© Academy of Management Review
2013, Vol. 38, No. 1, 49–69.
http://dx.doi.org/10.5465/amr.2011.0145

MODERN SLAVERY AS A MANAGEMENT PRACTICE: EXPLORING THE CONDITIONS AND CAPABILITIES FOR HUMAN EXPLOITATION

ANDREW CRANE
York University

Scant attention has been paid to the phenomenon of modern slavery in the management literature. This article redresses this by identifying modern slavery as a management practice comprising exploiting/insulating capabilities and sustaining/shaping capabilities. I present a model specifying how these microorganization-level capabilities enable enterprises that deploy slavery to take advantage of the macro-institutional conditions that permit the practice to flourish in the face of widespread illegality and illegitimacy. I then advance potential implications for management theory and suggestions for further theoretical and empirical research.

The use of slaves is typically viewed as an obsolete form of premodern labor practice that has been superseded by more legitimate and humane practices. However, slavery is not simply a feature of economic history; it persists in various forms and contexts in modern business, including traditional slavery, bonded labor, human trafficking, and forced labor (Quirk, 2006). Although hard empirical data are lacking, widely cited estimates suggest that anywhere up to thirty million slaves participate in today's global workforce (Bales, 2004; Kara, 2009), with the International Labour Organization (ILO) estimating a minimum of around twelve million (Belser, Cock, & Mehra, 2005). Well-known cases include recent exposés of slave labor in the West African cocoa industry (BBC, 2010; Mistrati & Romano, 2010), the Uzbek cotton industry (Ansett, 2009), and agriculture in Spain (Lawrence, 2011). Yet modern slavery has been identified on every continent. It is most prevalent in subcontinental Asia, West Africa, East Asia, the Middle East, and Latin America but has been uncovered in one guise or another in many developed countries. For example, the U.S. Department of Labor (2009) recently identified some fifty products involving significant use of forced labor across twenty-nine countries. In the United States itself, estimates suggest that somewhere between 50,000 and 150,000 people are currently enslaved (Bales & Soodalter, 2009; Schauer & Wheaton, 2006). Moreover, human trafficking, a common stage in the slavery business, has been said by the United Nations to be the fastest growing form of organized crime (United Nations, 2001). Slavery thus remains a viable management practice for many enterprises, despite being universally condemned as unethical and indeed criminalized in most jurisdictions and under international law.

Extant research on modern slavery has primarily focused on victims, while the organizations involved in the trafficking and exploitation of slaves have received scant attention (Laczko, 2005). This lack of attention to modern slavery perpetuates what Cooke calls the "denial of slavery in management studies" (2003: 1895). This is problematic because it ignores the role of companies and managers in one of the most acute abuses of human rights in contemporary business practice. As the United Nations (2003) has declared, "Slavery and slavery-like practices continue to be among the greatest human rights challenges facing the international community."

Management research can, however, play an important part in explaining the persistence of slavery in the face of rules, norms, and practices to the contrary. In this article I focus on enterprises directly practicing slavery as part of their routine business. My aim is to explain how these organizations manage to (1) exploit particular competitive and institutional conditions that can give rise to slavery, (2) insulate themselves from institutional pressures against slavery,

I thank Daniela Defazio, Bryan Husted, Paul Lovejoy, Dirk Matten, Joel Quirk, former associate editor David Lepak, and three anonymous *AMR* reviewers for their insightful and constructive comments on earlier versions of this manuscript.

and (3) sustain or shape those conditions that enable slavery to flourish or prevent it from flourishing. I call this a "theory of modern slavery as a management practice." This theory, which involves the elucidation of both the macrolevel conditions necessary for slavery to persist and the microlevel capabilities necessary to prosper in these conditions, represents the first attempt to develop a substantive theory of modern slavery applicable at the enterprise level. In order to build this theory, I develop a theoretical framework that draws on institutional theory and the strategic capabilities literature and then provide detailed theoretical propositions based on insights from a wide range of relevant literature, including the economics of crime (e.g., Dick, 1995), informal enterprise (e.g., Webb, Tihanyi, Ireland, & Sirmon, 2009), human trafficking and migration (e.g., Salt & Stein, 1997), and legal and empirical analyses of modern slavery (e.g., Azmy, 2002; Bales, 2004). The ultimate purpose is to fashion a novel theoretical contribution to management theory that creates a new conversation about extreme human exploitation—to create theory that is not only robust but also engaged with "problems in the world" (Kilduff, 2006: 252) and "deep-seated problems of human misery" (Margolis & Walsh, 2003: 268).

The article is structured as follows. I begin by defining modern slavery and then develop a theoretical framework to embed modern slavery as a management practice. I next account for the persistence of slavery by identifying the external institutional conditions through which slavery is able to flourish, even in the face of near universal illegality. Following this, I elaborate on the internal capabilities necessary to sustain slavery as a viable management practice in this context. I conclude with suggestions for further enriching our understanding of modern slavery through management research and an elaboration of ways in which the theory might help in the practical task of tackling modern slavery.

WHAT IS MODERN SLAVERY?

Slavery has existed for thousands of years and has been present in various forms and in all civilizations. Since its abolition in most developed nations in the nineteenth and twentieth centuries, slavery has gradually transformed from an officially approved practice based on legal title and ethnic distinction to one that has been criminalized and relocated to the informal economy. This has made slavery considerably more ambiguous and dynamic in the forms it takes (Quirk, 2006).

Such developments pose difficulties for any definition of modern slavery, since most scholarly examinations of slavery have focused on the eighteenth and nineteenth centuries and have framed their definitions of slavery within the cultural, socioeconomic, and legal frameworks that existed during that time (Bales, 2005). Indeed, the definition of slavery is itself controversial (Quirk, 2006). This is not only because of differences in beliefs about which practices constitute slavery but also because the inclusion of specific practices under the politically sensitive rubric of "slavery" is often accompanied by obligations for states and other actors to carry out remedial actions (Weissbrodt & Anti-Slavery International, 2002). Alternative labels include *forced labor* and *slavery-like practices* (e.g., Belser et al., 2005; International Labour Office, 2009), but in this article I use the label *modern slavery* since this is the most widely used among researchers and campaigners.

An important first modern definition of slavery appeared in the 1926 League of Nations Slavery Convention, which defined slavery as "the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised" (cited in Allain, 2009). This acknowledgment that modern slavery is premised on the exercise of specific powers rather than solely formal legal title has formed the basis for most definitions of modern slavery and is established in international law (Allain, 2009). This is significant because slavery based on legal ownership (or chattel slavery) is, given the illegality of slavery almost everywhere, relatively rare among modern forms of slavery. Debates around modern slavery therefore encapsulate a range of practices involving the exercise of "powers attaching to the right of ownership." This includes forms of forced, bonded, and child labor, as well as human trafficking and forced marriage (e.g., Azmy, 2002; Weissbrodt & Anti-Slavery International, 2002).

In this article I follow this conception of modern slavery but with some important caveats. Specifically, I am concerned with slavery as a management practice—that is, the use of slavery in the workplace. Hence, for my purposes, I exclude human trafficking from my definition of slavery since it is concerned with the movement of slaves from one place to another but not with their use in economic activity. As such, I discuss human trafficking only as part of the labor supply process for slavery—as part of the slavery supply chain rather than slavery itself. Moreover, I do not include forced marriage (since it is not workplace related) and am only concerned with forms of child labor that specifically involve economic activity (e.g., I exclude child soldiers) and ownership-like relations (e.g., I exclude child participation in the "free" workforce). Finally, I limit my analysis to slavery in private rather than public organizations, since the former accounts for approximately 80 percent of all forced labor (Belser et al., 2005) and the latter, such as forced labor in prisons, represents a different organization of powers attached to the right of ownership.

Having established these boundaries, I am still left with the task of distinguishing modern slavery—the exercise of "powers attaching to the right of ownership"—from other types of labor abuse in the workplace. According to the nongovernmental organization Anti-Slavery International, four features need to be considered—namely, that under modern slavery people are (1) forced to work through threat; (2) owned or controlled by an "employer," typically through mental, physical, or threatened abuse; (3) dehumanized and treated as a commodity; and (4) physically constrained or restricted in freedom of movement. All of these conditions must be present for an arrangement to be considered representative of modern slavery, but they involve degrees of variability (i.e., they are not strictly categorical). Indeed, in the absence of a hard legal definition, modern slavery is effectively a "multi-faceted continuum" (Quirk, 2006: 577) along these dimensions. In the workplace we also need to consider an additional dimension that must be present to constitute slavery—namely, economic exploitation. For instance, it has been estimated that the financial costs of slavery to forced laborers in terms of the underpayment of wages amounts to something like $19.6 billion (International Labour Office, 2009). Slavery might accommodate limited financial/nonfinancial remuneration, but only where this is discretionary, below a "living wage," and subject to withholding and/or arbitrary deductions (see Andrees, 2008: 25). Thus, rather than unpaid labor, it is more accurate to specify the fifth dimension of slavery as being (5) subject to economic exploitation through underpayment.

Research on modern slavery to date has been limited and has largely taken place outside of the management literature—for example, in law, geography, international development, and gender studies. As a result, most studies have focused on the victims rather than the organizations perpetrating slavery (Laczko, 2005). Considerable research attention has been afforded to organizations in the literature on organized crime and the management of illegal and illegitimate enterprises, but this has focused almost exclusively on voluntary participation in crime rather than forced labor. Therefore, in the following analysis I seek to develop a substantially new theory on slavery as a management practice.

MODERN SLAVERY AS A MANAGEMENT PRACTICE

Slavery can take a range of forms and may be deployed in a number of different business models (Shelley, 2003). Essentially, though, slavery is an attempt to underprice a key resource (labor) through illegitimate means. Hence, the key to understanding modern slavery as a management practice is to determine how enterprises deploy illegitimate practices to achieve underpricing and, when they do, how they succeed in surviving. I term this *institutional deflection*, since institutional theory would suggest that, over time, such practices should disappear because of the influence of prevailing regulative, normative, and cultural-cognitive systems that drive isomorphism (Scott, 2001). However, the emergence and persistence of pockets of slavery practices suggest that in certain niches structural inertia withstands broader shifts in the population and its environment (Hannan & Freeman, 1984). That is, the institutional forces that render slavery illegitimate are deflected in some way by external and internal contingencies.

A number of factors might explain this deflection, including specificities of the niche economic environment that prompt nonconformity to external labor norms perceived as economically threatening; the presence of alternative or competing organizational fields with different norms and prohibitions (such as local cultures or networks of organized crime); or the lack of structuration of the prevailing organizational field owing to isolation, limited professionalization, and low interorganizational dependencies (see DiMaggio & Powell, 1983). Drawing on these explanations, I propose that it is possible to identify a unique set of institutional and industry conditions that are, all things being equal, more likely to lead to the emergence and persistence of slavery at the organization level.

Organizations are not, however, simply passive with regard to institutional and other external forces (DiMaggio, 1988; Greenwood & Suddaby, 2006; Oliver, 1991). Institutional processes are "profoundly political" and reflect "the relative power of organized interests and the actors who mobilize around them" (DiMaggio, 1988: 13). Thus, slavery enterprises can potentially play an important role in influencing whether the institutional environment will constrain these enterprises or enable them to deploy slavery as an ongoing labor practice. For instance, it has long been recognized that organizations can develop nonmarket strategies that shape the market environment and the broader institutional context in which the organizations operate (Baron, 1995). Similarly, Oliver (1991) demonstrated that organizations can adopt a range of strategic postures toward institutional processes. That is, organizations might either be able to avoid institutional pressures to conform to more legitimate labor practices or manipulate those pressures to help bolster the perceived legitimacy of their own practices. In order for such deflection strategies to be successful, however, organizations need to develop and deploy internal resources (or combinations of resources) that enable them to exploit opportunities or neutralize threats in their environment (Barney, 1991). Hence, for slavery to persist, organizations need competences that enable them to enact institutional deflection strategies that influence and exploit environmental conditions favorable to the perpetuation of slavery and that avoid unfavorable conditions.

I conceptualize these attributes as *slavery management capabilities*—a set of unique abilities that explains how enterprises successfully deploy slavery as a management practice despite widespread illegality and public opprobrium. That is, the presence of slavery management capabilities will mediate the effect of the competitive and institutional context on the likelihood that firms will be able to deploy slavery.

An organizational capability is the ability to perform a particular task or activity, using organizational resources, to achieve a particular goal (Helfat, 2003; Helfat et al., 2007). More specifically, it is "a firm's ability to perform repeatedly a productive task which relates either directly or indirectly to a firm's capacity for creating value through effecting the transformation of inputs into outputs" (Grant, 1996: 377). As Winter (2003) suggests, operational capabilities are the more or less tacit routines that enable firms to make a living in the present.

The concept of operational capabilities has primarily been used to explain how organizations develop and maintain a competitive advantage through access to unique resources. Here I am concerned with the activity-related capabilities that will form an integrated architecture of knowledge about how to successfully deflect institutional forces to make slavery "work," despite its highly unethical and illegal character. Two generic types of these operational capabilities can be delineated in the context of slavery. First, enterprises deploying slavery need to be able to respond effectively to the existing context. I label these *exploiting* and *insulating* capabilities. Exploiting capabilities refer to the need to be able to take advantage of specific conditions that create a fertile context for the emergence and perpetuation of slavery. Insulating capabilities reflect a recognition that enterprises will need to be effective in protecting themselves from conditions likely to erode that fertile context. Thus, robust capabilities of this type will enable *both* exploitation and insulation.

A second set of operational capabilities captures the activities necessary not just to respond to a given context but to actively shape that context through "institutional work" (Lawrence & Suddaby, 2006). I refer to these as *sustaining* and *shaping* capabilities. Sustaining capabilities are concerned with the routines firms develop to preserve and reinforce an accommodating context, whereas shaping capabilities are concerned with the stock of knowledge and activities aimed at securing a more conducive situation for slavery to take place in a hostile environment. In this way organizations can prevent adaptation to broader institutional norms and "mask socially destructive deviance" (Zietsma & Lawrence, 2010: 217).

In Figure 1 I set out a model summarizing the relationships among the conditions enabling the practice of slavery, the organization-level capabilities that mediate this effect, and the mechanisms through which this mediation takes place. This is explained in more detail in the remainder of the article.

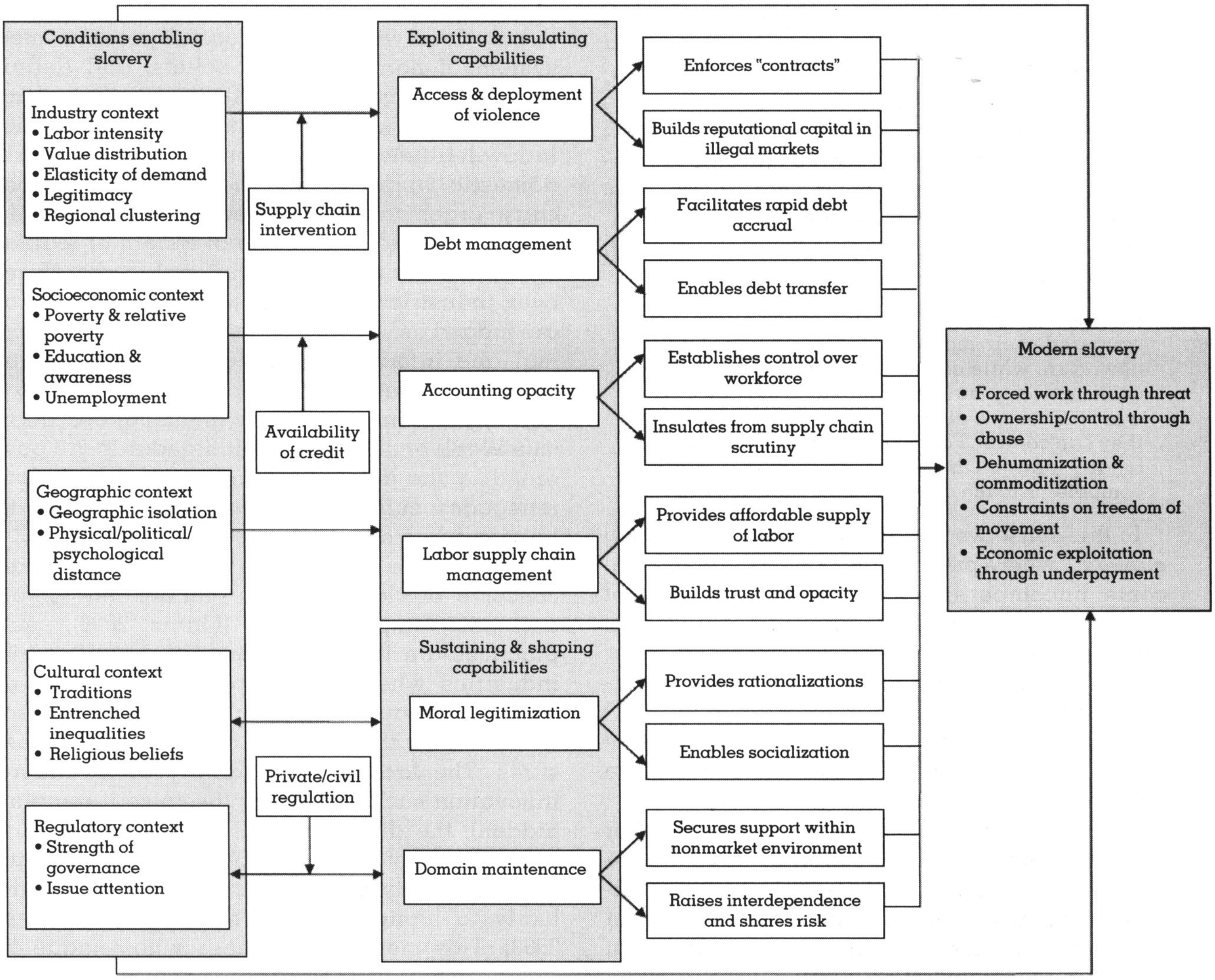
CONDITIONS ENABLING SLAVERY

The external factors that influence slavery's likelihood can be broken down into conditions related to the industry context and conditions related to the broader institutional context, involving regulative, normative, and cultural-cognitive systems (Scott, 2001). This institutional context encapsulates socioeconomic, geographic, cultural, and regulatory factors.

Industry Context

Modern slavery will tend to flourish in certain industries but not others. According to existing research, it is most prevalent in agriculture, mining and extraction, construction, and some forms of manufacturing, such as brickmaking and carpet weaving, as well as unregulated or poorly regulated service industries, particularly

FIGURE 1
Theory of Modern Slavery



domestic work and sex work (Bales, 2004; International Labour Office, 2009; Richards, 2004). There are several factors that determine the attractiveness of the industry for slavery practices—namely, labor intensity, value distribution, elasticity of demand, legitimacy, and regional clustering.

The decision to adopt slavery practices can be understood in terms of perceived economic rationality within a niche environment despite broader institutional beliefs about its irrationality. Most modern slavery (as with traditional slavery) will occur where *labor intensity* is high, especially those industries facing a limited supply of on-site labor, such as agriculture (Domar, 1970). Basic industries with low technological development and personal service industries using unskilled labor provide fertile contexts because slavery practices represent an opportunity to reduce the main costs driving profitability. Slavery is also more likely to be associated with small-scale businesses with limited potential for capturing value. It tends to enter stages of the supply chain where margins are narrow and where value is captured further downstream by larger and more powerful interests. For instance, recent revelations of slavery conditions among migrant agricultural workers in Spain have been explained as follows:

> Farmers argue that the supermarkets have squeezed their margins even harder during the downturn, while costs for fuel and fertilizer have gone up. They have no choice but to cut wages, which is the one element of their production costs they can control. Farmers trying to employ people legally and at the proper rate find it hard to compete or make a profit (Lawrence, 2011).

In this sense we might conceive of "value trap slavery," where primary industries that have become uncompetitive because of low market prices and high costs with existing technologies might perceive the necessity of coerced labor brought as close as possible to zero cost to survive. Thus, the *value distribution* along the supply chain, insofar as a particular stage is associated with very low value capture, can provide significant pressure toward slavery.

In contrast, some industries using slave labor have the potential for high profitability but face high *elasticity of demand* coupled with low elasticity of supply for labor. That is, in unpleasant or illegal industries, slavery is prompted by an opportunity to substantially grow the market by lowering prices to levels at which wage levels decrease and voluntary labor leaves the market (e.g., see Kara, 2009). Here slavery might be viewed as an "innovation" in human resource practices that enables the opening up of new (albeit illicit) market opportunities in environments where slavery was not previously utilized. As Webb et al. argue, "Because formal institutions condemn the exploitation of a set of opportunities by deeming them illegal, a realm of opportunities exists for entrepreneurs willing to operate outside formal institutional boundaries" (2009: 493).

This suggests that we need to go beyond economic rationality in explaining the influence of industry context on the adoption of modern slavery practices. The *legitimacy* of an industry is also an important factor, whereby legitimacy is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995: 574). Illegitimate practices (such as slavery) are more likely to persist in low-legitimacy industries (such as sex work, domestic work, or unauthorized mining), because organizations in these industries already seek to operate beyond the oversight of regulators and other formal institutional forces. Moreover, industries in the "renegade economy" that are judged as socially unacceptable by both formal and informal institutions (i.e., as illegitimate and illegal) have little opportunity for gaining legitimacy by their means of operation (see Webb et al., 2009). Their standards are governed by the institutional norms of their fellow renegades, suggesting slavery is more likely to be viewed as appropriate.

In the same way, to the extent that we can conceive of slavery as an "innovation" or an economic "improvisation" (Mantz, 2008), such practices are likely to become more diffuse in industries where slave operators are part of strong geographic social networks that collectively deflect the intrusion of institutional pressures. The lack of observability of an illegal innovation such as slavery (because it remains hidden), the difficulties in trialing (because it requires an established supply network), and its incompatibility with existing social norms are likely to hamper slavery's diffusion (Rogers, 2003). This means that "those who engage in illegal activities tend to learn about the benefits, justification, and techniques of such activities from those with whom they have more intimate, personal relationships" and with whom they share geographic proximity (Snyder, Priem, & Levitas, 2009: 3). Slavery is thus likely to be driven by, and in turn reflect, some level of *regional clustering*—for instance, in the brick kilns of Shanxi and Henan Provinces in China, where hundreds of slave laborers were freed from illegal brickyards after police raids in 2007 (Lorenz, 2007).

These five dimensions of industry context will influence the propensity for enterprises in that industry to exhibit slavery practices. However, *supply chain interventions* by downstream economic actors can moderate this effect—for example, by changing the perceived economic rationality of slavery. The West African cocoa industry, for example, has long been identified as a fertile context for slavery, but assistance to growers from branded confectionary companies such as Kraft and Mars—in the form of new technologies, crop yield techniques, and fairer trading arrangements—has sought to erode this relationship (Balch, 2010). That is, downstream actors have sought to reduce the effect of high labor intensity and low value distribution by instituting new trading relationships and better technology. By the same token, supply chain interventions can also amplify the effect of industry context on slavery—for example, by introducing new tiers of suppliers, putting downward pressure on prices, or generating demand for low-cost products in new markets. Thus, I propose the following.

> *Proposition 1: A conducive industry context (namely, high labor intensity, low value distribution, high elasticity of demand, low industry legitimacy, and high regional clustering) will lead to a greater likelihood that enterprises will adopt slavery.*

> *Proposition 1a: This effect will be moderated by supply chain interventions.*

Socioeconomic Context

Socioeconomic factors play a critical role in influencing the supply side of slavery. *Poverty* is probably the most critical "push" factor since it creates a fertile context for the worst kinds of labor exploitation. Indeed, "the United Nations recognizes that modern slavery in all of its forms is rooted in the fact that millions live in 'extreme poverty'" (Rassam, 2004: 844). Evidence suggests that lower levels of GDP per capita will, all else being equal, translate into more slavery as a proportion of the population (Plant, 2007). This is because such a context offers slave recruiters the opportunity to use persuasion, coercion, and deception to secure potential laborers. In situations involving the trafficking of slaves from their normal place of residence to a new territory, it is important also to consider relative poverty (Plant, 2007). That is, slavery will be more likely to occur where poverty in one geographic location is perceived to be considerably more extreme than poverty in another—but where relocation is only possible through an intermediary. Evidence from a multicountry ILO study of forced versus freely employed migrant workers showed that "potential migrants with a relatively poor socio-economic background coming from poor countries and having low levels of education are more prone to fall prey to traffickers than others" (Andrees, 2008: 11).

Closely linked to poverty is *unemployment*, especially structural unemployment, where lack of appropriate skills among workers and limited job opportunities in the region may accentuate the push of poverty. In the absence of alternative employment options, and without a social safety net, the offers from recruiters are (or appear to be) a family's best hope for economic survival. Moreover, those entering slavery will either be coerced or deceived about the actual circumstances of the working arrangement they are entering, a phenomenon accentuated by illiteracy and low levels of education among the target population.

Education and *awareness* are, in fact, critical factors influencing the persistence of slavery. Low levels of education limit the (real or perceived) alternatives to indenture, while limited awareness of slavery practices heightens the vulnerability of potential victims (Andrees, 2008; Plant, 2007). Similarly, in regions where slaves are deployed, low education and low awareness within the local community inhibit the reporting of potential incidents.

The effect of these factors is moderated by the *availability of affordable credit*, which dampens the causal relationship between disadvantage and slavery (Iqbal, 2006). That is, enterprises will have less opportunity to exploit a socioeconomically disadvantaged population through slavery where affordable credit is available, compared with similar populations where no affordable alternatives are available. Access to credit on reasonable terms, or more particularly microcredit, can obviate the risk/opportunity equation for those targeted by recruiters and can offer a buffer from engaging in debt bondage. Microcredit is a system for advancing small loans to those normally unable to access traditional banking services because of unemployment, limited collateral, poor credit history, or an absence of formal banking infrastructure (Crane & Matten, 2010: 383–387). It is typically associated with promoting financial inclusion, reducing vulnerability, and generating new business opportunities among the poor. Hence, international development organizations have encouraged microcredit schemes in countries with persistent debt bondage problems (Cullen, 2007: 18). These factors give rise to the following propositions.

> *Proposition 2. The availability of a socioeconomically disadvantaged population (namely, high [relative] poverty, low education, and high unemployment) will lead to a greater likelihood that enterprises will adopt slavery.*

> *Proposition 2a. This effect will be moderated by the availability of affordable credit.*

Geographic Context

The incidence and persistence of modern slavery will also be influenced by the geographic context in which it takes place. According to the ILO, "Much forced labor today is in the informal economy, in remote or hidden locations in developing and industrialized countries alike" (Plant, 2007: 7). For example, Bloomberg *Business Week* recently reported on slave laborers working on Asian fishing vessels trawling in New Zealand waters, often at sea for months at a time, hundreds of miles offshore (Skinner, 2012). There are two main reasons why *geographic isolation* impacts the likelihood of slavery. First, many forms of basic industry, such as agriculture, forestry, and mining, are location specific. Where this location is isolated from the main sources of labor (cities, towns, etc.), a high-demand/low-supply market for labor is created. This will tend to raise labor prices and can render small-scale operations uneconomic. Retreating to the informal sector and institutionalizing slavery through forced migration, however, can effectively lock in low-price labor. This can obviate the need for technology development, economies of scale, and other cost reductions that might take place in the formal economy. A similar argument has been made in the context of new-world slavery, where sufficient "free labor" was generally unavailable or priced at such a rate that plantation economies could only be economically viable through slavery (Wright, 2006).

Second, geographic isolation can also have important regulative and cultural-cognitive effects that help to institutionalize slavery. The development of slavery sites having little or no contact with other communities can provide insulation from law enforcement, support groups, and trade unions that might otherwise help protect individuals' interests. Isolation can contribute to a normalization of slavery practices among participants, thus reducing the likelihood of resistance from laborers. This is obviously the case with slavery camps in remote rural or mining areas but also relates to domestic and sex work, where enslaved workers are often isolated from the outside world.

Physical, political, or *psychological distance* from the usual home place of enslaved workers has the effect of establishing control, heightening dependence, and preventing escape. That is, distance lowers the costs of coercion for employers in terms of the need to deploy resources for domination and enforcement. Workers who are trafficked a considerable physical distance can undergo a longer and more sustained "breaking" process to establish control (Kara, 2009). They are also less likely to attempt escape because of the high cost and complex logistics involved in repatriation, especially where language poses an additional barrier. This is accentuated by political distance, whereby workers are moved (often illegally) across national and state borders. Moreover, without proper documentation (e.g., because identity documents have been confiscated), politically distant laborers have a greater risk of arrest should they attempt to flee. Psychological distance is likely to provoke a greater sense of alienation among slaves so that, in the words of Patterson, they might become "socially a non-person ... in a marginal state of social death" (1982: 48). That is, where workers are estranged from their normal social and communal ties and traditions, from the cultural and political institutions that define their personhood, employers can more readily instigate the process of dehumanization.

> *Proposition 3: A conducive geographic context (namely, high geographic isolation of the enterprise and high physical/political/psychological distance of workers) will lead to a greater likelihood that enterprises will adopt slavery.*

Cultural Context

Although prohibited by formal regulative institutions, slavery is most likely to persist where informal institutional rules and norms provide an accommodative culture. That is, incongruence between formal and informal institutions signals potential opportunities to be exploited (Webb et al., 2009). There are various factors that may give rise to an accommodative culture, including traditions, entrenched inequalities, and religious beliefs.

Traditions are important repositories of community norms. Although in most cases legal and social changes have overturned traditional acceptance of slavery, there are some regions where these traditions persist. For example, in some countries "bonded labor is a longstanding issue, rooted in custom and tradition, yet evolving in response to more recent developments" (Quirk, 2006: 576). Traditions are a determinant of the last vestiges of "old" slavery in countries such as Mauritania and Niger (see Bales, 2004: 80–120), but they also provide normative support for the emergence and transformation of "new" forms of slavery in others (Quirk, 2006).

In general, slavery will also be more readily accepted where it exploits *entrenched inequalities*, such as embedded forms of taken-for-granted exploitation or discrimination, notably against women, racial minorities, or children. The incidence of sex slavery, for instance, has been widely theorized to be correlated with gender inequalities, both in origin and destination countries (Bertone, 1999; Kara, 2009; Schauer & Wheaton, 2006). Similarly, Kara (2009) has demonstrated that "minority disenfranchisement" of marginalized ethnic groups (such as the Roma people in Albania or hill tribes in Thailand) provides a fertile context for slavery, since such groups often remain outside the purview of the normal entitlements of citizenship and face deeply entrenched forms of discrimination. Other forms of social stratification also contribute to the institutionalization of slavery:

> Bonded labor . . . is closely linked to caste; an estimated 80 percent of India's bonded laborers are Dalits (previously, the "untouchables") or are indigenous tribal people, the Adivasi. In some industries, including carpet weaving, 98 percent of the bonded child laborers are members of these castes and tribes (Tucker, 1997: 575).

Religious beliefs can also provide some degree of normative legitimacy for otherwise officially sanctioned behavior. Bales (2004), for example, has suggested that sex slavery in Thailand is partly enabled by Thai Buddhism's emphasis on karma and suffering, as he discusses in relation to one of his enslaved informants: "Though only fifteen she was reconciled to life as a prostitute. She explained it was her fate, her karma, and each day she prayed to Buddha for acceptance" (2004: 63). Such cultural-cognitive beliefs thus provide a supportive context for the rationalizations necessary among those held as slaves to adapt to their situation.

> *Proposition 4: A supportive cultural context (with respect to traditions, entrenched inequalities, and religious beliefs) will lead to a greater likelihood that enterprises will adopt slavery.*

Regulatory Context

Formal institutional elements, such as national slavery laws and international agreements on human rights, prohibit slavery. However, there is considerable variation in the extent to which these are manifested in effective coercive sanctions. One of the key regulatory factors influencing whether modern forms of slavery will flourish is the *strength of governance* in the region. By governance, I mean government effectiveness, regulatory quality, rule of law, political stability, control of corruption, and voice and accountability to citizens (Kaufmann, Kraay, & Mastruzzi, 2010). Where these are lacking, there is a greater propensity for slavery to thrive. Good public governance can be undermined by corruption, lack of resources, or poor management—all of which render enforcement ineffective. For example, the presence of corruption can enable trafficking into slavery to take place (e.g., through facilitation payments to border guards), can allow extreme forms of labor exploitation to persist unimpeded (through payoffs to the local police), and can subvert criminal justice for slave operators (by bribing judges; Richards, 2004). At the extreme, poor governance is most likely to be an antecedent of slavery in undemocratic states (e.g., Myanmar and Uzbekistan), conflict zones, or failed states (e.g., Sudan). For instance, slavery and forced labor practices have been associated with the mining of coltan (a mineral widely used in cell phones and other consumer electronics) to fund militia groups in the Democratic Republic of Congo (Mantz, 2008)

It is important to note, however, that slavery does not exist only in poorly governed countries. Although fewer in number, incidences of modern slavery have also been revealed in well-governed industrialized countries, such as the United States, Canada, the United Kingdom, Italy, and Japan. The source of slaves in these incidents is invariably from a less well-governed state (via trafficking), yet the deployment of slavery in the labor force is taking place in a regulatory context that is, on the face of it, characterized by high levels of governance. To explain this we need to look behind general measures of public governance to explore public governance specifically around the regulation of slavery. Here, a deficit in *issue attention* to slavery accounts for the ineffectiveness of law enforcement institutions in preventing slavery from taking place. Countries and regions differ in terms of the attention and resources committed to enforcing anti-slavery legislation (Bales, 2005). Issue attention toward slavery is likely to be cyclical and will fall from notice, given that slavery affects a small minority with limited voice, the practice is rarely visible, and existing legal solutions are thought to have "solved" or normalized the problem (see Downs, 1972).

The effect of governance and issue attention on the likelihood slavery will arise may be moderated by the effect of *private* or *civil regulation* by corporations, nongovernmental organizations (NGOs), or the media. Companies, for instance, can exacerbate weak governance by offering bribes in order to profit from slavery, or they may seek to enhance or substitute for public governance with private action. This may be in the form of supply chain codes of conduct, partnerships with NGOs to address slavery, or other forms of activity aimed at shoring up public governance, such as helping to train judges on human rights issues or providing funding for local policing (e.g., see Valente & Crane, 2010). Similarly, the media and NGOs can play a role in enhancing governance and attention by investigating and publicizing instances of slavery and by contributing to solutions. In the cocoa industry, for instance, media and NGO pressure led multinational firms to sign the Harkin/Engel Protocol in 2001 as a step toward eliminating child and forced labor in cocoa growing and processing. This has led to pilot projects investigating the most effective ways of addressing slavery and a mooted, but much delayed, program for monitoring and enforcement (Dahan & Leca, 2008).

> *Proposition 5. An accommodating regulatory context (characterized by weak governance and low issue attention with respect to slavery) will lead to a greater likelihood that enterprises will adopt slavery.*

> *Proposition 5a. This effect will be moderated by the deployment of private or civil regulation.*

SLAVERY MANAGEMENT CAPABILITIES

The emergence and persistence of slavery at the organizational level are contingent on the external conditions elucidated above. The presence or otherwise of exploiting/insulating and sustaining/shaping capabilities internal to organizations, however, will mediate this relationship. Organizations need to be able to exploit contexts supportive of slavery and insulate themselves from environments hostile to slavery. To maintain the practice over time, they also need to sustain the supportive contexts and shape the hostile ones. In this section I explain these specific capabilities in more detail.

Exploiting and Insulating Capabilities

Exploiting and insulating capabilities are operational routines embedded in tacit knowledge about how to effect slavery within a given context. The development and use of these capabilities enable organizations to take advantage of the conditions set out in the previous section. I characterize these capabilities as access and deployment of violence, debt management, accounting opacity, and labor supply chain management.

Access and deployment of violence. Perhaps the most essential capability for exploiting conditions conducive to slavery is the ability to access and at least potentially deploy physical and/or psychological violence. As I stated earlier, the threat of violence is a definitional condition of modern slavery. Without it, labor practices may be inhumane and exploitative but will not constitute slavery because the victim has the opportunity to walk away.

Access to violence is even more important in modern slavery than more traditional types of slavery because it enables slave operators to *enforce "contracts"* that prevent an elastic supply of labor from exiting the market. In old forms of slavery, the enforcement of slavery contracts could rely on legal means in addition to violence, but the illegality of modern slavery means that slave operators lack the security of legal title. Given the demands of high labor intensity and low value distribution, however, slave operators may impose formal/informal contracts on workers that provide for the exercise of powers attaching to ownership. The enforcement of such arrangements will rely almost exclusively on the threat of violence. Moreover, in low-legitimacy (or illegal) markets (such as prostitution or human trafficking), organizations with ready access to violence have a comparative advantage because their victims have limited legal recourse (Becker, 1968).

Modern slave operators do not, however, necessarily have to deploy violence. That is, violence has both practical and symbolic purposes (Krohn-Hansen, 1994). In demonstrating an effective capability for accessing violence over a period of time, modern slave operators can further insulate themselves from an unfavorable context by *building "reputational capital"* that mitigates both external threats and opportunistic behavior from workers seeking liberation or workload reductions (see Dick, 1995). This reputational capital might be built through acts of violence in the workplace or, in the case of syndicated or organized crime networks, may be accumulated at the level of the labor supply network. Indeed, as economic analyses of organized crime have shown, provided the threat of violence is credible, contracts in the world of organized crime are typically self-enforced (Dick, 1995; Garoupa, 2000). However, violence is not a zero-cost resource, nor is it necessarily easily accessible. While the effective performance of violence has been shown to require "relatively little by way of specialized equipment or esoteric knowledge" (Riches, 1986), there is a critical human resource requirement (for enforcers) that might pit slave operators against criminal enterprises for relatively scarce, well-paid labor. Moreover, organizations need to balance the deployment of violence against slaves (to enforce contracts and build reputational capital) with the costs in terms of injuries to laborers, remuneration to enforcement personnel, and the potential for heightened attention from law enforcers.

Debt management. Most slavery, whether entered into by force, subterfuge, sale, or inherited debt bondage, is enabled through a process of debt management that exploits prevailing conditions in the socioeconomic context (such as poverty and poor education). By definition, workers do not willingly enter into slavery-type relationships, but they will frequently be corralled into such arrangements through indebtedness. By indebting potential workers, enterprises are able to create debt/labor "contracts" that are enforceable by coercion (Friebel & Guriev, 2006). This is most obviously the case with bonded labor (or debt bondage), whereby labor is directly exchanged to repay a loan, but other forms of slavery also typically make use of some degree of debt management. Research by the ILO has consistently shown that manipulation of debt is a critical factor in trapping vulnerable workers into forced labor situations (International Labour Office, 2009). An organizational capability for debt management in a slavery business essentially facilitates two main activities: rapid debt accrual and debt transferral.

Rapid debt accrual refers to the way in which slavery-based enterprises typically establish, in a short space of time, substantial financial liability on the part of their workers in order to reinforce control. This can occur both at the level of the individual organization and through the network of organizations involved in the slavery supply chain. Ordinarily, slavery begins with a financial advance or loan, which then swiftly escalates to levels that the slave cannot hope to repay, except through a long period of indenture. This rapid escalation may be achieved in four main ways: (1) high and often opaque *personal relocation costs* associated with trafficking or other movement from the slave's home to the labor site; (2) frequent *resale and/or debt trading* through the slavery network to inflate the value of the debt; (3) high-priced, monopoly-supplied *subsistence* (food and shelter) at the labor site; and (4) super-premium *rates of interest* on the original loan, plus the costs of transfer and subsistence. These debt escalation techniques have been widely identified in case studies of slavery (e.g., see Bales, 2004), and they enable organizations to undermine workers' opportunities to access alternative, affordable forms of credit, which might otherwise dampen the effect of poverty on the incidence of slavery.

Debt transferral ensures that the rapidly accrued debts of slaves have liquidity throughout the slavery supply chain (so that slaves can easily be bought and sold) and do not disappear if the original debtor falls ill, dies, or disappears. Slave operators usually establish clear (although commonly unwritten) protocols on debt transferral (e.g., to the slave's family members) as a way of prohibiting default and departure. This enables the exercise of control over the slave on an ongoing basis, insulating the arrangement from changes in the external environment—even, in the case of debt bondage, intergenerationally.

Accounting opacity. In historical studies of new world slavery, researchers have shown that accounting practices played a significant role in the institutionalization of slavery and in the commodification, dehumanization, and social control of slaves (Fleischman & Tyson, 2004). That is, accounts were used to value slaves in financial terms (without concern for their innate human worth), to facilitate transactions, to secure bank loans, and to measure efficiency. In modern slavery, accounting has some similar effects, but as an exploiting/insulating capability, I am specifically concerned with accounting opacity and its role in *establishing control over the workforce* and *insulating slave operators from the scrutiny of more legitimate value chain members.*

Opaque accounting is the ability to deliberately distort accounting records in ways that are obscure or unclear to users. Usually, it refers to accounts presented to investors and auditors, such as in the case of the Enron collapse (Sarra, 2002). However, in the current context I am primarily concerned with opaque accounting to workers and other companies. Slave operators can inflate workers' debts by constructing false accounts of debts and deductions and may even compel workers to sign account books verifying debts that they have not seen or do not fully understand (Androff, 2011). This opacity prevents laborers from knowing what their debt obligations are or even what they are being charged for expenses and interest payments. Thus, organizations can take advantage of poor socioeconomic conditions by ensuring that the size of debts and the termination of labor/debt contracts remain entirely in the hands of employers, further cementing their control over laborers.

A capability in accounting opacity can also prevent legitimate up or downstream value chain members from knowing about, exercising responsibility for, or acting on illegal slavery practices. As discussed earlier, supply chain intervention can moderate the relationship between context and slavery. However, false accounts of labor costs and sham labor contracts may be deployed to provide a sheen of legitimacy and to avoid scrutiny from such actors (Bales, 2004). Therefore, a capability for accounting opacity involves a combination of an ability to construct, maintain, and communicate false, often unwritten accounts over a period of time and a competence to confer sufficient legitimacy on these accounts to satisfy internal and external audiences.

Labor supply chain management. Given that recruitment into slavery is clandestine, that locations are frequently remote, and that (by definition) workers will not voluntarily enter the market for slave labor, enterprises need to access a suitable slave labor supply outside formal, legitimate channels. Much like the supply chain of physical products, the supply of the "commodity" of slave labor typically comprises a multitier chain involving distinct stages. These are recruitment (where individuals are coerced or deceived into entering the supply chain), trafficking (where individuals are transferred to and prepared for the workplace), and deployment (where they are actually put to work). The trafficking stage may in itself involve multiple stages of buying and reselling and various intermediaries, including agents and brokers, especially in international trafficking (Andrees, 2008; Kara, 2009; Shelley, 2003).

The supply of slaves is therefore often characterized by a network or syndicate form of organization sustained by an ordered system of relationships among the actors concerned (Salt & Stein, 1997). This "oligopoly of well-organized and profitable networks of intermediaries" (Friebel & Guriev, 2006: 1096) may be more or less coupled with the enterprises actually involved in the deployment of slaves (Shelley, 2003). Hence, the success of these enterprises will be heavily dependent on their ability to capitalize on environmental conditions by accessing or building a network that (1) can provide a suitable supply of labor that is physically and psychologically distant from its origin and (2) is efficient in terms of minimizing costs despite the complexity of the network. A competence in labor supply chain management is therefore critical to *providing an affordable supply of labor*. This capability is particularly important in the case of "value trap slavery," since businesses are already operating with very narrow margins.

Supply networks for slaves require not only substantial coordination but also cooperation and trust. "Illegal exchanges tend to take place within pre-existing networks of information and exchange capable of guaranteeing the trustworthiness of the parties and of creating favorable conditions to the successful conclusion of criminal transactions" (Paoli, 2002: 85). These networks rely on some form of collective identity, such as shared ethnicity (Webb et al., 2009). Many trafficking rings, for example, are based around ethnic bonds (Shelley, 2003). This can substitute for formal institutions in enforcing the rules and norms that facilitate the supply of slave labor. A shared ethnic identity can also act as a "defense mechanism" in that it makes the network as a whole more cohesive and difficult to penetrate by law enforcers (Schloenhardt, 1999). Thus, a capability for labor supply chain management involves the creation or exploitation of collective identity, which insulates from external pressures by *building trust* among network members and *increasing opacity* to outsiders.

Proposition 6: Organizational-level exploiting and insulating capabilities (namely, access and deployment of violence, debt management, accounting opacity, and labor supply chain management) mediate the relationship between external conditions and the adoption of slavery practices.

Sustaining and Shaping Capabilities

Beyond the exploiting/insulating capabilities necessary to take advantage of existing conditions, slavery enterprises also need to develop capabilities that enable them to carry out the institutional work that sustains favorable contexts and shapes unfavorable ones. I characterize these as moral legitimization and domain maintenance.

Moral legitimization. Modern slavery is an extreme and, to most, an unconscionable form of human exploitation. However, those deploying slavery need to ensure that it is at least minimally accepted within the immediate institutional field around the organization, including among nonslave employees, enslaved workers (so that they do not rebel), clients of the organization, and local communities. A capability for moral legitimization of slavery among these constituencies is therefore critical and will include such practices as storytelling and other forms of communication, as well as broader forms of socialization and culture management. For example, in Brazilian charcoal-making camps, slave operators appeal to workers' sense of "fair play" to pay off their debts, which not only traps slaves into believing that acquiescence and trust might pay off but also obviates the need for violence to retain order and compliance (Bales, 2004).

A capability for legitimizing unethical acts within a particular community is effective when it *provides rationalizations* that justify the unethical practice and *enables the socialization* of new members into the practice (Anand, Ashforth, & Joshi, 2004). According to Anand et al., rationalizations are mental strategies that "individuals use to neutralize their negative feelings or regrets about their behavior" (2004: 40). Slave operators may legitimize the practice with rationalizations such as the "denial of victim" (e.g., arguing that the violated party deserved it), "social weighting" (e.g., claiming that others are worse perpetrators), or "appeal to higher loyalties" (e.g., asserting that it is what the boss wants). The repetition of these rationalizations helps normalize slavery and reframe it as a less morally significant practice. In this way elements of the external environment that might provide a supportive context for slavery, such as traditions or entrenched inequalities, are reinforced through institutional work.

Socialization of members into the norms of this field that accept slavery may take a variety of forms, from cooption using rewards to an incremental escalation of involvement in unethical behavior (Anand et al., 2004). For example, evidence suggests that slave operators often "reward" former slaves with positions as supervisors and recruiters, thereby coopting victims into perpetrators (Bales, 2004; Kara, 2009). Moreover, the stigma of slavery as "dirty work" may in itself foster group cohesion and cultural bonds among those involved in the practice (Ashforth & Kreiner, 1999). This can, in turn, sustain an internalization of the amoral universe of the organization among new members and outsiders. Thus, a capability for moral legitimization represents a form of institutional work that enacts boundaries of membership and fosters normative alignment within those boundaries (Zietsma & Lawrence, 2010).

Domain maintenance. Slave operators use illegal methods for achieving their goals (whether the goals are illegal or legal) and are therefore subject to the threat of governance and issue attention among regulatory authorities. Thus, slavery is more likely to be sustained when organizations develop not only a capability for managing internal audiences but also a capability for domain maintenance, defined by Baysinger as management practices designed to "challenge threats to the methods by which organizational goals and purposes are pursued, especially those posed by government" (1984: 249). This includes a range of activities aimed at challenging those threats, including informal lobbying, bribery, threats, and other forms of influence and cooption. For example, in India, where millions of workers are trapped in debt bondage despite laws to the contrary, landlords use their elite social positions and bribe police officers to minimize regulatory oversight and evade prosecution (Bales, 2004).

Threats to slave operators' methods come from a variety of sources, but most critical are local law enforcement officials and politicians. As discussed earlier, the regulatory context is an important condition enabling slavery, and the ability to *secure support within the nonmarket environment* by undermining governance is a critical success factor for enterprises using slavery. According to Baron, the nonmarket environment consists of "the social, political, and legal arrangements that structure the firm's interactions outside of, and in conjunction with, markets" (1995: 48). He argues that, to be effective, a firm's nonmarket strategy needs to complement its market strategy. In the context of a labor market strategy of forced slavery, a complementary strategy within the nonmarket environment is likely to involve securing support through bribes and other forms of inducement to manage political risk (Keillor, Wilkinson, & Owens, 2005). More broadly, ongoing domain maintenance also helps sustain an institutional logic around the acceptability and legitimacy of slavery within the local environment, especially an environment rooted in collective identity and shared ethnicity (Misangyi, Weaver, & Elms, 2008). Thus, institutional pressures that threaten slavery can be deflected while bolstering and expanding a conducive regulative, normative, and cultural-cognitive context.

A capability for domain maintenance is important not only as a way of buying favor among key stakeholders within the nonmarket environment but also as a way of *raising interdependence and sharing risk* with nonmarket actors. That is, institutional stability can be engendered through practices that effectively coopt potential challengers (Zietsma & Lawrence, 2010). In modern slavery this arises from the extension of the use of illegitimate methods. By using inducements to bribe public officials, slave operators can enlist officials in methods that are themselves illegal. This creates a degree of shared risk in facing exposure and a common interest in protecting the enterprise and its activities from third-party scrutiny. In this way interdependence between slave operators and law enforcement is fostered, creating what Richards (2004: 147) calls a "symbiotic relationship" between corruption and slavery. In fact, some operators succeed in enlisting nonmarket actors in more direct forms of participation in their illegitimate practices—employing police officers to act as security guards, for instance. Bales (2004: 245) has documented examples where local police have acted as "slave catchers and brutal enforcers" in countries such as Thailand and Pakistan. Thus, a capability for domain maintenance might involve both "transactional" (e.g., paying bribes) and "relational" strategies (e.g., employing public servants) in managing the nonmarket environment (Hillman & Hitt, 1999).

> *Proposition 7: Organizational-level sustaining and shaping capabilities (namely, moral legitimization and domain maintenance) mediate the relationship between external conditions and the adoption of slavery practices.*

DISCUSSION AND CONCLUSION

Modern slavery represents one of the worst possible forms of human exploitation. However, despite its persistence in the global economy, it has received relatively little theoretical attention among management scholars. This article has begun to redress this disregard by developing a new theory of modern slavery as a management practice. A focus on macrolevel context factors in my theoretical framework identifies the economic and institutional conditions that give rise to modern slavery. Microlevel factors reveal the specific capabilities that enterprises can deploy to exploit, insulate from, sustain, or shape these conditions.

One implication of this analysis is that pressures to conform to market or institutional pressures are not absolute and that resistance to isomorphism, even in the face of quite overwhelming legitimacy challenges, is possible given certain external and internal contingencies. Contrary to the predictions of institutional theory, illegitimate practices can persist over time in the interstices of prevailing regulative, normative, and cultural-cognitive systems. Slavery enterprises can thus be regarded as a form of "liminal organization," occupying a niche at the margins of institutional fields (Lindsay, 2010). They neither adopt broader institutional norms nor seek to create new institutions (as institutional entrepreneurs might) but, rather, occupy a liminal "position of ambiguity and uncertainty" (Beech, 2011: 287) that requires ongoing maintenance and legitimization. Consistent with Lindsay's (2010) notion of organizational liminality, the persistence of slavery enterprises therefore does not suggest a transitional phase from one form to another (as population ecology models or institutional theory might suggest) but an ongoing state of institutional deflection. That is, the environment does not simply present institutional pressures that demand a strategic response (see Oliver, 1991); it also presents institutional spaces of opportunity that can be strategically exploited to sustain seemingly illegitimate practices.

While Lindsay (2010) developed the concept of liminality in relation to organizations serving "elite constituents," the institutional margins occupied by slavery enterprises in my analysis are among the underprivileged, outcast, or underclasses. That these are both marginal environments suggests that the concept of liminality may be a broadly useful one for explaining persistence in the face of isomorphic pressures at the margins, and that institutional deflection may be a practice that has resonance for other organizations at the margins. For example, a similar model of exploiting, insulating, sustaining, and shaping capabilities could be developed for other types of informal or illegal enterprise. Similarly, such a model might help explain the success or failure of alternative or avant-garde organizations in occupying vulnerable niches at the margins of institutional fields (see Gond, Le Theule, & Sponem, 2007). The point is that for many such organizations the goal of institutional work is not so much to change prevailing institutions but to carve out a suitable position on the fringes that enables a form of status quo to be preserved over time, despite ongoing legitimacy challenges. Clearly, more research is required to refine our understanding of the relevant contextual specificities and boundary conditions of the model presented here, but we might be cautiously optimistic that our enhanced understanding of slavery as a management practice might have broader implications for other types of organizations.

The analysis presented here also contributes to theories of institutional change and the evolution of organizational fields (see Hoffman, 1999; Zietsma & Lawrence, 2010). The organizational field around slavery comprises not only disparate public, civil, and private organizations but also legal and illegal as well as formal and informal organizations. This unusually complex mix limits any real prospects for "spaces for experimentation" (Zietsma & Lawrence, 2010) or common dialogue (Hoffman, 1999) that might prompt the convergence or reconciliation of common interests necessary for substantive institutional change. Typically, although organizational fields consist of different types of organization—for example, public and private—institutional change tends to emerge from the interaction, information sharing, and common debate among field members (Hoffman, 1999). However, in the case of institutional deflection, field members may rarely or only minimally interact and share information or dialogue. Thus, we might expect some degree of coexistence of the coercive, normative, and cultural-cognitive systems in the formal economy that render slavery illegitimate and those in the informal economy that might provide greater legitimization. Provided that slavery enterprises are adept at exploiting gaps or weaknesses in the former and can establish networks reaching into the latter, a position of institutional deflection might be sustained, at least provisionally, over time. Thus, institutional work can play an important role in resisting evolution as much as it can in fostering change. Further research is needed to throw light on different capabilities involved in enabling or resisting change, as well as on the institutional conditions that give rise to practices (such as slavery) in the first place, compared with those that enable the practices to sustain over time and those that prompt or facilitate evolution.

The direct linking of context with capabilities in my analysis throws light on one of the more pressing demands on institutional theorists—namely, the critical intersection of macroinstitutional and microinstitutional forces (Suddaby, Elsbach, Greenwood, Meyer, & Zilber, 2010). My model provides new insight into the role of operational capabilities in institutional work. To date, attention to capabilities has primarily been restricted to dynamic capabilities and their deployment in fast-changing environments (Helfat et al., 2007; Teece, 2009). However, I have shown that capabilities of a more operational type can help deflect pressures from relatively stable institutional fields. Focusing on capabilities that are embedded in more or less tacit, informal, and routinized practices also suggests, along with other recent work (e.g., Dacin, Munir, & Tracey, 2010), that such institutional work may be less conscious or explicitly strategic than many accounts of institutional entrepreneurship, for example, suggest.

My analysis also has implications for the study of the organization and management of organized crime and informal enterprise. Given an emphasis on illegal goods and services, the approach common in the economics of crime literature is to analyze the cost/benefit analysis of market opportunities by illegal or informal businesses and the efficiencies gained by internal transacting in organized crime networks (e.g., Becker, 1968; Dick, 1995). Organizational analysis, on the other hand, tends to emphasize the role of trust, shared identity, and networks in managing criminal organizations (Raab & Milward, 2003; von Lampe & Johansen, 2004). My analysis, however, as with some other recent contributions to management theory on informal enterprise (Webb et al., 2009), complements these perspectives with an integrative approach emphasizing the critical role played by internal capabilities in the deployment of illegal or illegitimate practices given certain market and institutional contingencies. Nonetheless, my identification of the activity capabilities involved in slavery might also be complemented with further research exploring both higher-level (e.g., "cross-functional") and lower-level (e.g., "task") organizational capabilities (see Grant, 1996) in illegitimate and illegal enterprise.

The theoretical analysis presented in this article can also inform future empirical research on modern slavery. I have specified a number of empirically testable propositions concerning the presence of certain conditions enabling slavery, the incidence of slavery, and critical mediating and moderating factors. At this juncture I refrain from specifying whether the mediating effect of slavery capabilities is full or partial; this will need to be determined by rigorous empirical testing. It is also premature to identify potential correlations between some of the independent variables in the model, such as the socioeconomic context factors—poverty, education, and unemployment. While these clearly have distinct effects on the likelihood that slavery will be deployed, they may also have combinative effects that are not well understood as yet. Although in a limited number of studies scholars have begun to explore a few of these relationships in the context of trafficking and forced labor, as Plant (2007: 8) suggests, rigorous statistical work "is barely beginning." Difficulties in collecting high-quality comparable data and the absence of a comprehensive theoretical framework have meant that efforts, to date, have largely been exploratory and piecemeal. The model and theoretical propositions presented here could act as an important springboard for more effective empirical work in the future.

Further research is also needed to explore how the capabilities identified in this article are actually developed by slave operators. That is, while we now have a clearer picture of what slave operators have to be able to do in order to take advantage of a conducive context for slavery, we do not yet know how these resources, routines, and practices emerge and evolve. In the formal economy, capabilities might be developed organically or acquired (Ranft & Lord, 2002), and they might be developed systematically through investment or might emerge as a consequence of repeated interactions (Ethiraj, Kale, Krishnan, & Singh, 2005). In informal or illegal operations, the development of capabilities might diverge quite significantly from our current knowledge about capability development, and so field research is required to explore these dynamics in more detail. While field research among "hidden populations" (Tyldum & Brunovskis, 2005) in clandestine organizations such as slavery enterprises is highly challenging, ethnographers have explored a range of criminal practices "at the edge" (Ferrell & Hamm, 1998). Case studies of bonded labor (Brass, 1999) and human trafficking (Laczko & Gozdziak, 2005) have demonstrated the potential and challenges in developing more empirically rich insights into slavery management capabilities.

Finally, the model of modern slavery presented here also has a number of policy and practice implications. There has been growing interest in the management literature in the role of institutional entrepreneurs who can "leverage resources to create new institutions or to transform existing ones" so as to address deep-seated social problems (Maguire, Hardy, & Lawrence, 2004: 657). For instance, Misangyi et al. (2008) have explored how institutional entrepreneurs might enact institutional logics in tackling endemic corruption. For institutional entrepreneurs looking to tackle the problem of slavery, I have identified several potential areas of leverage. In government and civil society, attention should be focused on formal and informal institutional factors, such as strength of governance, poverty, education, unemployment, and entrenched inequality. For example, the State of California recently introduced legislation to strengthen its governance of slavery with the California Transparency in Supply Chains Act (2010), which explicitly requires "retail sellers and manufacturers doing business in the state to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains." In Brazil as well, a plan introduced by former President Luiz Inácio Lula da Silva has been successful in imposing harsher penalties for slaveholders and providing increased funding for mobile inspection units (Campbell, 2008).

Private sector institutional entrepreneurs will need to examine elements of industry context in order to determine the likelihood of slavery in company supply chains. In at-risk contexts, tackling slavery in the private sector will involve attention to the moderating role of supply chain interventions, affordable credit, and private regulation on dampening or amplifying the effect of such contexts. Positive supply chain interventions might come in many guises. For example, the ILO recommends practices such as developing a clear policy on forced labor and slavery, training auditors and compliance officers, establishing measures to monitor suppliers and subcontractors, and extending monitoring to contract labor agencies (International Labor Office, 2008). Alternatively, supply chain interventions that might amplify the effect of such contexts include forcing down the prices paid to suppliers (to the point where subsistence wages cannot be maintained) or contracting out to informal or unregulated suppliers. In terms of providing affordable credit, the targeting of microcredit services by financial services institutions to at-risk regions can also dampen the effect of context. The introduction of privatized regulation can range from the enforcement of company codes of conduct prohibiting slave labor to the development of multistakeholder initiatives and industry agreements. Formal certification programs, such as fair trade (which ensures that producers in the developing world get a fair price for their products) or Rugmark (which ensures that carpets are made without the use of child labor, including forced and slave labor), can also play a role in lessening the impact of an otherwise conducive context by instituting a form of privatized nonstate market-driven governance (see Cashore, 2002). However, my model also, to some extent, explains the limited effectiveness of codes of conduct and other such initiatives by big-brand manufacturers and retailers to prevent slavery from taking place. Essentially, this type of intervention is but one moderating factor among a complex set of variables and relationships that explain why slavery persists at the enterprise level. Potential solutions require a more comprehensive understanding of these relationships.

Critically, no attempt to address slavery can ignore the role played by slave operators in responding to and shaping these external factors. Reform will require a concerted effort to erode the foundations of their strength—namely, the exploiting/insulating capabilities and sustaining/shaping capabilities specified in Figure 1. Ultimately, it is only through a better understanding of how the worst forms of human exploitation are made possible that we might hope to avert them.

REFERENCES

Allain, J. 2009. The definition of slavery in international law. ***Howard Law Journal,*** 52: 239–276.

Anand, V., Ashforth, B. E., & Joshi, M. 2004. Business as usual: The acceptance and perpetuation of corruption in organizations. ***Academy of Management Executive,*** 18(2): 39–53.

Andrees, B. 2008. ***Forced labour and trafficking in Europe: How people are trapped in, live through and come out.*** Geneva: International Labour Office.

Androff, D. K. 2011. The problem of contemporary slavery: An international human rights challenge for social work. ***International Social Work,*** 54: 209–222.

Ansett, S. 2009. Uzbek cotton and forced child labour—Is the government serious? ***Ethical Corporation:*** http://www.ethicalcorp.com/content.asp?ContentID=6093, accessed January 25, 2011.

Ashforth, B. E., & Kreiner, G. E. 1999. "How can you do it?": Dirty work and the challenge of constructing a positive identity. ***Academy of Management Review,*** 24: 413–434.

Azmy, B. 2002. Unshackling the Thirteenth Amendment: Modern slavery and a reconstructed civil rights agenda. ***Fordham Law Review,*** 71: 981–1062.

Balch, O. 2010. Cocoa: Ghana's glass and a half of sustainability. ***Ethical Corporation:*** http://www.ethicalcorp.com/communications-reporting/cocoa-ghana's-glass-and-half-sustainability, accessed 12 September, 2012.

Bales, K. 2004. ***Disposable people: New slavery in the global economy*** (rev. ed.). Berkeley: University of California Press.

Bales, K. 2005. ***Understanding global slavery.*** Los Angeles: University of California Press.

Bales, K., & Soodalter, R. 2009. ***The slave next door: Human trafficking and slavery in America today.*** Berkeley: University of California Press.

Barney, J. B. 1991. Firm resources and sustained competitive advantage. ***Journal of Management,*** 17: 99–120.

Baron, D. P. 1995. Integrated strategy: Market and nonmarket components. ***California Management Review,*** 37(2): 47–65.

Baysinger, B. D. 1984. Domain maintenance as an objective of business political activity: An expanded typology. ***Academy of Management Review,*** 9: 248–258.

BBC. 2010. Tracing the bitter truth of chocolate and child labour. ***Panorama:*** http://news.bbc.co.uk/panorama/hi/front_page/newsid_8584000/8584847.stm, accessed January 25, 2011.

Becker, G. S. 1968. Crime and punishment: An economic approach. ***Journal of Political Economy,*** 76: 169–217.

Beech, N. 2011. Liminality and the practices of identity reconstruction. ***Human Relations,*** 64: 285–302.

Belser, P., Cock, M. D., & Mehra, F. 2005. ***ILO minimum estimate of forced labour in the world.*** Geneva: International Labour Office.

Bertone, A. M. 1999. Sexual trafficking in women: International political economy and the politics of sex. ***Gender Issues,*** 18(1): 4–22.

Brass, T. 1999. ***Towards a comparative political economy of unfree labour: Case studies and debates.*** London: Frank Cass.

California Transparency in Supply Chains Act. 2010. SB657: http://info.sen.ca.gov/pub/09-10/bill/sen/sb_0651-0700/sb_657_bill_20100930_chaptered.html.

Campbell, J. 2008. A growing concern: Modern slavery and agricultural production in Brazil and South Asia. ***Topical Research Digest: Human Rights and Contemporary Slavery:*** http://www.du.edu/korbel/hrhw/researchdigest/slavery/agriculture.pdf, accessed September 12, 2012.

Cashore, B. 2002. Legitimacy and the privatization of environmental governance: How non-state market-driven (NSMD) governance systems gain rule-making authority. ***Governance,*** 15: 503–529.

Cooke, B. 2003. The denial of slavery in management studies. ***Journal of Management Studies,*** 40: 1895–1918.

Crane, A., & Matten, D. 2010. ***Business ethics: Managing corporate citizenship and sustainability in an age of globalization*** (3rd ed.). Oxford: Oxford University Press.

Cullen, H. 2007. ***The role of international law in the elimination of child labor.*** Leiden, Netherlands: Martinus Nijhoff.

Dacin, M. T., Munir, K., & Tracey, P. 2010. Formal dining at Cambridge colleges: Linking ritual performance and institutional maintenance. ***Academy of Management Journal,*** 53: 1393–1418.

Dahan, N. M., & Leca, B. 2008. ***Engaging activist groups for corporate political activity: An exploration of some of the determinants.*** Presented at the Third Colloquium on Corporate Political Activity: The Role of Nongovernmental Organizations (NGOs) in the Business-Government-Society Interface, Paris.

Dick, A. R. 1995. When does organized crime pay? A transaction cost analysis. ***International Review of Law and Economics,*** 15: 25–45.

DiMaggio, P. J. 1988. Interest and agency in institutional theory. In L. G. Zucker (Ed.), ***Institutional patterns and organizations: Culture and environment:*** 3–22. Cambridge, MA: Ballinger.

DiMaggio, P. J., & Powell, W. W. 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. ***American Sociological Review,*** 48: 147–160.

Domar, E. D. 1970. The causes of slavery or serfdom: A hypothesis. ***Journal of Economic History,*** 30: 18–32.

Downs, A. 1972. Up and down with ecology: The issue attention cycle. ***The Public Interest,*** 28: 38–50.

Ethiraj, S. K., Kale, P., Krishnan, M. S., & Singh, J. V. 2005. Where do capabilities come from and how do they matter? A study in the software services industry. ***Strategic Management Journal,*** 26: 25–45.

Ferrell, J., & Hamm, M. S. 1998. ***Ethnography at the edge: Crime, deviance, and field research.*** Boston: Northeastern University Press.

Fleischman, R. K., & Tyson, T. N. 2004. Accounting in service to racism: Monetizing slave property in the Antebellum South. ***Critical Perspectives on Accounting,*** 15: 376–399.

Friebel, G., & Guriev, S. 2006. Smuggling humans: A theory of debt-financed migration. ***Journal of the European Economic Association,*** 4: 1085–1111.

Garoupa, N. 2000. The economics of organized crime and optimal law enforcement. ***Economic Inquiry,*** 38: 278–288.

Gond, J.-P., Le Theule, M.-A., & Sponem, S. 2007. ***Wrapping illegitimate creative organizations to make them legitimate? An ethnographic exploration of strategies deployed by artistic squats in Paris to acquire legitimacy.*** Paper presented at the European Academy of Management Conference, Paris.

Grant, R. M. 1996. Toward a knowledge-based theory of the firm. ***Strategic Management Journal,*** 17: 109–122.

Greenwood, R., & Suddaby, R. 2006. Institutional entrepreneurship in mature fields: The big five accounting firms. ***Academy of Management Journal,*** 49: 27–48.

Hannan, M. T., & Freeman, J. 1984. Structural inertia and organizational change. ***American Sociological Review,*** 49: 149–164.

Helfat, C. E. 2003. Stylized facts regarding the evolution of organizational resources and capabilities. In C. E. Helfat (Ed.), ***The SMS Blackwell handbook of organizational capabilities: Emergence, development and change:*** 1–11. Malden, MA: Blackwell.

Helfat, C. E., Finkelstein, S., Mitchell, W., Peteraf, M. A., Singh, H., Teece, D. J., & Winter, S. G. 2007. ***Dynamic capabilities: Understanding strategic change in organizations.*** Malden, MA: Blackwell.

Hillman, A. J., & Hitt, M. A. 1999. Corporate political strategy formulation: A model of approach, participation, and strategy decisions. ***Academy of Management Review,*** 24: 825–842.

Hoffman, A. J. 1999. Institutional evolution and change: Environmentalism and the U.S. chemical industry. ***Academy of Management Journal,*** 42: 351–371.

International Labour Office. 2008. ***Combating forced labour: A handbook for employers and business.*** Geneva: International Labour Office.

International Labour Office. 2009. ***The cost of coercion: Global report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work 2009.*** Geneva: International Labour Office.

Iqbal, M. J. 2006. Bonded labor in the brick kiln industry of Pakistan. ***Lahore Journal of Economics,*** 11(1): 99–119.

Kara, S. 2009. ***Sex trafficking: Inside the business of modern slavery.*** New York: Columbia University Press.

Kaufmann, D., Kraay, A., & Mastruzzi, M. 2010. ***The worldwide governance indicators: Methodology and analytical issues.*** Policy Research Working Paper No. 5430, World Bank, Washington, DC.

Keillor, B. D., Wilkinson, T. J., & Owens, D. 2005. Threats to international operations: Dealing with political risk at the firm level. ***Journal of Business Research,*** 58: 629–635.

Kilduff, M. 2006. Editor's comments: Publishing theory. ***Academy of Management Review,*** 31: 252–255.

Krohn-Hansen, C. 1994. The anthropology of violent interaction. ***Journal of Anthropological Research,*** 50: 367–381.

Laczko, F. 2005. Introduction: Data and research on human trafficking. In F. Laczko & E. Gozdziak (Eds.), ***Data and research on human trafficking: A global survey:*** 5–16. Geneva: International Organization for Migration.

Laczko, F., & Gozdziak, E. (Eds.). 2005. ***Data and research on human trafficking: A global survey.*** Geneva: International Organization for Migration.

Lawrence, F. 2011. Spain's salad growers are modern-day slaves, say charities. ***The Guardian,*** February 7: http://www.guardian.co.uk/business/2011/feb/07/spain-salad-growers-slaves-charities.

Lawrence, T. B., & Suddaby, R. 2006. Institutions and institutional work. In S. R. Clegg, C. Hardy, T. B. Lawrence, & W. R. Nord (Eds.), ***Handbook of organization studies*** (2nd ed.): 215–254. London: Sage.

Lindsay, D. M. 2010. Organizational liminality and interstitial creativity: The fellowship of power. ***Social Forces,*** 89: 163–184.

Lorenz, A. 2007. Combing the brickyards for the disappeared. ***Spiegel online:*** http://www.spiegel.de/international/world/0,1518,499877,00.html, accessed March 25, 2012.

Maguire, S., Hardy, C., & Lawrence, T. B. 2004. Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. ***Academy of Management Journal,*** 47: 657–679.

Mantz, J. W. 2008. Improvisational economies: Coltan production in the eastern Congo. ***Social Anthropology,*** 16: 34–50.

Margolis, J. D., & Walsh, J. P. 2003. Misery loves companies: Rethinking social initiatives by business. ***Administrative Science Quarterly,*** 48: 268–305.

Misangyi, V. F., Weaver, G., & Elms, H. 2008. Ending corruption: The interplay among institutional logics, resources, and institutional entrepreneurs. ***Academy of Management Review,*** 33: 750–770.

Mistrati, M., & Romano, U. R. 2010. ***The dark side of chocolate.*** www.thedarksideofchocolate.org, accessed January 25, 2011.

Oliver, C. 1991. Strategic responses to institutional processes. ***Academy of Management Review,*** 18: 145–179.

Paoli, L. 2002. The paradoxes of organized crime. ***Crime, Law and Social Change,*** 37: 51–97.

Patterson, O. 1982. ***Slavery and social death: A comparative study.*** Cambridge, MA: Harvard University Press.

Plant, R. 2007. ***Forced labour, slavery and poverty reduction: Challenges for development agencies.*** Presentation to UK High-Level Conference to Examine the Links between Poverty, Slavery and Social Exclusion. Foreign and Commonwealth Office and DFID. London: International Labour Organization.

Quirk, J. F. 2006. The Anti-Slavery Project: Linking the historical and contemporary. ***Human Rights Quarterly,*** 28: 565–598.

Raab, J., & Milward, H. B. 2003. Dark networks as problems. ***Journal of Public Administration Research and Theory,*** 13: 413–439.

Ranft, A. L., & Lord, M. D. 2002. Acquiring new technologies and capabilities: A grounded model of acquisition implementation. ***Organization Science,*** 13: 420–441.

Rassam, A. Y. 2004. International law and contemporary forms of slavery: An economic and social rights-based approach. ***Penn State International Law Review,*** 23: 809–855.

Richards, K. 2004. The trafficking of migrant workers: What are the links between labour trafficking and corruption? ***International Migration,*** 42(5): 147–168.

Riches, D. 1986. The phenomenon of violence. In D. Riches (Ed.), ***The anthropology of violence:*** 1–27. Oxford: Blackwell.

Rogers, E. M. 2003. ***Diffusion of innovations*** (5th ed.). New York: Free Press.

Salt, J., & Stein, J. 1997. Migration as a business: The case of trafficking. ***International Migration,*** 35: 467–494.

Sarra, J. 2002. Rose-colored glasses, opaque financial reporting, and investor blues: Enron as con and the vulnerability of Canadian corporate law. ***St John's Law Review,*** 76: 715–766.

Schauer, E. J., & Wheaton, E. M. 2006. Sex trafficking into the United States: A literature review. ***Criminal Justice Review,*** 31: 146–169.

Schloenhardt, A. 1999. Organized crime and the business of migrant trafficking. ***Crime, Law and Social Change,*** 32: 203–233.

Scott, W. R. 2001. ***Institutions and organizations*** (2nd ed.). Thousand Oaks, CA: Sage.

Shelley, L. 2003. Trafficking in women: The business model approach. ***Brown Journal of World Affairs,*** 10(1): 119–131.

Skinner, E. B. 2012. Slaves put squid on U.S. dining tables from South Pacific catch. ***Bloomberg Business Week:*** http://www.bloomberg.com/news/2012-02-23/slaves-put-squid-on-u-s-dining-tables-from-south-pacific-catch.html, accessed March 25, 2012.

Snyder, P. J., Priem, R. L., & Levitas, E. 2009. ***The diffusion of illegal innovations among management elites.*** Paper presented at the annual meeting of the Academy of Management, Chicago.

Suchman, M. C. 1995. Managing legitimacy: Strategic and institutional approaches. ***Academy of Management Review,*** 20: 571–610.

Suddaby, R., Elsbach, K. D., Greenwood, R., Meyer, J. W., & Zilber, T. B. 2010. Organizations and their institutional environments: Bringing meaning, values, and culture back in. Introduction to the special research forum. ***Academy of Management Journal,*** 53: 1234–1240.

Teece, D. J. 2009. ***Dynamic capabilities and strategic management: Organizing for innovation and growth.*** Oxford: Oxford University Press.

Tucker, L. 1997. Child slaves in Modern India: The bonded labor problem. ***Human Rights Quarterly,*** 19: 572–629.

Tyldum, G., & Brunovskis, A. 2005. Describing the unobserved: Methodological challenges in empirical studies on human trafficking. In F. Laczko & E. Gozdziak (Eds.), ***Data and research on human trafficking: A global survey:*** 17–34. Geneva: International Organization for Migration.

United Nations. 2001. ***Human trafficking fastest growing form of organized crime: UN anti-crime chief.*** http://www.un.org/apps/news/story.asp?NewsID=2007&Cr=&Cr1=#.UFEIjbJ1Sq9, accessed September 12, 2012

United Nations. 2003. ***Human rights and United Nations officials appeal for more solidarity with the victims of contemporary forms of slavery.*** http://www.unhchr.ch/huricane/huricane.nsf/view01/F354637419971687C1256DEF003C95E5?opendocument, accessed January 25, 2011.

U.S. Department of Labor. 2009. ***The Department of Labor's list of goods produced by child labor or forced labor.*** Washington, DC: U.S. Department of Labor.

Valente, M., & Crane, A. 2010. Private enterprise and public responsibility in developing countries. ***California Management Review,*** 52(3): 52–78.

von Lampe, K., & Johansen, P. O. 2004. Organized crime and trust: On the conceptualization and empirical relevance of trust in the context of criminal networks. ***Global Crime,*** 6: 159–184.

Webb, J. W., Tihanyi, L., Ireland, R. D., & Sirmon, D. G. 2009. You say illegal, I say legitimate: Entrepreneurship in the informal economy. ***Academy of Management Review,*** 34: 492–510.

Weissbrodt, D., & Anti-Slavery International. 2002. ***Abolishing slavery and its contemporary forms.*** New York and Geneva: United Nations.

Winter, S. G. 2003. Understanding dynamic capabilities. ***Strategic Management Journal,*** 24: 991–995.

Wright, G. 2006. ***Slavery and American economic development.*** Baton Rouge: Louisiana State University Press.

Zietsma, C., & Lawrence, T. B. 2010. Institutional work in the transformation of an organizational field: The interplay of boundary work and practice work. ***Administrative Science Quarterly,*** 55: 189–221.

Andrew Crane (acrane@schulich.yorku.ca) is the George R. Gardiner Professor of Business Ethics and Director of the Centre of Excellence in Responsible Business in the Schulich School of Business at York University. He received his Ph.D. from the University of Nottingham. His current research interests include the political role of the firm, cross-sector partnerships, and the communication of responsibility in and around organizations.