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Report on how external factors such as socio, political and economic factors, or interaction with other criminal industries shape the phenomenon of trafficking

Author(s): Amy Weatherburn (VUB), Ionut Lupascu (ANITP), Mirela Saykovska (AAF), Angelos Constantinou (CY POL-THB), Suzanne Hoff (LSI)

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Vrije Universiteit Brussel                                                   |
| 0.1   | 9.3.15     | Internal Review                                                             | Julia Muraszkiewicz<br>
Vrije Universiteit Brussel<br>
Suzanne Hoff<br>
La Strada International<br>
Ionuț LUPĂŞCU<br>
Agentia Națională Impotriva Traficului De Persoane | |
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Vrije Universiteit Brussel                                                   |
| 0.2   | 16.3.15-23.3.15 | External Review and TRACE Consortium                                        | Baerbel Heide Uhl<br>
Independent Consultant<br>
Hayley Watson, Kush Wadhwa<br>
Trilateral Research & Consulting<br>
Suzanne Hoff<br>
La Strada International<br>
Ionuț LUPĂŞCU<br>
Agentia Națională Impotriva Traficului De Persoane<br>
Geraldine Bjällerstedt<br>
Council of Sea Baltic States                                                  |
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Suzanne Hoff<br>
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<th>Main authors responsible</th>
<th>Contributors</th>
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<td>Amy Weatherburn</td>
<td></td>
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1 EXECUTIVE SUMMARY

The overall aim of this report is to look at the root causes of human trafficking and to determine the effect of these root causes on human trafficking as a business model. The report identifies the key root causes of human trafficking as addressed by existing academic literature and research from a three-fold perspective: i) political; ii) social; and iii) economic. The examination of these factors will then be placed in the context of globalisation and considers the impact of globalisation on human trafficking in terms of the liberalisation of the labour market, the freedom of movement of European citizens and the impact of austerity following the global economic crisis. Finally, the report places the examination of the root causes and the impact of globalisation in the context of human trafficking as a business model which uses these aforementioned factors as relevant indicators for the supply and demand of human trafficking in the context of an international criminal enterprise.

Chapter 4 considers the interrelation between human trafficking and politics. This chapter considers three key political situations that lead to an intensification of human trafficking. First, political instability as a root cause will be considered with a particular focus on the historical background following the collapse of Communism. Secondly, the first chapter looks at the political ramifications of conflict on human trafficking. The third political factor that is examined, and closely related to political instability and conflict, is official corruption.

Chapter 5 explores a number of socio-economic factors that lead to individuals becoming vulnerable to human trafficking, namely poverty, socio-economic exclusion, gender inequality and discrimination. Throughout this chapter, particular attention is given to the gendered nature of human trafficking with reflections on the feminisation of poverty as a root cause of human trafficking amongst women. Further vulnerable groups are identified and discussion is premised upon the need for anti-trafficking policies and initiatives to ensure that discrimination faced by certain groups no longer makes them vulnerable to human trafficking.

Chapter 6 considers draws all of the political, social and economic factors together by examining the impact of globalisation on human trafficking. The chapter provides an overview of the globalisation phenomenon and its positive and negative effects on those groups vulnerable to human trafficking. This chapter also considers the effect of the global economic crisis and the subsequent austerity measures that have been taken by destination and origin countries to facilitate economic recovery. Finally, this chapter considers the liberalisation of the labour market and the impact of the European Union’s open borders on human trafficking.

Chapter 7 seeks to further understand human trafficking as a business model. By taking into account the social, economic and political factors that have been identified as root causes for human trafficking, this chapter identifies the effect of such root causes on supply and demand in a globalised economy. Initial discussion refers to the relationship between human trafficking and other international criminal industries. This then leads to an analysis of supply
and demand in a human trafficking context and the human trafficking elements that outline a business model.

Finally, by taking into account the analysis of the political, social and economic factors that are the underlying root causes of human trafficking, globalisation, and other international criminal industries as business, this report hopes to identify future trends. The analysis will assist in anti-trafficking policy development to ensure that they are effective. Identifying trends relating to the impact of political, economic, cultural and global shifts on human trafficking as a business will facilitate a preventative approach to human trafficking, where indicators of trafficking can be acted on in advance to reduce the vulnerability of persons to human trafficking.

The analysis of the factors that lead to human trafficking have been based on two main data sources: an expert survey of professionals working on the issue of human trafficking and a literature review of academic research, European and international project reports, government reports, publications by civil society organisations and media reports. Where appropriate, these findings are, supported by specific reference to the domestic context relating to the four case-study countries: Bulgaria, Cyprus, the Netherlands or Romania, based upon contributions by TRACE partners. The case study countries represent a combination of both countries of origin and countries of destination countries for human trafficking victims and are representative of geographical, political and economic contexts in Europe.
2 INTRODUCTION


As such, the Palermo Protocol states that when determining the prevention initiatives for human trafficking, state parties must address the root causes that foster the vulnerability of persons who are at risk of human trafficking by implementing measures that take into account the political, social and economic deficiencies in the domestic legislative and policy framework:

4. States Parties shall take or strengthen measures, including through bilateral or multilateral cooperation, to alleviate the factors that make persons, especially women and children, vulnerable to trafficking, such as poverty, underdevelopment and lack of equal opportunity.

5. States Parties shall adopt or strengthen legislative or other measures, such as educational, social or cultural measures, including through bilateral and multilateral cooperation, to discourage the demand that fosters all forms of exploitation of persons, especially women and children that leads to trafficking.¹

It must be borne in mind that the root causes of human trafficking are various and often differ from one country to another. As stated in the United Nations Office on Drugs and Crime (UNODC) Toolkit to Combat Trafficking in Persons, human trafficking is a complex phenomenon that is often driven or influenced by social, economic, cultural and other factors. Many of these factors are specific to individual human trafficking patterns and to the states in which they occur. There are, however, many factors that tend to be common to human trafficking in general or found in a wide range of different regions, patterns or cases. Some of the common factors are local conditions that make populations want to migrate in search of better conditions: poverty, oppression, lack of human rights and or lack of social of economic opportunity and dangers from conflict or instability. Political instability, militarism, civil unrest, internal armed conflict and natural disasters may result in an increase in human trafficking. (...) These factors tend to exert pressures on victims that “push” them into migration and potentially into the control of human traffickers, but other factors that tend to “pull” potential victims can also be significant. Poverty and wealth are relative concepts which lead to both migration and human trafficking patterns in which victims move from

conditions of extreme poverty to conditions of less-extreme poverty. In that context, the rapid expansion of broadcast and telecommunication media, including the Internet, across the developing world may have increased the desire to migrate to developed countries and, with it, the vulnerability of would-be migrants to human traffickers.²

Similarly, at the European regional level, the European Union Strategy towards the Eradication of Trafficking in Human Beings (2012 – 2016) mentions that causes for human trafficking can be found in, for example, (the vulnerability for) poverty, lack of democracy, gender inequality and violence against women, conflict and post-conflict situations, lack of social integration, lack of employment opportunities, lack of (access to) education and discrimination.³

The academic literature suggests that the uncertainty during the transitional phase following the collapse of the Soviet Union and the subsequent dismantling of Communism demonstrates that situations of political instability can lead to an increase in organised crime, such as human trafficking, for a number of factors.⁴ The circumstances related to the resulting political changes and the change from a planned to a market economy led to “economic crisis and stagnation, forced industrial restructuring, the breakdown of social services, mass unemployment (a hitherto unrecorded phenomenon) and dramatically lower living standards for large portions of the population.”⁵ Consequently, the political, economic and social uncertainty during the transition phase for the former Soviet bloc countries coupled with open borders, led to mass migration – either voluntary or involuntary. It is also important to highlight the unparalleled opportunity that was now available to people; the possibility to obtain a passport and travel. As has been stated repeatedly in literature, traffickers often target those wishing to explore migration. Furthermore, the collapse of Communism, and the subsequent end to employment created by the state and state social programmes, led to the availability of cheap labour in Western Europe (a demand which escalated as the Western European labour force became increasingly white collar and professional and family farms evaporated in the face of multinational agribusiness)⁶ and many lucrative opportunities for human traffickers. As a consequence, human trafficking gained significant momentum.⁷

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However, it is not possible to conduct a comparative analysis of the situation during Communism and after its collapse as there was no reliable data gathering efforts taken by European countries prior to 1989. It can therefore be concluded that the phenomenon of human trafficking has increased in terms of the number of victims identified and the number of investigations carried out. But up to now these increases can be clearly explained by the European and national prioritisation of the theme of human trafficking.8

The transitioning states noticed an increase of organized crime. These countries all had certain features in common: the trends and forms of crime they experienced were similar, as were the conditions and background factors which encouraged crime to develop.9 This was a phenomenon that was witnessed by all transitioning states and maybe attributed to “enterprise theory”10 whereby the economic opportunities offered as a result of lifted border restrictions, weak political and legal institutions, and an abundance of migrants who were willing to emigrate at all costs and to take any risk to leave poverty and unemployment11 facilitated relatively low risk and high gain international criminal enterprises.12

One such criminal enterprise was the emergence of human trafficking. In a European context, persons were in particular recruited in Central and Eastern Europe and exploited in Western countries. The majority of reports suggest that, for instance, Romania turned into predominantly an origin and transit country for human trafficking due to its geographical position between two countries (the former Yugoslavia and the ex-Soviet Union) which were dealing with serious issues during transitions.13

A key risk factor that increases an individual’s vulnerability to trafficking is poverty and unemployment. In addition, as a result of restrictive immigration policies, individuals become vulnerable to human trafficking as an alternative to regular migration.14 Indeed, it is understood that “a fundamental breeding ground for trafficking and exploitation is the economic situation of people in poorer regions of the world, pushing vulnerable people to emigrate to seek better opportunities abroad.” Therefore, a common explanation of human

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8 Respondent of the online survey - Policy advisor Dutch National Police, February 2015.
10 Ibid, p. 159.
trafficking is poverty, as the “lack of economic opportunities most often provides the initial impetus for prospective victims to fall prey to human traffickers.”¹⁵

For instance, it has been widely recognized that the increased prevalence of human trafficking has impacted particular marginalised groups, such as women and children. Women in Romania, Moldova, and other countries were driven by poor social and economic conditions and recruited by promising advertisements for overseas opportunities. Human traffickers take advantage of these women’s desperation.¹⁶

The link between poverty and the prevalence of human trafficking has been further demarcated as a result of globalisation. Namely, that “economic globalisation has encouraged the increase and expansion of world markets and profits while ignoring the impact this has on vulnerable populations and at-risk communities. The international social agenda remains marginalized and, hence, people as people are extraneous and irrelevant. This lack of consideration for the human factor has accelerated the de-humanization of individuals from the most vulnerable sectors of our societies.”¹⁷ As a result, globalisation has reconfigured “economic spaces, in combination with technological developments in information and communication fostering a dynamic that has increased distance between the valorised high-end and devalorised low-end jobs. Such as sex work which can be considered one of those service jobs in the informal labour market that faces an increasing demand.”¹⁸

It must also be borne in mind that the economic opportunities offered by globalisation are not only being seized by legitimate enterprises. Indeed, “organized crime has quickly responded to the emergence of global trading and international financial networks by adapting organisational and operational structures to the challenges of global activities.”¹⁹

“In summary, trafficking in migrants has become a growing business and a lucrative source of income for criminal organisations for three major reasons: (1) the growing demand for international migration, mostly in sending countries but to some extent also in receiving countries, (2) the restrictions on legal immigration imposed by industrialised countries, which have created the demand for alternative, illegal avenues of migration, and (3) the relatively low risks of detection, prosecution and

¹⁶ Ibid, p. 44.
As mentioned above the business of human trafficking is the result of interconnected 'push' and 'pull' factors and is mainly tied to the market of supply and demand.\textsuperscript{21} As a result human trafficking and smuggling are among the fastest growing forms of transnational crime with significant financial incentives for those involved.\textsuperscript{22} Indeed, the most recent International Labour Organisation (ILO) estimates stated that forced labour in the private economy including for sexual exploitation generates US$ 150 billion per year in illegal proceeds.\textsuperscript{23} Furthermore, the human trafficking business is characterised by low start-up costs, high profitability and a high degree of cross-border movement of persons and funds. Taking into account the significant proceeds of crime from human trafficking and the limited success of criminal justice responses, human trafficking is a low-risk, high-reward crime.\textsuperscript{24} Overall, this report will consider, in detail: i) the political, social and economic factors that have increased the prevalence of human trafficking in EU member states; ii) underpin the economic demand and supply of human trafficking as a business and iii) provide an understanding of human trafficking as a business model.

\textsuperscript{20} Ibid, p. 28.
3 METHODOLOGY

3.1 EXPERT SURVEY

In order to collect expert opinions to provide an understanding of trafficking as a business model and on the economic demand and supply factors that underpin it, an expert survey was drafted and agreed upon by the contributing partners. See Annex A for the expert survey template.

The survey was circulated in three out of the four case study countries: Bulgaria, the Netherlands and Romania.

In Bulgaria, the expert survey was circulated to eight human trafficking experts, who were all representatives of non-governmental organisations (NGOs). Unfortunately, no response was received from any of the experts.

In the Netherlands, the expert survey was shared electronically amongst 80 Dutch professionals working on the issue of human trafficking. In total only 10% (eight persons) replied to this online questionnaire (seven surveys were filled in by eight persons - despite follow up and reminders sent on several occasions). The respondents included: two care coordinators (managers of shelters) for trafficked persons (and sex workers) in the Rotterdam and The Hague area,\(^{25}\) a senior programme manager working for the international organisation Terre des Hommes in the Netherlands; an advisor at the Dutch national police focusing on investigations of human trafficking; a Policy Advisor Justice Cooperation employed at the liaison office of the embassy of the Netherlands in Romania\(^{26}\); a lecturer at the Police Academy, responsible for training of chiefs of police in the field of criminal investigations and neighbourhood policing and two policy advisors of the Dutch Ministry of Social Affairs and Employment.\(^{27}\) Additionally two persons were interviewed; a researcher at the Dutch National Rapporteur office on trafficking in human beings and sexual exploitation of children was interviewed by phone (her answers were later added to the online survey) and a helpline consultant employed at the Dutch NGO, Comensha coordinator centre of human trafficking was met for an interview. The organisation Comensha is responsible for monitoring and registration of human trafficking in the Netherlands and coordinating first aid

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\(^{25}\) Both respondents had the function of care- coordinators for victims of human trafficking, meaning that they have to ensure adequate coordination around the referral and support to trafficked persons identified in their region, including ensuring that victims are informed about their rights, enabling them to access to necessary facilities, including shelter and care, and are supporting in legal and social matters.

\(^{26}\) The Embassy in Bucharest has a Police Liaison Office dealing with operational investigations of THB, child pornography and child sex tourism. The Liaison Office mediates between Dutch judicial institutions on the one hand and Romanian, Bulgarian, Hungarian and Moldovan counterparts concerning police and justice requests for assistance and information.

\(^{27}\) The tasks of the Dutch Ministry of Social Affairs and Employment are: the enforcement and detection of trafficking in human beings (especially labour exploitation outside the sex industry); the development of policy and action plans on human trafficking, information to vulnerable groups (including migrants) on their rights in the Netherlands; training of inspectors and detectives and research related to labour exploitation, next to cooperation with relevant organisations.
for trafficked victims. The main task of the National Rapporteurs office (BNRM) is to report on the nature and extent of human trafficking and sexual violence and children in the Netherlands and the effects of the governmental policies pursued.

All of the Dutch respondents work for organisations that are important actors in the field of preventing and combating human trafficking. One respondent, the representative of the organisation Terre des Hommes, works in the Netherlands, but focuses more on the South East Asia region. The employee of the Dutch embassy, based in Romania has a focus on the Netherlands. The above mentioned persons look at the issue of human trafficking from different (professional) perspectives. Further, not only their organisations and functions, but also their expertise differs. As far as was indicated, persons worked between 4 and 19 years in their position or organisation.

In Romania, the expert survey was circulated to 10 experts of relevant institutions (police and prosecutors) and expert in the public sectors (NGO). Unfortunately, no response was received.

3.2 Desk-based Research

In addition to information collected from the expert survey, a literature review of academic research, European and international project reports, government reports, publications by civil society organisations and media reports was conducted. The literature review also refers to other Trafficking as a Criminal Enterprise (TRACE) Deliverables and interviews conducted under the auspices of the TRACE project. The findings of the desk-based literature review will be, where appropriate, supported by specific reference to the domestic context relating to the four case-study countries: Bulgaria, Cyprus, the Netherlands or Romania. The case study countries represent a combination of both countries of origin and countries of destination countries for human trafficking victims and are representative of geographical, political and economic contexts in Europe.

3.3 Research Challenges

One limitation of the current report is the predominant use of sources based on secondary data from pre-existing research. In this report, the secondary data is, where possible, reinforced by data from the expert surveys and the case-study countries (Bulgaria, Cyprus, the Netherlands and Romania). However, the limited use of primary data may lead to a reinforcement of existing research without any new data being used to determine where the research gaps subsist.
4 HUMAN TRAFFICKING AND POLITICS

4.1 POLITICAL INSTABILITY

Political instability manifests in a number of situations. In Europe, the main catalyst for political instability and the subsequent impact on human trafficking has been the collapse of the Soviet Union. Later this also resulted in political changes in other Communist countries in Central and Eastern Europe, and the Balkans, including the later collapse of Yugoslavia. The subsequent dismantling of Communism demonstrated that political instability can lead to an increase in trafficking. Political changes and the emergence of a market economy led to “economic crisis and stagnation, forced industrial restructuring, the breakdown of social services, mass unemployment (a hitherto unknown phenomenon) and dramatically lower living standards for large portions of the population.”

Consequently, the political, economic and social uncertainty during the transition phase for the former Soviet bloc coupled with open borders, led to mass migration. In particular, people now had the unparalleled opportunity to obtain a passport for both travel and migration purposes. As has been stated repeatedly in literature, traffickers often target those wishing to explore migration. Furthermore, the collapse of Communism led to the availability of cheap labour in Western Europe (a demand which escalated as the Western European labour force became increasingly white collar and professional and family farms evaporated in the face of multinational agribusiness) and many lucrative opportunities for human traffickers.

As a consequence, it is from this point that it is believed that human trafficking gained significant momentum. However, a note of caution was expressed by respondents to the expert survey who expressed doubts as to whether there is an increase in the prevalence of human trafficking in Europe over the last 30 years, as only an increase in registration over the last years can be proven, which in fact does not give an indication about the actual situation. It can be concluded that the phenomenon of human trafficking has increased in terms of the number of victims identified and the number of investigations carried out. But up to now these increases can be clearly explained by the European and national prioritisation of the theme of human trafficking.

31 Respondent of the online survey - Policy advisor Dutch National Police, February 2015.
Political instability and an unsafe situation in the country of origin are considered to be important political factors that “push” persons to leave their country in pursuit of a more stable political environment. 34 This was supported by a number of human trafficking experts, who stated that political instability caused by governmental austerity measures, 35 conflict situations and regime change, 36 means that persons seek prosperity in Western European countries. 37 This is particularly pertinent when considering the development of human trafficking since the fall of communism 38 and the subsequent increased vulnerability of persons to human trafficking: 39

For example in Romania, where the former Communist regime was imposing tight emigration restrictions on its citizens, its collapse triggered an impressive outflow of people, with almost 100,000 Romanian citizens leaving the country for different reasons and for various purposes in 1990. This resulted in a migration rate of −4.1 per 1000 inhabitants, indicating a population decline. Youth emigration, which, albeit a decreasing trend, represents between 30 and 40% out of the overall migration outflow. 40 Although data does not exist regarding the number of Romanian migrants who successfully migrated, the large migration flow presented an opportunity for criminal organisations, such as smugglers and human traffickers, to take advantage of the mass movement of people. 41

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32 Interview with helpline consultant at Comensha, February 2015.
36 Respondent online survey – employee at Dutch embassy in Romania, February 2015.
37 Two respondents of online survey – Policy advisors from the Ministry of Social Affairs and Employment, Respondent online survey - care coordinator for the region of The Hague, February 2015.
As a result of the mass migration, certain groups did become vulnerable to human trafficking and, in particular, large female populations became involved in prostitution across Western Europe. As during the great depressions of the 1890s and 1930s, where women resorted to prostitution in the absence of paid employment, so were Eastern European females and placed within the local sex industry. Of course one can argue that in fact the relaxation of borders after the fall of the “iron curtain” was the main contributing factor in the increase of human trafficking for sexual exploitation; it is likely however that the two happenings (increase in poverty and border relaxation) worked together.

An illustration to this is the booming of the domestic sex industry in the 1990s in Cyprus, whereby the country experienced an increase in the number of cabarets, night-clubs and bars thereby requiring the supply of ‘cabaret artistes’, a term that became synonymous with ‘prostitutes’. The domestic sex industry then was exponentially expanded in all depth and breadth. As a result of the radical changes in Eastern Europe, Cypriot sex entrepreneurs exploited the exodus of Eastern European women supplying services to the sex industry. This very fact, coupled with pre-existent socio-cultural attitudes towards transactional sex, seems to have augmented male demand for commercial sex on the island.

At the same time as Cyprus experienced an influx of Eastern European women, the main hosting venues for sexual exploitation, cabarets and pubs commenced offering nude shows to their audiences, changing the dynamics between prostitutes, clients, and proprietors. Moreover, for four years, commencing from 1996 and onwards, there was a disproportionate increase—25 per cent—in cabarets compared to other entertainment venues—restaurants and

42 Respondent online survey - care coordinator for the region of The Hague, February 2015.
cafés experienced just a 6.9 and 13.2 per cent increase and compared to the national gross domestic product (GDP) (see Graph 1 below).

This increase can be attributed to the collapse of the Soviet Union as well as a positive correlation with a 28 per cent increase in tourist arrivals from 1995 to 2000 could partly explain the rise of cabarets—although sojourners could not have induced such an increase—but then again, in the period between 2000 and 2003 where there was a 14 per cent decrease due to the Gulf War in incoming tourist currents, cabarets were affected only by a 1.4 per cent decrease. As such, tourism fluctuations alone could not explain the demand for cabaret services.

Graph 1: Number of Cabarets and National GDP in Cyprus

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48 Information was provided by the Cyprus police, who stated that they based the data on information provided by Cyprus tourism organization. No further reference to the source has been given.

49 Information was provided by the Cyprus police, who stated that they based the data on information provided by World tourism organization. No further reference to the source has been given.
4.2 **Conflict Situations**

Europe is still today experiencing a number of politically unstable and conflict situations. These are not only situations within European borders, but also in non-European countries but have a direct impact on Europe. Therefore, any consideration of the connection between trafficking and conflict must differentiate between acute armed conflicts and post-conflict situations, although their boundaries are often fluid. Acute armed conflicts are ongoing military fighting between different conflict factions within one country, across borders or internationally. Post-conflict situations are understood as situations where acute military fighting has been terminated either by a military victory or some sort of peace agreement. Such situations are often unstable and may involve spontaneous eruptions of violence, lead to a “cold war” situation, low intensity conflicts or a new war.50

Furthermore, the interconnection between armed conflict and an increased prevalence of human trafficking must be understood to be more acute in relation to the extreme vulnerability of women and children, including those who are living in war territories, forcibly displaced or seeking asylum.51

The large displacement of civilian populations during times of ongoing armed conflict, as currently being experienced in Ukraine52 and Syria, creates the conditions conducive to human traffickers who will seek to profit from the exploitation of those who are displaced by the conflict. However, there is currently a gap in the availability of reliable data and information to inform the actions required in terms of longer-term policies and initiatives that can identify potential victims and ensure the prevention, protection and prosecution of human trafficking in such conditions. In September 2014, following the annexation of Crimea and the continued conflict in Ukraine, the Council of Europe Group of Experts on Action against Trafficking in Human Beings (GRETA) expressed its concern “by the negative consequences of the current crisis in Ukraine on anti-trafficking activities and the growing number of internally displaced persons, including women, children and persons with disabilities, who represent a group vulnerable to human trafficking.”53

In times of conflict, the factors that can lead to human trafficking include: impunity, lawlessness, dysfunctional state institutions and border controls as well as the generally high level of violence during armed conflict.54 Additionally, asylum seekers fleeing conditions of political instability or armed conflict are also vulnerable to human trafficking in transit or in

53 Council of Europe Group of Experts on Action against Trafficking in Human Beings, *Report concerning the implementation of the Council of Europe Convention on Action against Trafficking in Human Beings by Ukraine*, First evaluation round Adopted on 4 July 2014, Published on 19 September 2014.
country of destination due to increased exposure to factors such as unemployment, debt and trauma.\textsuperscript{55} Further, asylum-seekers are often without family or a social support network, unable to communicate due to language barriers, and remain insecure about their immigration status while undergoing the international protection procedure in the country of destination.\textsuperscript{56}

In all conflict situations, human trafficking is influenced by the economic vulnerability, the existence of war and post-war economies built on criminal activities, and lack of an accountable justice system which leads to impunity of the perpetrators of gender-based violence. Not only does the presence of conflict within a country of origin determine whether or not individuals who wish to leave the country, are at an increased risk of being identified by human traffickers, but also, the presence of conflict is a key element in generating a demand for sex work. For instance, as a result of the armed conflict in the former Yugoslavia, the presence of military bases and international forces heavily influenced the increase in prostitutes who offer sexual services. Significantly, due to the prohibition of prostitution by law, this illegal business was facilitated by organised criminals, as a potential source of income.\textsuperscript{57}

The presence of peacekeeping forces in post-conflict situations has been shown to create a previously non-existent demand for human trafficking.\textsuperscript{58} As a result countries in a post-conflict situation who experience a large influx of military or peace-keeping forces increasingly become transits and destinations for trafficked persons from other developing regions, for instance in the case of Bosnia and Herzegovina or Kosovo in the late 1990s there was a significant rise in victims of human trafficking originating from East Asia (China).\textsuperscript{59}

4.3 Official Corruption

Official corruption has been recognised by the European Commission as one of the “biggest remaining challenges for all societies, including European societies” with particular emphasis on its cross-border dimension and its connection with serious crimes such as human trafficking cannot be adequately addressed by EU member states alone.\textsuperscript{60} Furthermore, the link between official corruption and organised crime, such as human trafficking has been

\textsuperscript{55} TRACE, Review of EU Projects Promising Practices in Combatting Human Trafficking, p.16.
\textsuperscript{56} European Migration Network Study, Identification of Victims of Trafficking in Human Beings in International Protection and Forced Return Procedures, 2014, p.20 and p.32.
reinforced. In particular, with reference to corruption as a facilitator as it enables organised crime groups, such as human traffickers, to obtain information, to clear the way for illegal activities or to manage risk and counter threats to their criminal interests. The European position reflects the international acknowledgement that corruption in trafficking in persons is significant and anti-corruption efforts needs to be combined with anti-trafficking measures in order to truly respond to the systemic nature of the problem.

Official corruption – namely the abuse of public service for personal gain - in countries of origin is regarded as a significant political factor which fosters an environment for human traffickers to conduct their “business” with minimal risk of apprehension. The contribution of official corruption to trafficking is considered as a significant indicator of human trafficking. Indeed, a causal relationship exists between countries with high levels of corruption and a high prevalence of human trafficking, due to low standards and efforts against trafficking compared to states with low levels of corruption who have higher standards and stronger efforts against trafficking.

The presence of official corruption is also linked to political instability (discussed in 4.1 above) experienced within the domestic context. For instance, the nonexistence of a stable legal framework, underdevelopment of democratic mechanisms, the underdevelopment of the market and financial systems, economic instability, profiteering from the transformation and privatisation of social capital, manipulation of the system by political power holders, are all factors that provide significant indicators of the presence of official corruption and subsequently human trafficking.

Nevertheless, further analysis of specific domestic situations of transitioning countries, demonstrate that the extent of corruption depends on:

1. “The historical background of individual countries, namely: a. their experiences of the pre-socialist period—countries that have a long tradition of sovereignty, or were part of the European multinational

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64 Ibid, p. 5.
monarchies (e.g. Czech Republic, Hungary, Slovenia) had better starting grounds for successful transition, and thereby a lower level of corruption; b. their experiences of the socialist period—countries of the former Yugoslavia, which had a “softer” socialism, with admixtures of market economy and greater human rights, enjoyed a better starting position than countries that belonged to the Soviet Bloc.

2. The conditions facing transition in individual countries, in particular:
   a. the presence of inter-ethnic tensions and conflicts (which generated additional turbulence for an already complex transition process in countries of the former Yugoslavia); b. the determination of political elites in fighting corruption (Macedonia and Poland constitute a fairly positive example in this respect).”

In Romania, despite the scarcity of specific official data on corruption and human trafficking, there are consistent indications that corruption does play an important role in facilitating and fostering the crime of human trafficking. Information and data gathered for other purposes unequivocally indicate that the corrupt behavior of law enforcers may help human traffickers to recruit, transport and exploit their victims; corrupt criminal justice authorities may obstruct the investigation and prosecution of cases, and/or impede the adequate protection of victims of the crime. Furthermore, corruption involving the private sector – such as travel agencies, model agencies, marriage bureaus, hotels, construction companies and others – may also contribute to human trafficking.

Specific data and in-depth analysis of the role of corruption in human trafficking is currently very limited. The lack of data and subsequent analysis is to the detriment of integrated strategies to understand and combat human trafficking, corruption is rarely a focus in anti-trafficking research or policies, although extensive information on corruption in human trafficking cases is available through other, non-dedicated sources.

Most states do not seem to systematically collect and analyze data on investigations or prosecutions of public officials relating to human trafficking and corruption. The Romanian government is asked to provide data on prosecuted or convicted public officials for “Trafficking in Persons Report” by the US Department of State.

Section 108 - MINIMUM STANDARDS FOR THE ELIMINATION OF TRAFFICKING.

69 Ibid, p.191.
(b) CRITERIA.—In determinations under subsection (a)(4), the following factors should be considered as indicia of serious and sustained efforts to eliminate severe forms of trafficking in persons:

(7) Whether the government of the country vigorously investigates and prosecutes public officials who participate in or facilitate severe forms of trafficking in persons, and takes all appropriate measures against officials who condone such trafficking. 72

However, despite initiatives tackling corruption being considered as a key indicator of serious and sustained efforts to eliminate severe forms of human trafficking by governments, official data from Romania on this issue is not available.73 The publicity provided by the media in Romania highlighted some cases in which public officials are involved (mainly police officers). However, a link between the human trafficking and corruption cannot be proven, because there is no indication those public officials involved used their position to commit the crime.74

Nevertheless, it has been acknowledged that official corruption “plays a critical role in the operation of human traffickers’ networks and allows trafficking to continue from, through, and within South-Eastern Europe” resulting in an erosion of victims’ confidence in law enforcement which may prevent their escape or acceptance of assistance.75

Research conducted in Bulgaria suggests that criminal organizations involved in human trafficking, willingly use corruption to achieve a variety of purposes, including easier implementation of human trafficking; protection from/under investigation; alleviating serving a sentence; restriction of competition in the underworld; entry into the legal economy; entering the public authority.76 A concrete example of official corruption in the process of human trafficking is the trafficking of babies and children in Bulgaria. In order to leave the country unattended, minors must have documentary evidence of parental permission to do so. Evidence suggests that very often small children are taken out of the country without such documentation, and in certain circumstances without the knowledge of one or both parents. Indeed, where children are apprehended by the authorities they are in possession of either fake identity papers or no papers at all.77

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72 Victims of Trafficking and Violence Protection Act 2000, section 108 (b)(7).
73 ANITP, Data received in response to questionnaire for Trafficking Persons from two institutions working in Romania on anticorruption (General Anticorruption Directorate - for workers in the ministry of interior and the Directorate National Anticorruption with attributions regarding all officials in Romania).
74 Ibid.
In Bulgaria, the successful and widespread use of corruption by criminal organizations have at least two effects, which further hamper investigations against them, as confirmed by prosecutorial practice. On the one hand, relations with key representatives of public authorities and the financial power of the human traffickers have a deterrent effect on many policemen and magistrates. On the other hand, maintaining intensive relations with human traffickers and police magistrates, providing girls who serve them, warning of upcoming operations or full protection from such operations, etc. have the effect of aggrandizement human traffickers from the girls and distrust of the victims in state institutes and associations. Therefore, many victims refuse to testify and cooperate with the institutions for investigation of criminal organizations. 78

Furthermore, in the Netherlands, anecdotal experience suggests that ‘diplomatic immunity is also a political factor. [With] more and more cases of diplomats being the human trafficker. They are protected by their diplomatic immunity so it does not matter if they pay their workers or not. This also makes it impossible for their victims to claim or get justice’. 79

In summary, corruption represents a threat to the rule of law, democracy, human rights, fairness and social justice; that it hinders economic development, and endangers the stability of democratic institutions and the moral foundations of society. 80 It is clear that official corruption is a valid predictor of human trafficking. 81 The policy implication is therefore clear - any effort to curb human trafficking must address its symbiotic relationship with the regulatory environment. 82 This was supported by a human trafficking expert who stated that:

"Looking at my experience in the Trafficking and migration spectrum: corruption is the most important factor in combating crimes in the context of migration. Too many people earn money from the victims. A political will to truly stop corruption has always been lacking everywhere. Of course it’s only natural, since everyone involved in politics and public service is somehow part of the problem."

Furthermore, to successfully tackle official corruption and human trafficking, it is necessary for efforts to be focused on entire criminal organizations, rather than individuals, human

79 Respondent online survey - Care coordinator The Hague region, February 2015.
83 Respondent online survey - Senior advisor Terre des Hommes, February 2015.
traffickers are not working autonomously, they have well-developed relationships with organizations that have a high degree of authority and control to enable human trafficking to prosper undetected and unchallenged.  

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5 HUMAN TRAFFICKING AND SOCIO-ECONOMICS

“Poverty, oppression, unemployment and limited access to resources are the breeding factors for human trafficking. Large groups of people around the world find themselves in poor socio-economic conditions and try to reach wealthier regions in the hope of a better life. People who migrate from that position are vulnerable to trafficking.”

5.1 POVERTY

Poverty is understood to be multi-faceted, not only relying upon economic measures but also political, social and cultural indicators of ill-being. Moreover, it is considered to undermine human rights - economic (the right to work and have an adequate income), social (access to health care and education), political (freedom of thought, expression and association) and cultural (the right to maintain one's cultural identity and be involved in a community's cultural life). In addition to the absolute and relative nature of poverty, there has also been recognition of the need to acknowledge the reasons for poverty, such as the roles of culture, power, social structure and other factors largely out of the control of the individual. Moreover, sociological theories of poverty must be taken into account, that are based on the idea that individuals are influenced by the physical and cultural context in which they live, and it gives importance to gender and household structure.

In relation to human trafficking, countries of origin have a high poverty incidence and very often trafficking routes link low with high-level income countries. Poverty and the vulnerability engendered by the lack of economic opportunities and ineffective use of resources have been clearly linked to the root causes of trafficking. Research also indicates that the link between a situation of poverty in the country of origin and the individual

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86 Department for Global Development, Poverty and Trafficking in Human Beings: A strategy for combating trafficking in human beings through Swedish international development cooperation, p. 31.
economic situation of the trafficked person is a key indicator that low earnings or unemployment are among the strongest push-factors.\textsuperscript{90}

A low standard of living has also been identified by trafficked persons themselves as the main reason for falling into the hands of human traffickers in the first instance.\textsuperscript{91} This has been asserted by existing data that trafficking victims are more likely to be constrained by a lack of financial resources. While all migrants cite dissatisfactory living conditions and low or no income as strongest incentive to migrate, those who are more severely affected by it, also risk becoming a victim of deception and abuse.\textsuperscript{92}

For instance, in Bulgaria, a country of origin for child trafficking, poverty is one of the major root-causes of this problem. The parents of these children are from low-income regions with high unemployment and a Roma background. The promise of the material benefits and high profits leads to parents selling or offering their children as a commodity. Children become victims of sexual exploitation and labour exploitation forced into begging and petty crime, as well as being subjected to abuse and petty theft.\textsuperscript{93}

Poverty is very often linked to a number of political and socio-economic factors that have impacted upon the standard of living in a particular country. These factors have an impact on the vulnerability of persons to human trafficking, such “the opening of borders in transition economies, economic factors such as feminisation of poverty, large income differential between the country of origin and destination, high illiteracy rate, highly unequal income distribution, as well as significant disruptions in socio-economic conditions such as natural disasters, presence of conflict, and transition to a different economic system in countries of

\textsuperscript{90} International Labour Organisation, \textit{Forced labour and trafficking in Europe: how people are trapped in, live through and come out} by Beate Andrees (Geneva, February 2008), p. 11. “In the Russian survey, 74% of respondents said low earnings was an important push factor, 48% cited lack of employment and 28% low living standards. Only 3% characterized their financial situation prior to migration as “good”. 20% said “average”, 48% “bad” and 26 % “very bad”.”

C. Rijken e.a, \textit{Het slachtofferperspectief, een verkennende studie naar behoeften en belangen van slachtoffers mensenhandel in Nederland}, Intervict 2013, Tilburg University, p. 61. The study of 2013 from Intervict, University of Tilburg, revealed that for the majority of respondents (90%) the motive is known why they wanted to leave home. For 66% this motive was money or money problems. Further the files studied from the Prosecutor Offices showed that in case known, the victims nearly almost had a low status employment (housewife, sex worker) The files of the Dutch shelter Fier, revealed that 37% of the persons were unemployed (36% unknown) prior to the exploitative situation.


\textsuperscript{92} International Labour Organisation, \textit{Forced labour and trafficking in Europe: how people are trapped in, live through and come out} by Beate Andrees (Geneva, February 2008), p. 15.

It is clear that poverty is one of the primary risk factors to create vulnerability to trafficking; however, there is very often a combination of risk factors that increase the likelihood of a person being trafficked. ‘Poverty plus’ refers to the presence of poverty and a number of other risk factors that may trigger a situation of human trafficking. Other ‘plus’ factors of human trafficking include poor governance and official corruption weakened rule of law in transition and post-conflict countries, and economic disruption affected by climate change and natural disasters. The lack of rule of law facilitates criminal activities and creates an environment where human trafficking can thrive.

5.2 SOCIAL AND ECONOMIC EXCLUSION

The exact correlation between levels of education and vulnerability to human trafficking is limited as there is often a gap in data gathering efforts when registering the socio-economic background of trafficked persons. For instance, the Dutch NGO, Comensha that registers all identified presumed trafficked persons does not register data on the educational background of the persons reported to them. Due to this, also the Dutch National Rapporteur Office has no data on this. Similarly, only one of respondents in the Netherlands stated that “the decrease in the level of education and possibilities to find a good job and the rising unemployment, especially among women and minorities” is an indicator of vulnerability to human trafficking.

It is to be noted that not all victims of human trafficking are uneducated, however, there is a strong correlation between levels of education and vulnerability to human trafficking. For instance, it has been found that Bulgarian trafficked persons for sexual exploitation often have low levels of education. Most trafficked persons from Bulgaria have only a basic education –

99 Respondent online survey – shelter manager/care coordinator Rotterdam region, February 2015.
either elementary or secondary education and therefore have limited economic opportunities and potential to earn a living.\textsuperscript{101} Statistics show that 24\% of the victims in 2003 and 26.5\% of the victims in 2004 are with lower than elementary education (elementary education in Bulgaria is 1\textsuperscript{st}-4\textsuperscript{th} grade). According to the UN statistics division, for 2004 Bulgaria has the following percentages of the population in education: 26.5\% lack even elementary education, 30.6\% have basic level of education (which is 5\textsuperscript{th}-8\textsuperscript{th} grade), 23.5\% have secondary education, 14.3\% have attended professional school, and only 1\% have a university degree.\textsuperscript{102} Statistical data for January 2014 – March 2015 of the Crisis Center of Animus Association Foundation confirms the previous findings: 20 victims of trafficking were accommodated and consulted, for 8 of them no information was available about their educational level, 6 have no education at all, 1 has elementary education (4\textsuperscript{th} grade), 4 have basic level of education (8\textsuperscript{th} grade) and 1 has secondary education.\textsuperscript{103}

As noted above in Bulgaria, the limited amount of education then leads to limited employment opportunities. For instance, data collated as part of a research study conducted by Tilburg University in 2013 showed that, from the research sample 60 \% of victims of sexual exploitation outside the EU had no education or only primary education. Also about the employment history often no information was recorded in the Public Prosecutors files. In cases known, it nearly almost relates to low status employment (housewife, sex worker).\textsuperscript{104}

In countries of origin, such as Romania, despite the existence of an appropriate legislative framework\textsuperscript{105} that is in accordance with the general principles of equal opportunities for both sexes prohibiting gender discrimination: “the scarce opportunity of employment and the harsh economic conditions from disadvantaged regions together with the lack of education, make women have few options and to become a vulnerable category for trafficking.”\textsuperscript{106}

\section*{5.3 Gender Inequality and the Feminisation of Poverty}

Women are vulnerable to poverty, engendered by a lack of access to education and limited employment opportunities. This was recognised in 2011 by the European Parliament who

\textsuperscript{101} Popov, H., \textit{Trafficking in women: causes, consequences and counteraction}, Lik Publishing House, Sofia, 2007, p. 177.
\textsuperscript{102} Popov, H., \textit{Trafficking in women: causes, consequences and counteraction}, Lik Publishing House, Sofia, 2007, p. 177.
\textsuperscript{103} Crisis Center of Animus Association Foundation, Internal data on the educational background of human trafficking victims who are accommodated by the Foundation, January 2014 – March 2015.
\textsuperscript{104} Tilburg University, C. Rijken e.a, \textit{Mensenhandel: het slachtofferperspectief, een verkennende studie naar behoeften en belangen van slachtoffers mensenhandel in Nederland} – Intervict 2013.
\textsuperscript{105} Government Ordinance no. 137 of 31.08. 2000 (republised) on preventing and punishing all forms of discrimination); Government Decision no. 1194 of 12.12. 2001 on the organization and functioning of the National Council for Combating Discrimination; Romanian Civil Code, ART. 253 and 1349; Romanian Penal Code, ART. 369. Incitement to hatred or discrimination; Romanian Labour Code of 2003 (republished) - updated form, Art. 5, Art. 6, Art. 159; Law no. 202/2002 on equal opportunities and equal treatment between women and men- in force since 07.06.2002.
declared that “preventing and reducing women’s poverty is an important component of the fundamental principle of social solidarity to which the European Union is committed as provided in Article 3 of the Treaty on European Union, implying equality between women and men, social justice and protection and combating social exclusion and discrimination. The ‘feminisation of poverty’ means that women have a higher incidence of poverty than men, that their poverty is more severe than that of men and that poverty among women is on the increase.”

The particular vulnerability of women and girls to human trafficking is well documented. In 2014, the EU Anti-Trafficking Coordinator presented findings that 80% of trafficking victims are women and girls.108 Similarly, in December 2014, the United Nations Global Report on Trafficking in Persons stated that 70% of all detected victims were women and girls.109 Furthermore, the interconnection between human trafficking and the feminisation of poverty has led to the victim of trafficking being seen as “an identity that responds to the increased mobility and economic burden placed upon women.”

Gender inequality is a significant factor here, because of the unequal position of women and men in most countries, women become especially vulnerable to exploitation. Socio-economic factors in the country of origin that affect the trafficking risk include, the level of emancipation and position of women and children, level of care and support for the mentally limited and level of social welfare.110 These findings are supported by anti-trafficking NGOs.112

“In case of our foreign victims gender inequality plays a significant role, as in many countries of origin they experienced the feminisation of poverty. Social factors, like masculine oppression and domestic violence, combined with economic factors, like unemployment and discrimination on the labour market lead to an increased degree of vulnerability among women, especially those without a family and job.”

Similarly, literature has revealed that the social background of trafficked persons from the Netherlands (with a Dutch nationality) might have an impact on their vulnerability for human trafficking. Research findings published in 2001 mentioned a problematic family background

107 European Parliament resolution of 8 March 2011 on the face of female poverty in the European Union (2010/2162(INI)).
108 European Union, Eurostat - Trafficking in human beings, 2014, p. 28; European Commission, Mid-term report on the implementation of the EU strategy towards the eradication of trafficking in human beings, COM(2014) 635 final, October 2014, p.3.
111 Respondent online survey - care coordinator for the region of The Hague, February 2015.
112 Helpline consultant Comensha, interview, February 2015.
among the core causes that drove women into the hands of human traffickers.\footnote{Payoke, On the Road & de Roode Draad, Research based on case studies of victims of trafficking in human beings in 3 EU Member States, i.e. Belgium, Italy and The Netherlands, Commission of the European Communities DG Justice & Home Affairs (2001), p. 298 and p 300, available at: www.legislationline.org/documents/id/7665 [last accessed 12/3/15].} Research conducted in 2005, mentioned several aspects that make in particular (Dutch) minors vulnerable to exploitation. The aspects mentioned are; excessive dependence on others; lack of own borders; a past with sexual abuse or having been forced to sex; raised in strict religious family and not have (had) their own freedom; coming from a troubled family (divorce, stepfamilies, single parenting); runaway problems; maltreatment, abuse or neglect (by parent or family member); experiences with war and violence; low socio-economic status; social-emotional weak endowment and (inadequate) social behaviour.\footnote{Van den Borne & Kloosterboer, Inzicht in uitbuiting, 2005, p. 66.} \footnote{Helpline consultant Comensha, interview, February 2015.}

“\textit{Our Dutch clients in many cases have mental problems, come from broken families and/or are low educated. Even though poverty is not a main factor for our Dutch clients, they obviously come from a low socioeconomic background}”

Equally, the vulnerability of this group caused by gender inequality can also be attributed to persons from Central and Eastern Europe, Asia and Africa, the above mentioned family conditions are mentioned, next to shame, the expectation of others that everything goes well with the persons and that those who stayed home will be supported by those that work in the West.\footnote{Van den Borne & Kloosterboer, Inzicht in uitbuiting, 2005, p. 66.} Further for persons from Central and Eastern Europe also violence against women\footnote{La Strada International, \textit{Violation of Women’s rights}, 2008, p. 54; Planitzer, \textit{Trafficking in Human Beings and Human Rights}, 2014, p. 83.} and the feminisation of poverty; patriarchal relationship and gender equality by stereotyping and discrimination on the labour market are mentioned as major root causes.\footnote{La Strada International, \textit{Violation of Women’s rights}, 2008, p. 52.} Many of these root causes also count for women in other parts of Europe or globally. For instance, women’s lack of employment opportunities as a result of discrimination and poor access to education will mean that the cultural subordination of women in many societies may be an explanation for those women who become exploited and vulnerable to human trafficking.\footnote{Zhang S, X., & Pineda, S. L., ‘Corruption as a Causal Factor in Human Trafficking’ in D. Siegel & H. Nelen (eds.), Organized Crime: Culture, Markets and Policies, Springer, 2008, p. 45.} Thus, the gender inequality experienced by many young women strengthens trafficking as “young women are attracted not only by the economic prosperity of the West, but also with promises for personal freedom”, in order to escape domestic violence and a strong patriarchal family environment.\footnote{Popov, H., \textit{Trafficking in women: causes, consequences and counteraction}, Lik Publishing House, Sofia, 2007, p. 49.}


\footnote{Van den Borne & Kloosterboer, Inzicht in uitbuiting, 2005, p. 66.}

\footnote{Helpline consultant Comensha, interview, February 2015.}

\footnote{Van den Borne & Kloosterboer, Inzicht in uitbuiting, 2005, p. 66.}

\footnote{La Strada International, \textit{Violation of Women’s rights}, 2008, p. 54; Planitzer, \textit{Trafficking in Human Beings and Human Rights}, 2014, p. 83.}

\footnote{La Strada International, \textit{Violation of Women’s rights}, 2008, p. 52.}


Further to the cultural attitudes to women, the feminisation of poverty is clearly understood to have a significant impact on the likelihood of women to be subjected to human trafficking and exploitation. Human trafficking and the feminisation of poverty are intrinsically connected to the gender inequality experienced by women who do not have equal employment and educational opportunities, and legal or political rights. Women also face many forms of gender-based violations, such as domestic violence, sexual violence and genital mutilation; which are linked to social and cultural structures that contribute to the vulnerability of women to human trafficking. Children are also vulnerable to human trafficking due to their parents and families’ socio-economic situation. Girls are particularly vulnerable to trafficking because in many societies, parents often choose to send girls to work because they believe that education is not as important to girls who will one day marry and leave the parents.

“The root causes of violence against women are similar to the root causes of trafficking in persons, especially women and children. It has been recognized that the relationship between poverty, gender inequalities and violence is a mutually reinforcing one. There is a long standing failure to protect women from gender based violence. Nonetheless, we must address economic, social and cultural issues particularly gender inequalities that causes gender based-violence and make women and girls vulnerable in order to effectively combat trafficking.”

Indeed, this is fostered by socio-economic conditions such as, poverty, unemployment and lack of opportunities for gainful employment. In Bulgaria, these socio-economic conditions “stand out as essential prerequisites for inclusion of girls in trafficking. Therefore, when recruiting victims, human traffickers mainly focus on the promises of material benefits and opportunities for higher incomes. In most of the cases after that the victims are transported to the final destination.”

The feminisation of poverty clearly is facilitated, not only by lack of education and employment opportunities, but also by significant gender inequality and gender discrimination in countries of origin, who are emerging for a period of transition and/or post-conflict. Significantly, in unregulated and illegal markets, such as domestic work and the sex industry, the economic and social status of women is undermined. This leads to human

traffickers selecting countries and social groups where patriarchal traditions are the strongest.\textsuperscript{125}

Overall, it is clear that there are considerable policy implications regarding gender inequality and anti-trafficking initiatives. The need to take into account socio-economic conditions in the country of origin is a clear objective in preventing human trafficking in the first instance.\textsuperscript{126} For “as long as female youth unemployment remains high in a country, it is unlikely that prevention and information campaigns will have much of an effect in reducing human trafficking. Opportunities for decent work in countries of origin should be part of sustainable anti-trafficking initiatives.”\textsuperscript{127}

### 5.4 DISCRIMINATION

The overwhelming majority of victims of human rights abuses around the world share two characteristics: Deprivation, and discrimination - whether it is based on race or ethnicity, gender, beliefs, sexual orientation, caste or class. From hunger to massacres, sexual violence and slavery, human rights violations are rooted in these hidden, and sometimes not so hidden, factors.\textsuperscript{128}

As discussed above, gender inequality, a form of unlawful discrimination,\textsuperscript{129} is a significant contributing factor to the increased vulnerability of women and girls to human trafficking. Another particularly vulnerable group to human trafficking are persons from an ethnic minority. In Bulgaria, data received regarding the background of victims suggests that there is a strong connection between ethnicity and trafficking for sexual exploitation. A study

\begin{footnotesize}
\textsuperscript{125} Popov, H., \textit{Trafficking in women: causes, consequences and counteraction}, Lik Publishing House, Sofia, 2007, p. 49.
\textsuperscript{128} UN CEDAW, Article 1, For the purposes of the present Convention, the term "discrimination against women" shall mean any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on a basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field.
\end{footnotesize}
conducted in 2003 and 2004 shows that in both years a significant part of the victims are from a minority group: in 2003 35.4% and in 2004 – 42.6% given that according to official data only 4.7% of the Bulgarian population is Roma, 9.4 percent is the Turkish minority and 3% are Bulgarian mohammedans.\textsuperscript{130} Statistical data from January 2014 – March 2015 shows that a significant number of the victims accommodated and consulted in the Crisis Center of Animus Association Foundation are from minority groups: 5 women are Bulgarians, 10 are Roma, 4 are Turkish and for 1 there is no data available.\textsuperscript{131} Socio-economic vulnerability and social deprivation of rights can put ethnic minorities at high risk of trafficking.\textsuperscript{132}

Similarly, in countries of destination such as the Netherlands, it is recognised that the ethnic background of both victims and human traffickers are often an indicator of discrimination and increased vulnerability. For instance, some respondents to the online survey shared comments related to geographical and ethnic considerations, mainly related to vulnerability of minorities in particular Roma: \textsuperscript{133, 134, 135}

\begin{quote}
“Minorities who are oppressed and discriminated against are more vulnerable and easier targets, both as victims and as perpetrators.”

“If we think about the European setting: Roma children are far more susceptible to be victims of trafficking then their non-Roma compatriots, to give an example. Let alone the expectation from their community that they will earn their contribution to the family income with their bodies...”

“Ethnic Roma with Romanian, Bulgarian and Hungarian citizenship represent a high percentage of all the THB victims - if not the majority - and this has especially to do with their stigmatization back home, with a lower education level, with fewer chances of integrating into the society in comparison to the non-Roma inhabitants of these countries.”
\end{quote}

It was further stressed that Roma are stigmatised in their societies, and therefore have become more vulnerable to human trafficking.\textsuperscript{136} In 2013, the Dutch police conducted research on children that were forced to steal by their parents. These cases related to dysfunctional families with a Roma background. Based on these cases, one grandfather was charged with 4

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\textsuperscript{131} Crisis Center of Animus Association Foundation, Internal data on the educational background of human trafficking victims who are accommodated by the Foundation, January 2014 – March 2015.

\textsuperscript{132} Ibid, p. 176.

\textsuperscript{133} Respondent of the online survey – Care coordinator (Manager shelter) Rotterdam region, February 2015.

\textsuperscript{134} Respondent of the online survey - Terre des Hommes representative, February 2015.

\textsuperscript{135} Respondent online survey – employee at Dutch embassy in Romania, February 2015.

\textsuperscript{136} Helpline consultant Comensha, interview, February 2015.
\end{flushleft}
months prison related to human trafficking, as he gave his 10 year old grandchild the task to commit petty crime (shop lifting).\textsuperscript{137}

The particular vulnerability to Roma was also emphasised in the 2014 Trafficking in persons Report published by the US Department of State.\textsuperscript{138} The report outlined that factors that lead to Roma being vulnerable to trafficking include:

“poverty, multi-generational social exclusion, and discrimination—including lack of access to a variety of social services, education, and employment. For instance, because of poor access to credit and employment opportunities, Romani often resort to using informal moneylenders that charge exorbitant interest rates, contributing to high levels of debt, which heighten trafficking vulnerability. Furthermore, recorded cases also exist of exploiters fraudulently claiming social benefits from Romani trafficking victims, depriving victims of this assistance.”\textsuperscript{139}

In addition to the ethnic background, there are other societal factors that lead to increased vulnerability to human trafficking. For instance, ‘in countries where minorities are discriminated on the labour market their position is even worse. They are easy targets’.\textsuperscript{140} Furthermore, despite official registration only referring to countries of origin of trafficked persons and not to specific regions were trafficked persons come from, there are nevertheless, some indications that persons from rural areas are more vulnerable, or that persons trafficked from a certain country to the Netherlands, are from a specific region or city of that country.\textsuperscript{141}

As a result of the socio-economic transformation processes taking place in Central and Eastern Europe since the end of Communism women and ethnic minorities have been more affected by unemployment and social exclusion than other groups.\textsuperscript{142} In 2012, the OSCE Special Representative on trafficking in human beings of the OSCE stressed that non-discrimination and social inclusion of vulnerable groups and groups like Roma, persons belonging to minority groups, children on the move, asylum seekers and refugees, is key to prevention of human trafficking.\textsuperscript{143}

\begin{footnotesize}
\textsuperscript{137} From newsletter article on the publication of the annual report of the Public Prosecutor office, see http://www.nrc.nl/nieuws/2014/07/16/jaarverslag-om-recordaantal-vonnissen-mensenhandel/ [last accessed 27/3/15].


\textsuperscript{139} Ibid, p.19.

\textsuperscript{140} Respondent online survey –Care coordinator Rotterdam region, February 2015.

\textsuperscript{141} La Strada International, based upon internal data and information.


\textsuperscript{143} Office of the Special Representative and Co-ordinator for Combating Trafficking in Human Beings, Combating Trafficking as Modern-Day Slavery: A matter of non-discrimination and empowerment 2012, Annual Report of the Special Representative and Co-ordinator for Combating Trafficking in Human Beings,
6 THE IMPACT OF GLOBALISATION ON HUMAN TRAFFICKING

6.1 HUMAN TRAFFICKING AND GLOBALISATION

"Human trafficking is not a new occurrence, but today it is more pervasive and wide ranging than in the past constituting one of the most heinous, unintended consequences of globalisation."144

Globalisation encompasses the international flow of ideas and knowledge, the sharing of cultures, the closer (economic) integration of the countries of the world through the increased flow of goods and services, capital, and labour.145 Globalisation is a phenomenon that has been intrinsically linked to the socio-economic conditions and situation of populations at an increased risk of human trafficking following the political instability caused by the collapse of the Soviet Union. It is acknowledged that the interconnectivity of globalisation and human trafficking can be attributed to the structural economic changes that govern people’s lives and their freedom of work and movement. In the context of trafficking specifically, it is generally acknowledged that globalisation “adds new dimensions to the pattern and structure of trafficking.”146 Indeed, literature refers to the significant impact of globalisation on human trafficking by situating it as one of the main contributing factors to the socio-economic changes that have led to an increase in this borderless global criminal industry.147

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One of the main features of globalisation has been the surge in capitalist production that has contributed to an increase in global production and international commerce. But, contrary to the beliefs of the globalisation movement, globalisation has not always provided “prosperity, security, and parity among all nations that choose to embrace a free market, open trade strategy.” Indeed, globalisation has also led to a significant shift in socio-economic conditions leading to increased economic inequality and a fall in the standard of living of those in under developed regions. The economic values of the globalisation movement has led to a recognition “that not all people profit equally from a globalised world and that it can even have devastating effects on some (groups of) people” such as women.

The main impact of this economic inequality has been a shift in capital towards regions where “labour is cheap, unions have little if any impact, and government policies ranging from environmental to labour regulations favour business enterprise. While this is good for the business of multinational corporations, the human cost has been highly controversial and troubling.” In the context of human trafficking, there are four identifiable conditions of globalisation that have contributed to the increase of the crime:

- First, globalisation has increased and created great inequality among nations and within nations.
- Second, globalisation has accelerated the dismantling of borders to ease all trade, and exposed citizens to unfamiliar and unpredictable forces.
- Third, the rush to globalisation encourages obsession with market goals and profit whilst overlooking social and human goals.
- Fourth, nations are operating with antiquated institutions, struggling to deal with old problems that persist while being profoundly overwhelmed in trying to deal with new problems that have arisen.


However, despite the “risk” side of globalisation for trafficking, it is important to be mindful of the opportunities that have been created as a result of the globalised economic market. As will be discussed below, the impact of globalisation on gender inequality is clear, however it is also necessary to bear in mind that globalisation has also presented opportunities for women’s activity.\textsuperscript{156}

For instance, particular impact has been felt by women following the market transitions in Central and Eastern Europe and the former Soviet Union. The economic instability “led to widespread increases in poverty, unemployment, hardship, income disparities, discontent, breakdown of social support networks and a general loss of status for women. These factors increased women’s dependency and raised their vulnerability to abuse within and outside the home.”\textsuperscript{157} Importantly, the focus on economic structures illustrates that it is not just social factors that have contributed to the increase in gender equality that has increased the risk of women to trafficking. Economic factors must also be taken into account.\textsuperscript{158} “This is important because it helps to fully identify not only where globalisation may contribute to trafficking [as a criminal enterprise], but also the opportunities for utilising the economic structures of globalisation in anti-trafficking strategies.”\textsuperscript{159}

It has been illustrated that the internationalisation of industry has impacted upon the feminisation of poverty,\textsuperscript{160} which relates to the notion that women are becoming the majority of the poor population.\textsuperscript{161} On the other hand in some parts of the world globalisation has meant that women have gone onto pursue careers and thus hire domestic help to take care of children, elderly and the house – this demand for help is often met by a supply of trafficked women. In other words, globalisation has led to the betterment but also the creation of vulnerabilities. Tied closely is the current demographic decline of the European population whereby the birth rates are not at a “replacement level” leading to an absence of a population to carry out jobs. It is also true that in many western countries thanks to education and skills acquiring there is less of a desire to take on domestic and physical labour.\textsuperscript{162}

\begin{itemize}
\item \textsuperscript{155}Ibid, p. 157.
\item \textsuperscript{157}Report of the Special Rapporteur on violence against women, its causes and consequences, Political economy of women’s human rights, A/HRC/11/6, 2009, p. 22.
\item \textsuperscript{159}Steinkopf Rice, J., \textit{Free Trade, Fair Trade and Gender Inequality in Less Developed Countries}, \textit{Sustainable Development 42}, 2010, p. 44.
\end{itemize}
One fundamental critique is that globalisation is guilty of western imperialism and has pushed forward a set of values, such as the need for profit sometimes at a controversial cost. For many, these financial advantages arise out of the use of cheap and exploitative labour. This labour, possibly provided by trafficked individuals, produces clothes, fruits, vegetables and supplies sexual, entertainment and other services at a low cost thus satisfying the demands of the market. Taking the coco industry for instance, as consumers we want our chocolate cheap and this is often achieved by the use of either forced labour or exploitative labour (e.g., low wages, poor conditions etc.) The financial incentives of using trafficked people for many, even legal, businesses are high. The need for profit and capitalisation of markets has also consequently increased economic inequalities between and within countries.

Globalisation did not only introduce a new political and economical framework which allows trafficking to flourish, it also brought with it practical advancements that make trafficking an easier and more profitable business than before. As part of globalisation there is a greater mobility of people, rapid travel and communication – far away parts of the world are now connected.163 Human traffickers can use the internet to advertise sex tourism, brides for marriage or even recruit individuals. The internet also helps buyers communicate with sellers of trafficked beings.164 Further, the internet increases the ease of money movement which in turn facilitates money laundering.165

6.2 **Human Trafficking and Austerity: The Global Economic Crisis**

A significant negative impact of globalisation has resulted in the global economic crisis. The human rights impact of austerity measures imposed by states has been recognized on social and economic rights.166 In particular, human trafficking “has been a constant concern of experts as demand for cheap labour increases, economic conditions deteriorate and fewer public authorities are available to conduct labour inspections or offer child protection services.”167 Further data suggests that the global economic crisis impacted upon human trafficking, with an increase in the number of trafficked persons identified. For instance, in Romania, data shows that in the first year after the start of the economic crisis there was an

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165 The role of technology in human trafficking will be considered in greater detail in TRACE Deliverable 4.1: Report on the role of current and emerging technologies in human trafficking.
increase in the number of trafficked persons identified. The number of trafficked persons in 2010 was double than the number of persons identified in 2009. This is probably due to the fact that the effects of the recession begun to be felt by the population in 2010.\textsuperscript{168}

\textsuperscript{168} ANITP, based upon internal data and information analysed for statistical analysis.
### Table 1: Number of trafficked persons between 2009-2012 in Romania (identified persons= person trafficked in any year but identified in the reference year)

<table>
<thead>
<tr>
<th>Year of identification</th>
<th>No. of identified trafficked persons</th>
<th>Trend</th>
<th>No. of trafficked persons</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1041</td>
<td>-1%</td>
<td>554</td>
<td>-9%</td>
</tr>
<tr>
<td>2011</td>
<td>1048</td>
<td>-9%</td>
<td>606</td>
<td>-3%</td>
</tr>
<tr>
<td>2010</td>
<td>1154</td>
<td>+32,5%</td>
<td>626</td>
<td>+94,5%</td>
</tr>
<tr>
<td>2009</td>
<td>780</td>
<td>-37%</td>
<td>322</td>
<td>+0,4%</td>
</tr>
</tbody>
</table>

In Bulgaria, it has also been noted that the economic recession has led to an increase in the problem of human trafficking for labour exploitation. Whilst for both examples from Romania and Bulgaria, the true impact of the economic recession cannot be fully determined with such limited data. However, the experts in the Netherlands who responded to the survey placed the economic crisis in the context of EU enlargement and the increased accessed to the Schengen area. For instance, one respondent stated that ‘the opening of the borders within Europe in combination with the unequal wealth distribution had a big impact on human trafficking’. Whilst another mentioned ‘the increasing expansion of the Schengen area could have led to an increase in the number of victims of human trafficking. The differences in the economic situations between (new) member states and the Netherlands, for example, could result in migration in Europe leading in some cases in exploitation. After all, if the global gap between rich and poor gets bigger, this could lead to rising migration and thus pose risks of exploitation in Western countries’.

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169 SIMEV the National Integrated System to Monitor and Assess Trafficking in Persons was developed by the National Agency Against Human Trafficking (ANITP) for statistical analysis and became fully operational in January 2007. Technically, the national system is based on multi-level software, which uses a central database, a data interrogation application, and a web-type user interface. The access to this system is only permitted to users within ANITP, the Monitoring, Evaluation and Coordination Office, ANITP’s Regional Centres, as well as to certain users within the Offices to Combat Organised Crime and within the General Inspectorate of the Romanian Border Police. The data may also originate from other partner institutions besides the Ministry of Internal Affairs, for example NGOs, child protection authorities, school inspectors and others, in this purpose data being collected by specialist of ANITP’s Regional Centres. The data available is strictly related to the victims: socio-demographic indicators, trafficking experience and/or assistance received.


171 Respondent of online survey - Care coordinator for trafficked persons and sex workers in The Hague region, February 2015.

6.3 The Liberalisation of the Labour Market and Freedom of Movement in the European Union

“..with the gradual lifting of restrictions on workforce movement of the within the European Union, more and more people have been migrating in search of better-paid job. The adoption of the new countries of Central and Eastern Europe marks the culmination of this process.”\textsuperscript{173}

A significant effect of globalisation and the liberalisation of the labour market has been the growth of migration.\textsuperscript{174} However, migration patterns demonstrate further inequality as opportunities and rewards are unevenly distributed between nations, and benefits concentrate only within a few countries with faster growing economies, new economic opportunities, higher living standards and desirability, and accelerated innovations and dissemination of technology\textsuperscript{175} For instance, persons in a developed country are much more likely to have the opportunity to live and work outside of their country of origin compared to persons in a developing countries. The UN International Migration Statistics show that of 175 million persons living as migrants, almost one of every 10 persons living in the more developed regions is a migrant. In contrast, nearly one of every 70 persons in developing countries is a migrant.\textsuperscript{176}

There are two consequences of such inequality in migration prospects: i) nations that have yet to benefit from globalisation are falling farther behind, becoming more impoverished and susceptible to high criminality, civil war, or internal chaos; and ii) individuals who face significant income and social inequality become more susceptible and vulnerable to trafficking.\textsuperscript{177, 178}


\textsuperscript{176} United Nations, Department of Economic and Social Affairs, International Migration Report 2002, p. 2.


\textsuperscript{178} Respondent online survey – policy advisor Ministry of Social Affairs and Employment, February 2015.
The availability of data related to the patterns of migration is important to implementing anti-trafficking initiatives as “migration prevalence is a key predictor of trafficking”. Illegal migration patterns increase trafficking risks\(^\text{179}\) as despite globalisation fostering an increased demand for legal migration options. Restrictions on migration policies leads to an increasing demand for illegal migration options, and there is increasing evidence that migrants are turning to the services of smugglers (which puts them at-risk of trafficking somewhere along the continuum of their journey) and human traffickers, and that trafficking in irregular and undocumented migrants is a thriving international business.\(^\text{180}\)

The impact of restrictive migration policies has led to an increase in trafficking and exploitation of individuals deciding to look for opportunities “abroad,” hoping to make a better living\(^\text{181}\) thus creating “a breeding ground for criminal organisations and exploitative employers”\(^\text{182}\) where the large supply of aspiring migrants become targets for individual smugglers of humans, traffickers and (organized) criminal groups.\(^\text{183}\)


This situation “presents policy makers with new challenges in the management and control of migration flows across borders. In particular, it suggests the need to look at immigration controls in new ways, placing sharper focus on institution and vested interests involved rather than on the migrants themselves.”\(^{186}\) For instance in Romania, the nature of migration has been influenced by a modification in visa-regime. Since 2002, Romanian citizens are able to obtain Schengen visas. The new visa regulations have reportedly decreased the amount of trafficking as there is less recourse to intermediaries for travel documents and illegal border crossings. In addition, countries such as those belonging to the Former Yugoslavia are now less attractive to Romanian migrants than Schengen countries.\(^{187}\) However, it must be noted that Romania was listed as one of the top five countries of citizenship within the EU in terms of absolute numbers of registered victims in 2010-2012.\(^{188}\)

Furthermore, in Romania, the access to the free market of work did not influence human trafficking for labour exploitation as there is evidence of a constant decrease in the number of trafficked persons identified (see graph 2 below).\(^{189}\) The trend began in 2005 and continued until 2009, the year of the beginning of the economic crisis in Romania. Furthermore it can be notice a decrease in the number of victims of trafficking, recruited with the promise of a job abroad, from 628 in 2007 to 551 in 2008. The explanation could be that free access to the

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\(^{184}\) Respondent online survey - Policy advisor Embassy of the Netherlands Romania – liaison office, February 2015.

\(^{185}\) Respondent online survey - Care coordinator The Hague region, February 2015.


\(^{188}\) EUROSTAT, *Trafficking in human beings*, 2014, p.11.

\(^{189}\) Please note that the analysis of the statistical data does not take into account those who are Romanian citizens who may have been trafficked for the purposes of labour exploitation but have not been referred back or identified in Romania.
labour market and facilitated access for a job abroad decreased the number of people willing to choose a less legal way to gain a better paid job.  

Graph 2: Dynamics of victims of human trafficking identified in 2005-2013 in Romania

Another example of the impact of the liberalisation of the labour market stems from Bulgaria’s experiences. Prior to 2011, Bulgarian citizens required a visa to visit other EU countries. In 2011, these visa requirements were removed. The impact of these changes were significant, from 1991-2001, on average, 19,400 Bulgarians left the country. From 2000-2003, as a result of “record unemployment, low incomes and access to the Schengen area […] the average annual number of migrants moving from Bulgaria to other the EU member states is close to 100 000 people.”

However, it is not necessarily the case that unrestricted freedom of movement would in fact result in “a change in the dynamics of human trafficking and migration practices in general, since traveling abroad becomes easier. The International Organisation for Migration (IOM) reports that more often victims of human trafficking cross borders through official checkpoints with regular documents. Indeed, human trafficking is not always associated with irregular migration because entry into the country can occur through legal channels.

190 ANITP, based upon internal data and information analysed for statistical analysis.
191 SIMEV - the National Integrated System to Monitor and Assess Trafficking in Persons was developed by the National Agency Against Human Trafficking (ANITP) for statistical analysis and became fully operational in January 2007. Technically, the national system is based on multi-level software, which uses a central database, a data interrogation application, and a web-type user interface. The access to this system is only permitted to users within ANITP, the Monitoring, Evaluation and Coordination Office, ANITP’s Regional Centres, as well as to certain users within the Offices to Combat Organised Crime and within the General Inspectorate of the Romanian Border Police. The data may also originate from other partner institutions besides the Ministry of Internal Affairs, for example NGOs, child protection authorities, school inspectorates and others, in this purpose data being collected by specialist of ANITP’s Regional Centres. The data available is strictly related to the victims: socio-demographic indicators, trafficking experience and/or assistance received.
Victims can reside legally and work illegally. Victims may even be nationals of the country.\textsuperscript{194}

Furthermore, criminal groups are also aware of the implications of the borders being opened and are able to make use of this. For instance, once people have arrived in the European Union Schengen area, they can be transported across borders without any official documents. The relatively frequent movement of victims prevents them from forming relationships with the people around them.\textsuperscript{195} A critical note related to that was also made: “Because of open borders and unification of Europe it is undoubtedly easier to migrate than 30 years ago, but smuggling – which often leads to trafficking – is of all times. People from Eritrea do not encounter open borders and we still have victims from these regions. We don’t think open borders or unification of Europe are main factors for trafficking. People always have reasons to migrate. We should think more in terms of socioeconomic backgrounds; people will migrate in case of better living conditions abroad.”\textsuperscript{196} Two policy advisors from the Dutch Ministry of Social affairs and employment mentioned that “for migrant workers the wages are higher and the conditions for social security and support are better than in the country of origin. It is often the only possibility to escape poverty and a better life for the family (especially their children)”\textsuperscript{197}

Despite the job opportunities created by the economic processes of globalisation there has nevertheless been a significant rise in gender inequality in the labour market, a factor identified as contributing to trafficking. Female migrant workers often occupy unskilled, temporary/insecure and low-paid positions and experience discrimination in the areas of hiring, promotions, wages, benefits, maternity leave, childcare and gender-based violence. Conversely, the economic processes of globalisation have also destroyed job opportunities for women, a factor understood to contribute to trafficking. Losses are felt in the agricultural and public sector; female agricultural workers are affected by the shift from the production of essential goods for internal markets (import substitution) to export-oriented production for external trade and public sector employees lose their positions as governments privatize industries and cut public services. The shift from import substitution to export oriented growth strategies makes female employment precarious and vulnerable to external or global forces such as shifts in trade preferences and global economic crisis.\textsuperscript{198}

For instance, despite efforts by European governments to collaborate in the development of harmonized anti-trafficking policies and legislations “these efforts, however effective, may prove to be insufficient and complacent attempts to curb a problem that is now international

\textsuperscript{195} Respondent of online survey – Advisor Dutch National Police, February 2015.
\textsuperscript{196} Interview helpline consultant, Comensha, February 2015.
\textsuperscript{197} Two respondents online survey – Policy advisors from the Ministry of Social Affairs and Employment.
in scope. This is due partly to the sophistication of the trafficking business. It is also because attempts to combat trafficking ignore the economic contradictions of migration, and of European migration policies which fail to tackle those powerful vested interests which benefit directly and indirectly from trafficking.”

7 UNDERSTANDING HUMAN TRAFFICKING AS A BUSINESS MODEL

7.1 SUPPLY AND DEMAND IN CRIMINAL ENTERPRISES

“\textquote{I think that nowadays human trafficking is the second or third most important criminal business, after the arms and the drugs trade. So it is a criminal business that is very interesting for mafias, and very often human trafficking networks also do trafficking in arms or drugs. There’s interpenetration.”}

Factors such as improved communication and technology,\textsuperscript{201} de-restricted border controls, political corruption in countries of origin and demand in Western European countries as a result of increased consumerism,\textsuperscript{202} have led to a proliferation of opportunities for illicit activity. For instance, there has been a “drastic increase of crimes committed by Bulgarian citizens”\textsuperscript{203} leading to “a resurgence of Bulgarian criminal groups in the European grey and black markets and above all the market of sexual services, car thefts and drug trafficking, in particular in the period 2001-2003\textsuperscript{204}

One of the common features with human traffickers, is that new avenues of “business” have now become available to them as a result of a more liberalised labour market, “the human traffickers quickly begin to seek additional possibilities and move to new destinations so they take positions in many lucrative markets.”\textsuperscript{205} This then leads to new relationships developing between foreign criminal organisations. Again, in Bulgaria, there is evidence that “Bulgarian criminals partner [cooperate] very successfully with foreign organizations, not only in human trafficking, but also in other criminal activities….Bulgarian criminal organizations for trafficking cooperate very successfully in Europe with Italian and Albanian organizations; in the US with Latin American criminal organizations.”\textsuperscript{206}

\textsuperscript{200} Excerpt from TRACE interview with Journalist, carried out by Julia Muraszkiewicz on 27 October 2014, Belgium.
\textsuperscript{205} Petrunov, G., Basic schemes for money laundering from trafficking in human beings for sexual exploitation, Risk Monitor Foundation, Sofia, 2009, p. 11.
\textsuperscript{206} Ibid, p. 74.
7.2 Supply and Demand in Human Trafficking

Taking into consideration the supply and demand trends in other international criminal industries, the political, social and economic factors that determine trafficked persons vulnerability to trafficking, and the conceptualisation of human trafficking as a business model, it must be noted that: “Human trafficking exploits the rapid expansion of “global culture” and the aspirations of many victims for a better life elsewhere. Such aspirations contribute just one of the significant motivating pull factors that have contributed to human trafficking becoming a massive illicit economic enterprise.”

For instance, in countries of origin, the incidence of female youth unemployment and official corruption are two significant factors that contribute to the supply of human trafficking. Again, referring back to the significance of the collapse of the Soviet Union combined with the impact of globalisation, the growth of human trafficking, as a criminal industry, has been facilitated by these economic and political developments.

The transnational trafficking of women and children for exploitation in the sex industry is based on a balance between the supply of victims from countries of origin and the demand for victims in countries of destination. Likewise, the movement of people for the purpose of forced labour and services usually involves an agent or recruiter, a transporter, and a final employer, who will derive a profit from the exploitation of the trafficked person. In some cases, the same person carries out all these trafficking activities.

Countries of destination are those from which victims can be relatively easily recruited, usually with false promises of jobs. In the case of trafficking for labour exploitation, receiving countries are those heavily industrialized, with a growing demand for cheap labour in the developed world on the one hand, and increasingly restrictive visa regulations on the other, in which possible channels for legal labour migration have diminished. Nevertheless, there are also some who assert that organized criminals also make opportunity of open borders.

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210 TRACE, Report on the relevant aspects of the trafficking act (geographical routes and modus operandi) and on its possible evolutions in response to law enforcement, D2.1, 27 February 2015.
211 Respondent of online survey - Care coordinator for trafficked persons and sex workers in The Hague region, February 2015.
This section has demonstrated that human trafficking is a business routed in international movement of people supplying the demand for cheap labour, sex services and domestic workers. As with any other criminal activity, this respond to supply and demand in human beings as commodities is being driven by large profits. \(^{212}\) The framing of human trafficking as a business model will now be further explored in the next section.

### 7.3 Human Trafficking as a Business Model

“Trafficking is best understood as a business operating as an ordered system of social networks and institutions. The business is becoming increasingly global in scope as advances in transport and communications, and links to international organised crime, make it easier to operate across regions and continents.....The business is remarkably responsive to change and seems always to remain one or several steps ahead of those seeking to control it...Relative to the ability of governments to control them, traffickers demonstrate greater flexibility, organisation and speed of response.” \(^{213}\)

Human trafficking is a ‘high profit – low risk’ venture. This section will consider in further detail the cost-benefit equation of human trafficking as a business venture. In order to determine the cost-benefit of human trafficking as a criminal enterprise, human traffickers will determine factors such as the extent to which the human trafficking business will provide sizable monetary gains in comparison with the risk of apprehension and prosecution.

Yet, in addition to these business considerations, there needs to be an identifiable supply of persons to be trafficked. The plethora of push and pull factors that are the political, social and economic root causes of human trafficking have been discussed in detail. As have the magnification of these push-pull forces in light of the globalisation and significant geopolitical changes of the 1990s that opened up borders and new labour markets. This has

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fuelled the human trafficking enterprise to the detriment of human beings who are perceived as a commodity.

In addition to those who provide the supply and demand of trafficking, it is also necessary to consider the intermediaries who facilitate the link between supply and demand in increasingly global labour markets. Very often these intermediary agents who form part of the criminal network also present themselves as a legitimate business with close ties to the formal and informal economy in destination countries. 214 An example of such an intermediary is a private recruitment agent in source countries. In transition countries, there is a lack of adequate regulations and capacity to monitor the activities of private recruiters. 215 The capacity for the private recruiter to operate illicitly without regulation, will impact upon the cost-benefit analysis of the trafficking networks and ultimately the very high level of profits that human traffickers can expect. Indeed, groups that have no prior history of involvement in trafficking have moved into this activity because of significant profits. 216

Like international migration, [trafficking] “is better regarded as a diverse international business, with a vast budget, providing hundreds of thousands of jobs world-wide, and managed by a set of individuals and institutions, each of which has an interest in how the business develops.” 217

On a global scale, data collected by the ILO for the 2012 Global Estimate of Forced Labour gave the most accurate account of the financial impact of forced labour by region. All calculations are made using 2006 as a reference year. The ILO regards human trafficking as a form of forced labour 218 and the estimate represents an aggregation of regional figures of profits for three forms of forced labour, namely forced labour exploitation outside domestic work, forced domestic work and forced sexual exploitation. These forms concern 18.7 million victims out of the 20.9 million people estimated to be in forced labour in 2012 (excluding victims of state-imposed forced labour). 219 It is estimated that the total illegal profits obtained from the use of forced labour16 worldwide amount to US$150.2 billion per year. More than one third of the profits – US$51.2 billion – are made in forced labour exploitation, including nearly US$8 billion generated in domestic work by employers who use threats and coercion to pay no or low wages. 220

At a national level, in Bulgaria, human trafficking is an organised international criminal enterprise following recognition that it is “a source of huge profits for the criminal organizations Entering this activity does not require large upfront investments from the criminals, but guarantees large profits, which in combination with the social and economic situation in the country favours the epidemic development of the problem in the country and make it a huge source of funds for the Bulgarian organized crime.” For example, “the National Investigation Service reports that a girl can provide income between 12,000 and 18,000 euros net per month, and six girls are sufficient to ensure the income of 1 million euros per year” for human traffickers.

Another attractive characteristic of human trafficking as a criminal enterprise for human traffickers is that, as noted above, it is low risk business as there is small risk of apprehension and prosecution as outlined by experts who considered the high financial opportunities in contrast with the low risk of prosecution.

**“Human trafficking is a highly rewarding criminality. They can make a lot of money doing it. The chances of being caught are limited and if you get caught you can expect a low sentence. Although punishment for human trafficking is getting more severe it is more rewarding and safer than for example smuggling drugs”**

**“The interesting thing about human trafficking is that there are large amounts of money to earn, and that the penalties ... well, it's beginning to change. If you are caught while trafficking human beings to put them at work clandestinely on a construction site, prison penalties are much less than when you were caught trafficking arms or drugs. And this is one of the reasons why criminal organisations and the members of these organisations turn to human trafficking: judicial is prosecution is clearly less heavy.”**

**“At the raid, police told me ‘we don’t need to register the numbers of the sewing machines; we have seen them already so many times’. So the clandestine workers are expelled, the manager will go bankrupt and one won’t be able to recuperate values, the authorities are going to sell publicly the sewing machines, the organisation will buy them again via another straw man, and they tell me: ‘In two months we will come back here, we will open the door with the key, and we will find the same sewing machines, etc.’. As long as we cannot prosecute the bidders, the ones who order goods at prices of which they know it is impossible to produce legally, as long as you cannot touch them in their wallet, there will come no end to labour exploitation.”**

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223 Respondent of online survey - Care coordinator for trafficked persons and sex workers in The Hague region, February 2015.
Human traffickers are adept at amending their practices and responding to changes either in the business market or in the legislative and regulatory initiatives designed to combat human trafficking. It has been shown above, that a sudden change in the demand for exploitative practices (for instance in post-conflict situations) provides human traffickers with an opportunity to address the demand by securing a supply of trafficked persons. Furthermore, the impact of the global economic crisis has led to a rise in the demand for cheap labour, therefore, requiring a response from criminal organisations who exploit vulnerable migrant workers taking advantage of their precarious situation, isolation due to a lack of a social network, and lack of access to information to inform them of their labour rights. Therefore, policies seeking to combat human trafficking should not focus exclusively on the implementation of optimal legislation but also on the enforcement of anti-trafficking law and strengthening the prosecution and conviction of offenders using a victim-centred approach, which respects and protects victims’ human rights. Thereby leading to a more effective reduction in victim numbers in the future. 

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224 Excerpt from TRACE interview with Journalist, carried out by Julia Muraszkiewicz on 27 October 2014, Belgium.
225 Ibid.
8 CONCLUSION

Addressing the root causes of human trafficking is a legal imperative of all countries who are implementing anti-trafficking strategies and must address the political, social and economic situation in countries of origin and the subsequent desire to seek a better life in countries of destination. This report confirms the findings of academic literature and research that outlines the political, social and economic factors that lead to an increased vulnerability of persons to human trafficking. Furthermore, the report suggests that acknowledgement and recognition of these root causes is essential to ensure the prevention of human trafficking, protection of human trafficking victims and prosecution of human traffickers.

The largest challenges lie in addressing the situation of those who are vulnerable to trafficking as a result of political factors such as armed conflict where people are displaced either internally or transnationally, as well as the need to ensure that public administrations and public officials are held accountable to the presence of systemic corruption. Corruption represents a threat to the rule of law, democracy, human rights, fairness and social justice; that it hinders economic development, and endangers the stability of democratic institutions and the moral foundations of society.\(^{228}\) It is clear that official corruption is a valid predictor of human trafficking.\(^{229}\) The policy implication is therefore clear - any effort to curb human trafficking must address its symbiotic relationship with the regulatory environment.\(^{230}\) Furthermore, to successfully tackle official corruption and human trafficking, it is necessary for efforts to be focused on entire criminal organizations, rather than individuals, human traffickers are not working autonomously, they have well-developed relationships with organizations that have a high degree of authority and control to enable human trafficking to prosper undetected and unchallenged. This will also require governments to ensure that corruption does not take place within governmental institutions.

It has been shown that the restrictive nature of border controls and the notion of closed borders, leads people to seek assistance via irregular migration routes very often increasing their vulnerability to human trafficking. However, from a business perspective, there is evidence to suggest that even where there are open borders, the demand for certain devaloured positions in countries of destination mean that exploiters often look to countries of origin to fulfil the supply quota.

The impact of poverty has been illustrated with particular reference to the increased vulnerability of women to human trafficking. It has been shown that the feminisation of poverty also attributes to human traffickers who seek a vulnerable group who have been marginalised socially and economically as a result of lack of access to education and lack of

\(^{230}\) Ibid, p. 53
equal opportunity in employment. Further, the report shows that any anti-trafficking responses must take into account ‘poverty plus’ which require actions to address poor governance, economic governance and a weakened rule of law. The absence of rule of law facilitates criminal activities and creates an environment where human trafficking can thrive.\textsuperscript{231} Indeed, even where an appropriate legislative framework exists to support social and economic inclusion of marginalised groups, there is also the need to ensure their effective implementation in practice by fostering gender equality and non-discrimination in both the labour market and by dismantling societal patriarchal and stereotypical attitudes.

The report has shown that despite efforts at a national level to address the social inclusion of groups vulnerable to human trafficking the phenomenon of globalisation has in fact led to greater inequality. Inequality has not just increased on a social scale but also economically, leading to an increased desire for persons in countries of origin to seek a better life and for those in countries of destination to fill the gaps in labour shortage for unskilled employment. However, the global scale of the recent economic crisis and the subsequent austerity measures has meant that both countries of origin and destination have experienced significant economic destabilisation. Human traffickers have profited from the economic uncertainty caused by the global economic crisis and in fact their own profits have risen.

Alongside globalisation, the liberalisation labour market and freedom of movement in EU has meant that many countries of origin have experienced an increase in trafficking towards more wealthy developed countries of destination in Western Europe. Indeed, data collected in newly acceded EU member states, suggest that access to the Schengen area has led to an increase in the number of persons crossing borders with legal documents. Therefore, there has been a shift away from human trafficking as an illegal migration option. Rather, now human trafficking is a phenomenon characterised by the exploitation of vulnerable persons who are held in positions of debt-bondage with threats of violence and abuse deterring them from seeking assistance.

Finally, this report has considered the political, social and economic factors that lead to human trafficking being characterised as a business, similar to other international criminal industries that respond to demand by securing the supply of human beings as a commodity either for the purposes of exploitation.

It is clear that in order to shut down the human trafficking business, anti-trafficking responses must pay greater attention to the prevention of human trafficking, the protection of victims and the prosecution of human traffickers. This can be achieved by ensuring that response are holistic and foster social inclusion, prioritising the need to facilitate gender equality and non-discrimination.

## ACRONYMS

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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BNRM</td>
<td>Dutch National Rapporteur on Trafficking in Human Beings and Sexual Violence against Children - Nationaal Rapporteur Mensenhandel en Seksueel Geweld</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GRETA</td>
<td>Council of Europe Group of Experts on Action against Trafficking in Human Beings</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
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<tr>
<td>IOM</td>
<td>International Organisation for Migration</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
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<tr>
<td>OSCE</td>
<td>Organisation for Security and Co-operation in Europe</td>
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<tr>
<td>SIMEV</td>
<td>Integrated Monitoring and Evaluation System for Victims of Trafficking</td>
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<tr>
<td>TRACE</td>
<td>Trafficking as a Criminal Enterprise</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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ANNEX A – EXPERT SURVEY TEMPLATE

Work Package 5, Task 5.1:
The effects of political and socio-economic factors on human trafficking
Expert Survey

1. Introduction to TRACE and Work Package 5, Task 5.1

TRACE (TRafficking as A Criminal Enterprise) is funded by the European Commission under Grant Agreement 607669. The TRACE projects aims to support stakeholders in combating and disrupting human trafficking, one of the largest criminal enterprises in the world, by assessing and consolidating information surrounding the perpetrators and the wider trafficking enterprise. TRACE acknowledges that human trafficking involves a chain of criminal behaviours, activities and processes and will consolidate up to date information, good practice and expert opinion to provide stakeholders with an intervention strategy based on policy recommendations for disrupting the trafficking chain.

More information about the project can be found on the website: http://trace-project.eu/

As part of TRACE project partners are examining how changes in economics and politics have shaped the trafficking industry (work package 5, task 5.1). This will provide an understanding of trafficking as a business model and on the economic demand and supply factors that underpin it. Second, the task will consider the sociological and political factors that make a particular region and/or particular group of people more or less likely to be targeted by human traffickers.

2. Role of expert

Please could you explain your role and that of your organisation?

Position: _____________________________________________________

Name of Organisation: __________________________________________

Role of Organisation: __________________________________________

3. Expert’s experience of human trafficking

3.1 What has been your experience of human trafficking in your professional role?
3.2 Based on the geographical reach of your work, do you come from the perspective of trafficking from the country of origin, country of destination or from a country of transit? Or, a combination of these?

NB Approach to the following questions will depend upon the answer to last question. Where dealing with multiple, attempt to answer according to perspective of expert and/or national context.

4. Historical development of trafficking

4.1 What factors do you think have led to an increased prevalence of trafficking in Europe over the last 30 years? Taking into account historical, political, socio-economic considerations e.g. Fall of the Berlin Wall in 1989 and subsequent unification of Europe.

5. Trafficking and politics

5.1 In your opinion, which political factors stimulate criminal activity?
E.g. political instability, conflict situations, corruption amongst political/public authorities

5.2 What about geographical and ethnic considerations?

6. Trafficking and society

6.1 In your opinion, which social factors create an increased risk of trafficking victims?
E.g. decrease in the level of education of the population, changing attitudes to gender, the market for prostitution (demand and legislation)

6.2 What about geographical and ethnicity considerations?

7. Trafficking and economics

7.1 Which economic factors present an opportunity for trafficking as a business model?
E.g Impact of globalisation, migration, liberalisation of the labour market

7.2 What about geographical and ethnicity considerations?

8. Any other factors that may impact upon trafficking as a business model

Thank you for taking the time to complete this survey, your contribution will be extremely valuable to better understanding the effects of political, socio-economic factors on human trafficking.