, our analysis of the new immediate or first-tier connections post-UFLPA indicates that more than 75 percent of these connections involve companies based in China. This finding suggests that the increase in connections post-UFLPA is driven largely by companies based in China establishing direct relationships with XUAR entities. These relationships indirectly expand the network of businesses with potential forced-labor exposure in subsequent tiers via their own customer connections.

[33] For a complete list of indicators, including a distillation of near-term and highest, most-immediate priorities for development and implementation, see Greenfield et al., *Forced Labor in Global Supply Chains*. Designation as an immediate priority does not mean that an indicator can be developed immediately—only that it merits immediate attention.

[34] See, e.g., Office of Child Labor, Forced Labor, and Human Trafficking, *2022 Findings on the Worst Forms of Child Labor*. It is one of the resources in the app at DOL, Sweat and Toil; and Office to Monitor and Combat Trafficking in Persons, *Trafficking in Persons Report*.

[35] Greenfield et al., *Forced Labor in Global Supply Chains*.

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The title of this report asks, "Is U.S. trade enforcement making a difference, and can it do more?" In short, the answer to both questions is "yes." Trade enforcement appears to be making a difference, but it can also do more, even if some aims of U.S. policy remain out of reach. Early evidence suggests that many stakeholders are taking note, and some are changing behavior in response.

Focusing on the effects of the Uyghur Forced Labor Prevention Act of 2021, the authors' analysis suggests that a combination of the U.S. Department of Homeland Security's interventions and changes in businesses' behavior has led to a decline in direct imports of goods originating from the Xinjiang Uyghur Autonomous Region. However, deeper ties to that region will be difficult to root out and expunge, and reducing the use of forced labor globally might be yet more difficult. But these challenges do not negate the value of trying.