

The Concept of Demand in the Context of Trafficking in Human Beings: Using contributions from economics in search of clarification

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About the project

Trafficking in human beings covers various forms of coercion and exploitation of women, men and children. Responses to trafficking have traditionally focused on combating the criminal networks involved in it or protecting the human rights of victims. However, European countries are increasingly exploring ways in which to influence the demand for services or products involving the use of trafficked persons or for the trafficked persons themselves. **DemandAT** aims to understand the role of demand in the trafficking of human beings and to assess the impact and potential of demand-side measures to reduce trafficking, drawing on insights on regulating demand from related areas.

DemandAT takes a comprehensive approach to investigating demand and demand-side policies in the context of trafficking. The research includes a strong theoretical and conceptual component through an examination of the concept of demand in trafficking from a historical and economic perspective. Regulatory approaches are studied in policy areas that address demand in illicit markets, in order to develop a better understanding of the impact that the different regulatory approaches can have on demand. Demand-side arguments in different fields of trafficking as well as demand-side policies of selected countries are examined, in order to provide a better understanding of the available policy options and impacts. Finally, the research also involves in-depth case studies both of the particular fields in which trafficking occurs (domestic work, prostitution, the globalised production of goods) and of particular policy approaches (law enforcement and campaigns). The overall goal is to develop a better understanding of demand and demand-factors in the context of designing measures and policies addressing all forms of trafficking in human beings.

The research is structured in three phases:

- Phase 1: Analysis of the theoretical and empirical literature on demand in the context of trafficking and on regulating demand in different disciplines, fields and countries. From January 2014–June 2015.
- Phase 2: Three in-depth empirical case studies of different fields of trafficking – domestic work, prostitution, imported goods – and two studies on different policy approaches: law enforcement actors and campaigns. From September 2014–December 2016.
- Phase 3: Integrating project insights into a coherent framework with a focus on dissemination. From January 2017–June 2017.

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Abstract

This working paper presents the results of an exploration of economic contributions in search of terminological clarification for the project DemandAT. It is one of the pillars on which the conceptual clarification published in Working Paper 1 was developed.

In the first part of this working paper, central ideas from the discipline of economics are explored in order to find conceptual clarification for the project. The role of coercion, the concept of demand and the relevance of prices are key elements of the anti-trafficking debate which are contrasted with economic understandings. The analysis shows a vague and inconsistent use of terms in the anti-trafficking debate and contradictory statements on the role of prices. Analysis in economics mostly implies the absence of coercion. Demand, defined as willingness and ability to purchase a commodity, is related to supply and markets. Prices have a coordinating function on markets.

In the second part, three cases of empirical economic studies are discussed with regard to the concrete use of concepts in research. Each of these studies addresses trafficking in human beings and uses demand and supply in the theoretical argumentation, but a closer look shows that they situate their findings in different reference markets and policy contexts (migration, prostitution, or labour). Results differ widely. It is concluded that more context dependent data interpretation is more urgently needed than more data.

Finally, some implications for research relating to demand-side efforts against trafficking in human beings are suggested. It is suggested to use the economic understanding of demand, to reserve the term 'demand-side' efforts for efforts to influence the demand for final commodities (consumer goods and services) and to avoid generalisations across different fields.

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1 Introduction¹

Anti-prostitution activists had lobbied to get a reference to the demand of clients of sex services into the United Nations *Protocol to prevent, suppress, and punish trafficking in persons, especially women and children, supplementing the United Nations Convention against Transnational Organised Crime* (Cyrus 2015). What was eventually agreed upon is something different and above all vague. States are asked to “discourage the demand that fosters all forms of exploitation of persons, especially women and children, that leads to trafficking”.² Approximately since then, the role of demand for the development of trafficking and anti-trafficking initiatives gained prominence in public and political debates. However, the meaning of demand remained unclear. A report by the United Nations High Commissioner for Human Rights exemplifies well the general attitude:

“While accepting the need to address demand, it is important to acknowledge the limits of a term that is not properly defined, is under-researched and is still subject to debate and confusion. (UNOHCR 2010: 97)

Therefore, the call for a project *Addressing demand in anti-trafficking efforts and policies* (SSH 2013.5.1-2) had not only called for the analysis of a range of policy-relevant questions, but also made it an explicit task to work on the conceptual dimensions of demand. This paper is part of this effort. As the term ‘demand’ originates in economics and suggests markets as the most relevant framework for analysis, it makes sense to take a closer look at economic reasoning and economic contributions on this issue.

After methodological remarks, part I discusses the concepts of coercion, demand and prices in economics and in the anti-trafficking debate and discusses implications for research that analyses demand in anti-trafficking efforts and policies. Part II takes a closer look at the application of concepts in empirical studies, taking the example of empirical economic investigations. Policy relevant cases are chosen which situate their work in different policy contexts: Migration, prostitution and labour policy context. Finally, implications for further research in the project are suggested.

¹ I am extremely grateful to project members of DemandAT who commented on earlier versions of part I and part II of this paper, particularly to Albert Kraler, Christina Boswell, Siobhan McGrath and Norbert Cyrus and also to an anonymous reviewer who provided detailed comments.

² United Nations General Assembly, Annex II, Article 9 (Prevention of trafficking in persons), paragraph 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.”

2 Methodological remarks

First, economic literature databases were checked for all journal articles containing the words 'human' and 'trafficking'. There were no articles in one of the world leading economic journals³ and below 50 articles in other sources⁴, most of them proving to be very short, programmatic, not situated in the discipline of economics, literature reviews or mathematical exercises with little transfer value for policy oriented readers from other disciplines. This confirms that there is not much economic analysis on human trafficking (Omar Mahmoud & Trebesch 2010: 174).

A few texts sought to present a general economic theory of trafficking in human beings. However, they proved to be no consistent starting point for the analysis. Danailowa-Trainor and Belser (2006: 2) present a simplified model with a recruiter selling the victim at a certain price to an unscrupulous brothel-owner in the place of destination. Then they introduce the "complication" that "in reality, there is often no direct and observable transaction that involves the "buying" and the "selling" of a victim (Danailowa-Trainor and Belser 2006: 4), in other words that this market does not exist, before they explore country data with regard to factors labelled as 'demand-side' or 'supply-side'. In the text by Wheaton et al. (2010) about "the labour market for human trafficking" (130), it is difficult to keep track in which market context vulnerable workers are addressed: as *supply side* (115), as the *differentiated product supplied* by monopolistically competitive traffickers (118), or as *being involved in the provision of services* demanded by 'factors' (130).

A different approach was chosen. Although this paper explores economic texts, it is not an economic analysis. Textbooks, research reports, journal articles and training manuals are treated as documents to be analysed. In Part I, basic economic understandings of the role of coercion, demand and prices are described that can be considered as shared concepts of economists. These are contrasted with understandings in the anti-trafficking debate. Selected texts are analysed with a variation of qualitative content analysis following a summative approach (Hsieh, Shannon (2007). The texts were checked for explicit definitions. Afterwards, a keyword search guided to instances of the usage of words. They were first interpreted in the immediate textual context and additionally related to wider debates. In the second part, three empirical studies are selected as cases in which concepts were used in theoretical arguments and operationalised for empirical observation. Again, the interpretation rests on the immediate textual context and the wider policy context that is evoked.

³ <http://www.businesseconomics.com/economics-journal-rankings.html>

⁴ econlit and the OLC-SSG Economic Sciences (1.6.2014).

Part I: Central concepts in mainstream economics and anti-trafficking debates

3 Coercion

The discussion begins with a central concept: coercion. The role of coercion in economics and in anti-trafficking debates is discussed.

3.1 Choice, markets and the absence of coercion in economics

The absence of coercion is usually assumed without discussion in mainstream economic textbooks. It is an explicit or implicit precondition for mainstream economic analysis, deviations being dealt with in specialised branches of the discipline. In almost all contemporary economics, people's decisions are described as maximising their individual utility function, and they concentrate mostly on decisions in reaction to pecuniary changes (Akerlof and Kranton 2010, p. 21). Decisions imply choice.

Apart from being an analytical assumption, the absence of coercion is also a high value for many economists. Even very liberal economists who contest the intervention of governments in many fields plead for a strong role of governments to ensure voluntary choice and the absence of coercion. Milton and Rose Friedman describe the key role of government in their book "Free to Choose" as

"the protection of individuals in the society from coercion whether it comes from outside or from their fellow citizens. Unless there is such protection, we are not really free to choose. The armed robber's "Your money or your life" offers me a choice, but no one would describe it as a free choice or the subsequent exchange as voluntary." (Friedman/Friedman 1980)

The bulk of economic analysis assumes that government fulfils the core function of protecting the individual from coercion of fellow citizens. It deals with the analysis of voluntary exchanges on *markets* as the virtual or real place where buyers and sellers of a particular good or service come together. "Voluntariness" does not imply the absence of pressures to earn one's living, but the absence of coercion through other people. Economist Jack Hirshleifer juxtaposed two strategies:

"There are two ways of getting rich: You can produce goods for mutually beneficial exchange or grab goods that someone else has produced. Analysis has to address the interaction of the two great life-strategy options: on the one hand production and exchange, on the other hand appropriation and defence against appropriation" (Hirshleifer 1994: 2).

As soon as there is such direct coercion, the coercive relation is no market relation. While it is relatively easy to differentiate between exchange and appropriation when coercion takes place in the form of violence or threat of violence, it is less easy to draw the line to appropriation strategies in which the stronger market side manipulates market settings to grab a greater share of the production. In other words, it is easy to identify armed robbery and abduction as appropriation strategies, but more difficult to

decide whether an employer manipulates choices. Genicot gives an example of bonded labour in an agricultural setting in which the landlords strategically restrain the choices available to labourers so that they ‘voluntarily’ accept bonded labour. He deems a contract exploitative “when a party uses its power to restrain the set of alternatives available to another party, so as the latter has no better choice than to agree upon a contract very advantageous to the first party” (Génicot 2002, pp. 104–105). In such cases, there is no direct coercion of fellow citizens with obviously criminal means, but the abuse of power to manipulate a market setting.

To conclude, the core of economic analysis deals with interactions in competitive markets in which the participants are not coerced. However, specialized sub-disciplines like the economics of crime and competition theory address the abuse of power by individuals, companies and the state.

3.2 Trafficking definitions

In contrast, coercion is crucial for defining trafficking. Two definitions of trafficking are relevant for public debates on the issue: A colloquial meaning referring to a market where people are sold like commodities, and a legal definition, under which trafficking in the colloquial meaning can be subsumed. It includes also a range of other situations in which the choices of people are illegally restricted to varying degrees. I will shortly introduce both definitions:

In a press conference in 2013, EU Commissioner Cecilia Malmström refers to trafficking in human beings as trade in people: “*It is difficult to imagine that in our free and democratic EU countries tens of thousands of human beings can be deprived of their liberty and exploited, traded as commodities for profit*”.⁵ In the oral statement she adds: “*Sold as slaves*.”⁶ The Commissioner uses trafficking in human beings in the colloquial meaning of illicit trade in people: People under the control of traffickers are transferred to the control of exploiters, the exploiters paying the traffickers for the transfer of their human cargo. The act of trafficking means the sale of persons.

However, the international definition of human trafficking includes more than such situations. The definition is the highly complex result of an international compromise to define transnational crimes. It is documented in the United Nations *Protocol to prevent, suppress, and punish trafficking in persons, especially women and children, supplementing the United Nations Convention against Transnational Organised Crime (UN Protocol)*. In the Anti-Trafficking Directive of the European Union, (2011/36/EU) this definition has been adopted. Member states have to ensure that the following *intentional acts* are punishable (Article 2):

The recruitment, transportation, transfer, harbouring or reception of persons, including the exchange or transfer of control over those persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of

⁵ Brussels, 15.4.2013, http://ec.europa.eu/anti-trafficking/EU+Policy/EU_slow_to_respond

⁶ http://ec.europa.eu/anti-trafficking/entity.action?path=Citizens%27+corner%2FVideos%2FPress_conference_Malmstrom

deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. (Article 2, 1. Anti-Trafficking Directive 2011/36/EU)

Exploitation shall include, as a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, including begging, slavery or practices similar to slavery, servitude, or the exploitation of criminal activities, or the removal of organs. (Article 2, 3. Anti-Trafficking Directive 2011/36/EU)

Reading the long list, it should be immediately clear that trafficking in human beings is considered to be more than the sale of people. It refers to a whole range of acts relating to highly different markets. Trafficking in human beings in the colloquial understanding as the sale of people could be called a phenomenon, but trafficking in human beings in the sense of UN definitions and the Anti-Trafficking-Directive should not be called “a complex transnational phenomenon” (European Commission 2012, p. 3), as it is a complex social and legal construction, subsuming a *wide range of principally observable acts* (phenomena) under the criminal offence “trafficking in human beings”, but only if they appear in a specific combination.

It is important to recognise that it is a legal definition, thus requiring a dichotomous decision in the end: it is trafficking or it is not. For practitioners in the current legal framework, it is important to draw a clear line not only between trafficking and legitimate transactions (the crime of trafficking took place or not), but also between trafficking and other crimes (the crimes of rape, fraud or kidnapping should be sanctioned, but there are not the necessary ingredients for trafficking).

3.3 Practical implementation and the role of coercion

This legal distinction has consequences for the real world: trafficking victims have a better legal position than victims of other serious crimes. If support agents classify victims as likely to be trafficked, that means help. If a judge convicts someone as a trafficker, that means a higher sanction. Street-level agents have to apply law in their daily practice. They exercise discretion and develop routines and simplifications to define clients and to cope with the interaction (Lipsky, 1980, p. 85). Meanwhile, a wide range of training activities have been conducted to disseminate the definition and help law enforcement officers and support organisations to link the complex definition to observable phenomena in their daily practice. I have used training materials and practice-oriented explanations to explore simplifications with regard to the role of coercion in anti-trafficking practice.

Training usually includes this simplifying formula (e.g. Hagen 2013: 27):

Acts + Means + Purposes = Trafficking

- **Acts** such as recruitment, transport, harbouring or receipt of persons are not criminal as such.

- **Means** to conduct such acts are threats or use of force, deception, coercion or abuse of power. These means are mostly criminal, even if not linked to other elements of the definition.
- The acts only become trafficking when the **purpose is exploitation**. Exploitation is only defined by examples. Some exemplified purposes are criminal as such (forced labour), while others are not criminal or at least not everywhere (begging or prostitution).

Even the simplified formula is a complicated construction, involving a challenge to combine observed phenomena to construct the criminal offence of trafficking. Check lists (“THB indicators”) as an additional simplification have been developed to form an initial suspicion of trafficking for support agents and investigators.

In a migration context, the existence of a **coercive relationship at the destination** is central for establishing the crime (IOM 2007: 44). Coercion at destination is used to differentiate between human smuggling and trafficking. “Traffickers enslave and exploit trafficked persons, while smuggled migrants have a consensual relationship with their smugglers and are free at the end of their journey” (Shelley 2014: 3)⁷. The following short formula seems to be implied:

Coercion during travel + coercion at destination = THB

For support agents inside a country, travel related observations are less relevant. The following example from a recent press release of a project against trafficking for labour exploitation exemplifies how an actor on the ground transforms the complex definition into a practicable routine without referring to the mode of travel or recruitment into a job:

„People who are not paid by their employers are abundant“, says Lupascu [employed by a coalition against trafficking for labour exploitation in Germany]. To speak of trafficking, there must be some coercion: For example a passport taken away, if employees have to take debt under conditions of usury to get a job and these debts are used as threat, the abuse of an illegal residence condition or the threat of or application of violence. “Wage fraud is a necessary ingredient”, says Lupascu. „Somebody gets an economic advantage from the plight of an employee.“⁸ [own translation]

⁷ It should be noted that freedom at the end of the journey and a consensual relationship during the journey are two quite different things. Smuggled individuals may suffer coercion during their journey such as being locked into containers and forced to enter overcrowded boats. The United Nations’ Smuggling of Migrants Protocol (2004) therefore not only deals with combating and preventing smuggling but also with the protection of smuggled migrants (UNODC 2011). At the same time, a coercive labour relation at the end of a journey may have been preceded by a smuggling relation based on mutual agreement of smuggler and smuggled.

⁸ „Leute, die von ihren Arbeitgebern nicht bezahlt werden, gibt es wie Sand am Meer“, sagt Lupascu. Damit man von Menschenhandel sprechen kann, müsse Zwang im Spiel sein: Etwa wenn der Pass weggenommen wird, wenn sich Beschäftigte für einen Job zu Wucherbedingungen verschulden müssen und diese als Druckmittel eingesetzt wird, wenn ein illegaler Aufenthaltsstatus ausgenutzt oder Gewalt angedroht oder angewandt wird. „Immer geht es dabei um Lohnbetrug“, sagt Lupascu. „Aus der Zwangslage der Beschäftigten wird ein ökonomischer Vorteil gezogen.“ Forum Migration Juli 2014 http://www.migration-online.de/beitrag._aWQ9OTQ3OQ_.html

The formula becomes:

Wage fraud + coercion = trafficking

Basically, trafficking is defined as wage fraud plus a set of means called coercion, including also manipulative or fraudulent means.

If minors are involved, this makes a big difference. Situations are subsumed under the crime of trafficking without showing any features of coercion, as for example clearly expressed in a leaflet for educators in the US: “Any minor under the age of 18 who is induced to perform a commercial sex act is a victim of human trafficking according to U.S. law, regardless of whether there is force, fraud, or coercion.”⁹

A train-the-trainers handbook uses a case of a father who receives money because he allows a friend to take his 10-year-old son to another country for begging. The case description contains multiple incidences of violence and abuse of the child, indicating in the end: “Iliya pays the father, and gives him money, beats the children or threatens to beat them and threatens to injure the whole family – all of them are MEANS. However, even if he would NOT do that, it is still a trafficking case as in child-trafficking the MEANS are not a necessary prerequisite” (Hagen 2013: 30).

The simplified formula does not contain elements of coercion any more:

Profiting from prostitution or begging of minor = trafficking

To summarize, coercion at destination is usually presented as key constitutive element of trafficking, and as a rule cases presented in websites and training materials contain this element. Profiting from prostitution or begging of minors can be subsumed under the crime of trafficking without any coercion.

3.4 Discussion

Social scientists, particularly those who have analysed trafficking in the labour market, point to a the continuum of experiences from “people who have been transported at gunpoint, then subjected to forced labour through the use of physical and sexual violence and death threats against them or their families back home. At the other end are those who were neither charged exorbitant rates by recruiting agencies nor deceived regarding the work for which they were originally recruited, and whose rights are respected” (Anderson and O’Connell Davidson 2003:9). In a German study, a similar idea about degrees of abuse in the labour market is called the “pyramid of labour exploitation” – with the degree of employer abuses increasing in severity and decreasing in quantity from the basis to the tip of the pyramid (Cyrus et al. 2010: 88). A too strong focus on trafficking – or other dichotomous categories – is considered to bear the risk of overlooking and normalising other abuses with severe impacts on the concerned people.

⁹ <http://www.dhs.gov/sites/default/files/publications/blue-campaign/Blue%20Campaign%20-%20Human%20Trafficking%20101%20for%20School%20Administrators%20and%20Staff.pdf>

McGrath uses case studies from Brazil where the term slave labour includes not only coercive relations but also labour relations “submitting the worker to ... an exhaustive workday” or “degrading conditions” as “reducing someone to a condition analogous to slavery” (McGrath 2012, p. 6). In the implementation practice, extremely bad conditions for workers are not treated as relevant as such but as a signal of a restriction of freedom. Extremely bad working conditions become an indicator of coercion and manipulation. Also in this different legal environment in which a specific definition of slavery is enforced, coercion is the key element.

The following suggestion to define exploitation draws a line between three types of exploitation that are relevant for anti-trafficking activities: coercive exploitation, manipulative exploitation and exploitation indicated by a degrading activity. Depending on the type of exploitation, the relation to markets is different and the language of supply and demand is more or less appropriate.

1. **Coercive exploitation:** The appropriation of someone’s product through exercise or threat of violence and other serious penalties. If this form of appropriation exists, the relation between exploiter and exploited is a relation of force and no relation of market exchange. Example: A woman is abducted, locked in and forced to prostitution by threats of violence.
2. **Manipulative exploitation:** The appropriation of someone’s product through intentional misinformation, fraud and transfer into a situation with fewer exit options. In this situation, the exploited person complies in the manipulated market situation. Example: a worker is orally offered a contract in a foreign country. After relocation, the worker is faced with much worse conditions, but has no money for return and no access to support so that he or she has to continue working.
3. **Exploitation indicated by degrading activity:** Exploitation is also often used when someone is engaged in an activity that is considered to be far below usual standards or degrading as such. It is assumed that people would normally not engage in this activity under these conditions, unless being vulnerable with few choices. When there is no active coercion or manipulation by the other market side, it is contested whether the situation should be called exploitative. In mainstream economics, these situations would usually be accepted as voluntary. Examples: A migrant accepts a job that is better than alternatives in his or her country of origin but is far below minimum labour standards in the destination. A woman engages in commercial sex acts. A child begs to contribute to the family income.

I suggest that it is important to recognise that these views are raised in debates and that they are important to distinguish for the analysis of state policies. It is NOT important to share the view that all three forms are best called exploitation. Particularly whether involvement in commercial sex acts constitutes a degrading activity or a special form of work is a highly contested issue.

4 Demand

The term demand can have a number of quite different meanings, depending on the context. The Oxford Dictionary indicates that ‘demand’ can be used as an authoritative or peremptory request or claim, a legal claim, an urgent or pressing claim or requirement, a need actively expressing itself, or the manifestation of a desire on the part of consumers to purchase some commodity or service, combined with the power to purchase, the latter with the correlative supply. Demand-driven as an adjective means being motivated or propelled demand, especially by usually increasing requirements of the user or consumer (Oxford English Dictionary online).

In the next section, the economic concept of demand is explained and compared to the use in anti-trafficking debates.

4.1 Demand in economics

Demand is used in a well-specified sense in economics. The concepts of markets, supply and demand can be considered as shared concepts that economists all over the world are aware of, even if they have different opinions on the usefulness and applicability in specific contexts. To the best of my knowledge, the concepts are explained in more or less detail in all elementary textbooks of economics. As a reference, I have chosen “Essentials of economics” by Harvard economist Gregory Mankiw (2009), author of one of the world’s best selling textbooks.

Supply and demand are the two words economists use most often (Mankiw 2009: 65). The terms supply and demand refer to the behaviour of buyers and sellers of a particular good or service. Together, buyers and sellers form the market for the particular commodity. In a standard case, economists analyse competitive markets – that is markets in which each individual buyer or sellers has a negligible impact on the market price, but this is no constituent criteria for a market.

The “quantity demanded” is the amount of a commodity that buyers are willing and able to purchase under the influence of range of factors. The price of the traded good or service is a factor of specific importance, because it is the very factor that makes market work. Elementary textbooks define the quantity demanded as the amount of a good that buyers are willing and able to purchase at various prices and a “demand schedule” as a table that shows the relation between the price of a good and the quantity demanded (for example Mankiw 2009: 67). Market demand is the sum of individual demands. The correlative supply is the willingness and ability to provide a good or service at a specific price.

A number of other factors influence the demand on a specific market. The *willingness* to purchase something is based on wants and needs. They differ in the course of time and across countries and can be potentially influenced by measures such as campaigns. The *ability* to purchase something is influenced by factors such as income and prices of other goods and can be potentially influenced by such government measures as taxes or subsidies. The concept clearly differentiates between demand and factors influencing demand. Factors influencing demand can be discussed on the

micro-level (such as habits, tastes or incomes) and on the macro-level (culture, state regulation and the economic environment).

Specialisations in economics take account that fields are characterized by specific conditions, particularly when market parties engage in long-term contracts that create long-term relations and dependencies, as in the case of credit markets or labour markets. Labour relations often involves long-term engagements in which there is room for negotiations and struggles over the type of and amount of work that is due for a specific market price (wage).

4.2 Demand in anti-trafficking debates

Having introduced the economic concept of demand, the following sections explore the use of demand in two main strands of the anti-trafficking debate. From the high number of publications on trafficking issues, two reports have been chosen for closer analysis of the use of the term demand (Hughes 2005; Anderson/Davidson 2003). The reason for choosing them is that they are both cited in virtually all publications on the link between demand and trafficking and differ considerably in contents, representing two strands of arguments how trafficking can be influenced from the demand-side (Ham 2011) - one with a focus on commercial sex, the other with a focus exploited workers. The texts are screened for explicit and implicit definitions of demand.

4.2.1 Demand in the context of arguments against prostitution

I start with a text that discusses trafficking in the context of prostitution, taking a stance against prostitution in general. Donna M. Hughes, Professor of Women Studies at the University of Rhode Island, is researcher and activist for the prohibition of prostitution. Under the heading “What is demand?” the following is stated (Hughes 2005:7):¹⁰

*“Although trafficking is usually associated with poverty, it is often the wealthier countries that create the **demand for victims** for their sex industries. To fully understand and combat sex trafficking it is important to identify what is meant by “the demand” and to define and characterize each component so that policies and laws can be created to address it. There are four **components that make-up the demand**:*

- 1) *the men who buy commercial sex acts,*
- 2) *the exploiters who make up the sex industry,*
- 3) *the states that are destination countries,*
- 4) *the culture that tolerates or promotes sexual exploitation.”* [bold by DV]

Although is indicated as important that the meaning of “the demand” should be defined, the quotation does not contain a definition but a list of factors somehow related to the undefined demand (neither a man nor a state or a culture can be ‘the demand’). Trafficking is generalised as trafficking for sexual exploitation.

¹⁰ Alternatively, Raymond quotes two highly different dictionary definitions without deciding which to use, indicating that both of them accurately describe the subject (Raymond 2004, p. 1158).

Afterwards, all instances of the use of demand in the text have been searched. I have reconstructed from the surrounding text in what sense it was used. It was used in the same sense as in economics as the willingness and ability to buy. However, it is not always clear what is supposed to be traded. Text passages allow the identification of two distinguishable markets:

- A *market for persons*, usually females traded internationally, is constructed: “Each year, hundreds of thousands of women and children around the world become victims of the global sex trade. They are recruited into prostitution and other forms of sexual exploitation, often using tactics involving force, fraud, or coercion. Criminals working in organized networks treat the victims like commodities, buying and selling them for profit” (Hughes 2005:5). Criminal actors are constructed as both suppliers and demanders, females from poorer countries are constructed as commodities without agency under the full control of first the trafficker, then the exploiter.
- The *market for sex acts* is constructed as a related market in which male clients represent the demand side and pimps and brothel owners are the supply side. According to this perspective, the demand in the trafficking market is “created by men’s decision to purchase sex acts” (Hughes 2005:7). The case that a sex worker sells her service directly to a client seems to be considered an irrelevant variation that can be neglected.

Although Hughes writes about a market for sex acts, the text also speaks of “buying” a woman “for a short time”. This is not the usual meaning of buying, as buying means a change of possession and not the temporary use, which is usually called ‘hiring’. “Buying” emphasizes that the client has temporary control over the person, being able to rape her.

Both markets are sometimes treated as one, when both the demand of sex industry on the market for persons *and* the demand of clients on the sexual services market are referred to as “demand for victims”. The main argument focuses on the prohibition of prostitution: “If the demand for victims [in the sense of demand for sexual services] is one of the reasons that trafficking occurs, then shutting down the markets and putting prostitution establishments out of business is part of prevention. Demand reduction is part of prevention of sex trafficking [in the sense of sale of persons internationally].” (Hughes 2005:64).

4.2.2 Demand in the context of (migrant) labour exploitation

While labour relations and consumers’ search for low prices play no role for the argument above, the report by two UK professors (Anderson and O’Connell Davidson 2003)¹¹ introduces labour relations as central. The authors indicate that the notion of demand is used in the literature in different senses and that cheapness plays a major role for this demand:

¹¹ There is a report with a similar title for the organisation *Save the Children* by Anderson/O’Connell Davidson (2002) “Trafficking - a demand led problem?” with overlapping but not identical contents.

“The notion of “demand” for the labour/services of a “trafficked” person can thus embrace a broad and diverse range of motivations and interests. It can refer to an employer’s need for cheap and docile labour, or to consumer demand for cheap goods and/or services, or for household labour or subsistence labour, or to any or all of these.” (Anderson and O’Connell Davidson 2003:10).

The violation of laws and abuse of vulnerability is presented as key problem, whether it appears in exactly the combination that is required of the definition of “trafficking” or not. The empirical part of the study targets individuals who consume labour/services in two particular sectors: domestic work and prostitution.

There is no explicit working definition of demand. Tracking the use of demand throughout the text, usage in different meanings can be identified:

- *“Employer demand” in the sense of authoritative claim to someone’s work:* They construct “questions about the demand for a trafficked person’s labour/services” as “analytically and temporally inseparable from more general questions about the demand for the labour/services of all those who are unable to freely retract from an exploitative situation because they are tied to their exploiter through some form of non-economic compulsion” (9). Thus, they basically introduce a ‘demand for forced labour’¹² as key concept.
- *Demand in the sense of (illegitimate or illegal) preferences or tastes of consumers:* “clients with an express preference for teenage prostitutes base that demand on a set of ideas about age, gender and sexuality ...” (20).
- *Demand in the sense of social norms:* “More generally, the interview data from both India and Thailand suggest that boys and young men’s initial experiences of prostitution are prompted by some combination of their own perception of the social demands of masculinity, and peer pressure to conform to those demands.”
- *Demand as want, wish or need to buy a specific good:* “Demand must also be socially construed in the sense that people have to be made to feel that they want or need a given product or service. Human beings are not born wishing to buy commercial sexual services or to pay someone else to clean, cook and care for them, any more than they are born with specific desires to play the lottery or drink Coca-Cola. They have to be induced to feel that it would be pleasurable to pay a stranger for sex, and that it would be convenient or pleasant to have another person to clean after them.” (Anderson and O’Connell Davidson 2003:41).

All these sentences are well-understandable as such, as our minds are capable of switching unconsciously between different meanings of a word. For a scientific discussion, this is problematic, as observation categories should be clearly distinguishable and changes of categories explicit.

¹² “The ILO Forced Labour Convention No. 29 (1930) defines forced labour as “all work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily” (Art. 2) Andrees (2008: 2).

4.2.3 Discussion

Trafficking in the colloquial sense of buying and selling people is not supported by any accepted state worldwide. There are no institutions to legally enforce private ownership over a person (except maybe in the regime known as “Islamic state”, according to media reports).

Trafficking in the legal definition usually does not concern a market in which human beings are explicitly traded as the commodity. If they are treated as a commodity, the relation between them and their exploiters is no market relation any more. However, often they are treated as the labour suppliers who suffer from abuse of vulnerability, violence, fraud and threat. Then, it seems useful to distinguish the types of legal reference markets in which abuses can take place.

If we distinguish reference markets, we can see that all actors appear as demand side in some markets that are relevant in anti-trafficking debates. When our focus shifts from the market for goods and services to markets to recruitment services or credit markets, those who are at risk of being trafficked are also sometimes on the demand side.

Table 1: Types of demand in markets potentially related to human trafficking

Consumer/ client	Producer/ provider/ employer	(Migrant) worker
<ul style="list-style-type: none"> • Demands personal service directly from worker or from producer, e.g. sex act or domestic work • Demands consumer good directly from producers (e.g. meal) or indirectly via retailers (e.g. cocoa) 	<ul style="list-style-type: none"> • demands labour from workers • demands a matching service from a labour broker/ intermediary • demands producer goods and services from other producers 	<ul style="list-style-type: none"> • demands irregular border crossing service from smuggler • demands matching service from labour broker/ intermediary • demands credit from formal or informal lenders

Source: Own compilation

Discussing policies and measures, it seems useful to reserve the term demand-side policies for those measures and policies that are directed at *demand for final goods and services* – commodities that directly satisfy consumer or client needs and wants, and discuss other policies and measures as alternatives to demand-side policies.

All markets ultimately relate to markets for final commodities, that is goods or services that directly satisfy needs and wants of individuals. Markets for raw materials and intermediate goods as well as labour markets are related to final goods markets in supply chains of varying length and complexity. The demand on markets delivering inputs in the production process or supply chain is sometimes called ‘derived demand’ because it would not exist without the demand for final goods. Correlations between markets are rarely simple, as labour and intermediate goods can usually be devoted to multiple purposes. It should be considered thoroughly whether using the term ‘derived demand’ does not invite a simplified understanding of the links between different markets.

5 Prices

Prices have been mentioned in two contexts above: Cheap prices are discussed as conducive to trafficking, and the price plays a special role in making markets work. Therefore the final section provides a short discussion of the role of prices in economics and the anti-trafficking debate.

5.1 Search for low prices as motor of innovation in economics

In economic analysis of competitive markets, the price functions as coordinator of supply and demand. It is *the* one indicator that both parties are interested in. The coordinating mechanism reduces the need for information: the buyer does not need to know anything about production and supply chains – only the final result counts: a product and its price. When suppliers want to charge the highest possible price and buyers want to pay the lowest possible price, markets tend towards equilibrium. The search for low prices is not a problem but an essential element of functioning markets: The lower the price, the lower the supply; the lower the price, the higher the demand. This relationship is true for most goods in the economy and so pervasive that economists call it the *law of demand* (Mankiw 2009: 67). Of course, consumers may choose to buy more expensive goods in some markets, because they believe in better quality or because they trust that goods are produced under fair labour conditions, but with a given income, they have incentives to look for the cheapest of all acceptable goods. Looking for cheap goods does not mean that a person is greedy: Saving on personal expenses can also mean that the person can give more to others, for example for charitable purposes.

In a dynamic competitive and well-regulated market, consumer behaviour of choosing the cheapest good or service sends a signal to those who supply the goods and services: If they want to earn more, they either have to produce and sell at lower prices, or they have to add qualities to their goods so that consumers consider their products or services as more desirable than others and substitute the simpler for the more desirable products. In a competitive market in which all suppliers obey the same rules and cannot individually influence the market price, consumers' efforts to buy as cheap as possible drives suppliers to produce efficiently and to innovate. Efficient production also implies that companies have an incentive to reduce labour costs, as long as they can retain the needed staff (Mankiw 2009:448). In trafficking, employers use illegal means to retain staff that would not be voluntarily working for the given wage and conditions. From an economic point of view, using trafficked workers can be seen as an illegal way to gain a competitive advantage over law-abiding companies. The state as rule-setter for a market should prevent that.

5.2 Cheapness as a problem in the anti-trafficking debate

As a starting point for understanding the role of cheapness in the anti-trafficking debate, I take a quotation from the yearly reports of the US state department on "Trafficking in

persons” (US Government 2011). Similar formulations can be found in many other documents, but here we find relevant elements in a condensed form.

*The demand for **cheap** goods, services, labor, and sex opens opportunities for the exploitation of vulnerable populations. And it is on this demand that human trafficking thrives. Poverty, unemployment, lack of opportunity, social upheaval, and political instability facilitate traffickers’ ability to recruit victims, but they do not in themselves cause trafficking. The economic reality is that human trafficking is **driven by profits**. If nobody paid for sex, sex trafficking would not exist. If nobody paid for goods produced with any amount of slavery, forced labor in manufacturing would be a thing of the past. Increasingly, anti-trafficking actors are looking to combat modern slavery from the demand side rather than focusing on arrests and prosecutions (the supply side) alone. (U.S. Government 2011: 19) [Bold DV]*

The quotation shows that the “demand for cheap goods and services, labor and sex” is considered as a problem across highly different markets and suggests that this demand causes human trafficking. In order to find indications what is concretely meant, the document was checked for the terms ‘cheap’ and ‘price’:

*Some [heroes] work to combat **root causes** [of trafficking in human beings] – to end the demand for commercial sexual exploitation, to end the **constant downward price pressure that often connects corporate supply chains to the shackles of compelled service**, and to provide options for women and girls so that risky migration is not their only choice. (U.S. Government 2011: 15)*

*Governments can go a long way toward tackling demand. They can, for example, require that government contractors and subcontractors ensure that employees are not hired or recruited through fraudulent means or the use of excessive fees. Such policies would increase transparency and make it more difficult for unscrupulous labor brokers to use debt bondage as a means of providing **cheap labor for government contracts**. (U.S. Government 2011: 19)*

*The dusty images of slaves working on plantations line bookshelves and museum walls, but the demand for **cheap goods in a globalized economy** sustains slavery today in fields and farms. (U.S. Government 2011: 21)*

*Three of Africa’s main industries – agriculture, mining, and fishing – create the **demand for cheap labor** that is **often** satisfied by children who are beaten, subdued, and forced to work in hazardous conditions for little or no compensation. (U.S. Government 2011: 41) [bold DV]*

There are only two contexts in which the word ‘cheap’ is used: in the context with global supply chains and in the context of contractors for governments. It is suggested that the unconditional choice of the cheapest internationally traded good creates a downward price pressure in primary and secondary industries – e.g. farms and textile companies – in developing countries. This pressure is supposed to cause forced labour and trafficking in human beings. Similarly, governments as a demanding party contract companies that offer best prices. This is supposed to lead to the use of forced labour and trafficking by the contractors. In both cases, the search for a cheap good is

supposed to lead to trafficking somewhere down a supply chain. Accordingly, monitoring supply chains is the recommended measure to deal with this problem.

Interestingly, cheapness is not mentioned as a problem with regard to sexual exploitation. In contrast, it is often assumed that clients' willingness to pay high prices makes exploitation profitable in this field (Danailova-Trainor/Belser 2006:11), also compared to other markets (Van Liemt 2004: 19).

Its potentially high margins makes sexual exploitation an attractive "business". Good money can be made out of the exploitation of relatively few individuals who are kept under control through violence, the threat of violence, isolation and/or through debt. In labour exploitation margins are smaller. Those wanting to exploit domestic live-in helpers must also keep them isolated from the outside world.

The same report also mentions the role of prices with regard to the transport of people irregularly to another country, indicating that increased border control activities make prices for smuggling go up and thus make the business attractive for organised crime (Van Liemt 2004: 24). The higher the prices on the smuggling market, the bigger the risk that smuggled persons enter into dependency relations in order to pay for the journey.

To sum up, low prices are discussed as problem in the context of imported goods and government contracting, whereas high prices are discussed as problem in the context of sexual exploitation and border control. The initial statement that the demand for cheap goods opens opportunities across different markets seems to be an overgeneralisation.

5.3 Discussion

The search for low prices is evaluated differently in economics and the anti-trafficking debate, but also within the anti-trafficking debate between the discussion of government contracting and imported goods compared to smuggling and sexual exploitation. This should lead to caution with regard to appeals that buyers should be prepared to pay higher prices. If buyers are prepared to pay higher prices, this does not automatically decrease exploitation and human trafficking. If trafficking is driven by profits, low prices for final goods and services should generate fewer profiting opportunities and thus fewer incentives for trafficking in human beings. It seems more important to ask under which circumstances suppliers can get away with coercive and fraudulent means to retain people in work in spite of relatively low wages and bad working conditions. These are situations in which 'employees' do not have the options of exit and voice (Hirschman, 1992 (1986), pp. 77–82) – of leaving the exploitative situation or seeking help to enforce the terms of their contract. In this respect, the role of the state as rule-setter and rule-enforcer is crucial.

Trafficking cases are reported from fields in which exit and voice are difficult to exercise, either because states have limited capacities or interest to make sure that persons are not exploited by illegal means: Private households are protected by privacy laws and intervention meets with strong resistance; agricultural or mining work takes place in

remote and isolated places; migrants are isolated due to lack of language; markets cannot be monitored if trading is illegal (e.g. in drugs).

With regard to government contracting and imported good, these are both cases in which a government may gain from loose enforcement of labour rights. Governments as demanding party – for example in building contracts – can save public resources if they take the cheapest building contractor and do not investigate whether this contractor uses illegal means to recruit and retain workers. Similarly, governments in low-productivity states may choose to enforce rules only loosely in order to give their country's companies a competitive advantage on international markets, which in turn raises government tax revenues (or government actors revenue from corruption).

Part II: Addressing Demand in Anti-Trafficking Policies – three cases of empirical economic analysis

For the second part, I have searched for *empirical* economic articles addressing demand as well as trafficking explicitly, to see how ambiguities in the terminology were dealt with in empirical studies. A small number of studies fitted these criteria well.¹³ From these studies, I have chosen three major articles for in-depth analysis. These studies may have an impact on wider policy debates in different fields so that it is useful to be aware of their contents, strengths and limitations. For each study, the policy context, theoretical arguments including the use of terms and empirical results are discussed.

- The study by Mahmoud and Trebesch places trafficking in a migration policy context and works with household survey data from countries of origin (Omar Mahmoud/Trebesch 2010).
- The study by Cho and Dreher places trafficking in a prostitution policy context and works with a dataset based on organisational reports about trafficking cases (Cho et al. 2013: 69).
- The report by the ILO addresses a labour policy context, discussing trafficking in relation to forced labour, and works with data from several surveys in poor regions (ILO 2014).

6 The migration policy context: Irregular migrants at risk

6.1 Policy context

Irregular entries feature high in the news 2014 and 2015. Unseaworthy and overcrowded boats start in Turkey and North Africa and seek to reach EU countries. Thousands of people have died during their journey, but even more arrived and received asylum or stayed as irregular migrant working in the shadow economy. While many EU countries increased opportunities for skilled legal immigration from abroad and also started resettlement initiatives for refugees, the latter flows are still small.

In its “Global Approach to Migration and Mobility”, introduced in 2005 and confirmed in 2011, the European Union has adopted a comprehensive framework for cooperation with other states on these issues. It proceeds from the assumption that effective border control is a precondition for more legal migration opportunities. Increasing efforts to reduce trafficking are placed prominently in the strategy:

“Without well-functioning border controls, lower levels of irregular migration and an effective return policy, it will not be possible for the EU to offer more

¹³ Akee, Bedi, Basu, and Chau (2011); Cho, Dreher, and Neumayer (2011), Cho, Dreher, and Neumayer (2013); Danailova-Trainor and Belser (2006); ILO (2014); Jac-Kucharski (2012); Jakobsson and Kotsadam ; Njoh and Ayuk-Etang (2012); Omar Mahmoud and Trebesch (2009), Omar Mahmoud and Trebesch (2010); Rao and Presenti (2012).

opportunities for legal migration and mobility. The legitimacy of any policy framework relies on this. The well-being of migrants and successful integration largely depend on it. The EU will step up its efforts to prevent and reduce trafficking in human beings. (European Commission 2011: 5)

The theme of “Irregular migration and trafficking in human beings” is constructed as one of the pillars of the Global Approach. Trafficking and smuggling is often mentioned in the same breath. When the heads of Member states formulated how they see the priorities in implementing the Global Approach in 2014, they prioritized “addressing smuggling and trafficking in human beings more forcefully, with a focus on priority countries and routes” (European Commission 2011: 3). Trafficking is marked as an irregular border crossing issue, just as smuggling.

Consequently, border agents are trained for the identification of victims of trafficking.¹⁴ However, trafficking can rarely be detected at the border. After a series of studies on the situation on the Southern border, the Fundamental Rights Agency of the European Union concludes:

“In practice, the identification of suspected victims of trafficking at borders is difficult. In some cases, migrants may not (yet) be aware that they are trafficked and that they will be exploited once they arrive. In other situations, migrants spend little time in border areas, making it impossible to monitor the situation over time. At the border, survivors of torture or victims of other serious crime, such as sexual abuse or exploitation, are legally in the weakest situation. There are usually no protection mechanisms for them, unless they are a victim of human trafficking, a person in need of international protection or of minor age. As a result they are often not treated like victims.” (FRA 2013: 14)

To summarize: In the context of international migration, trafficking is discussed in connection with the fight against irregular migration, so that traffickers and smugglers are targeted in the same context. However, intended coercion at destination can rarely be proven before it takes place.

6.2 Theoretical arguments

Mahmoud and Trebesch analyse the occurrence of human trafficking in a large household survey in Eastern Europe. In this study,

“Human trafficking is defined as a situation in which an individual travelling abroad was locked and forced to work for no or little pay via means of coercion.” (Omar Mahmoud/Trebesch 2010: 174)

Being forced to work *after travelling to a foreign country* is at the core of their human trafficking condition. Implicitly, prostitution is subsumed under work as the survey includes “victims of both sexual and non-sexual forms of human trafficking” (Omar Mahmoud/Trebesch 2010: 174).

¹⁴ Article 18 (3) of the 2011 Trafficking Directive (2011/36/EU) and Preamble 25.

The study claims that their theoretical argument is based “on simple supply and demand considerations and rooted in the literature on the economics of crime and migration”. However, it is not quite as simple as can be shown with a closer look at their theoretical argument. As a root cause, they see the “growing, but unsatisfied demand for legal migration options” that have “created a breeding ground for criminal organisations and exploitative employers, who have learned to make a profit from people’s desire to work abroad.” The unsatisfied demand for legal migration options has created a market for illegal travel opportunities. In this market, potential migrants demand smuggling services and smugglers supply them. The potential migrants “willingness to depart and to take risks in the migration process can be easily exploited by criminal agents” (Omar Mahmoud/Trebesch 2010: 174).

The use of demand and supply switches when it comes to trafficking. “Criminal agents recruiting for employers abroad” are addressed as the demand-side of the human trafficking market. “Vulnerable individuals willing to work abroad” are addressed as supply-side. This labelling is usual in the anti-trafficking debate, in which supply-side arguments are somehow related to victims and demand-side arguments are used in various senses, but not for victims. However, after introducing a migration context as relevant frame, calling migrants the supply-side seems inconsistent, as they were first introduced as the demand-side paying a price to be smuggled, as they believe in a genuine legal or illegal travel or recruitment service. They demand “services such as false documents, smuggling across borders or work procurement abroad”, offered by a variety of middlemen (Omar Mahmoud/Trebesch 2010: 174). As soon as the traffickers execute force over the migrants, the relation turns from a market relation – between migrants demanding a service and smugglers supplying it to them, into a relation of force – between a coercing trafficker and a subjected migrant.

Trebesch and Mahmoud argue that the risk of human trafficking is highest in areas with high rates of emigration because an agglomeration of shadow migration industries lowers costs of traffickers, and vulnerable people are abundant due to the disadvantaged status of the region: more people leaving means more people at risk, more people leaving illegally means more people not being able to enforce contracts. They refer to the theoretical considerations of Tamura who has built a model in which migrants pay a price to smugglers (Tamura 2010). The deal involves that they temporarily give up freedom of choice. They must obey the smuggler’s instructions so that a successful border crossing can be achieved, but this gives the smuggler a chance to become a trafficker at destination.

I would argue that the smuggling market is the relevant framework for their analysis, with smugglers as supply-side, migrants as demand-side and the commodity being an illegal passage to a destination country. If smugglers abuse their power during the migration process, they become traffickers who turn their clients into a traded commodity and sell them to employers in the destination. However, this market is not analysed in the study. The smuggling market is the main reference market, as they argue that “human trafficking is an unavoidable side effect of migration in a world with large income disparities but closed borders.” (177)

6.3 Empirical analysis

In the introduction, authors state that there is still very little knowledge on human trafficking as an economic phenomenon, due to the grave difficulty in gathering reliable and representative data. They present a mixture of estimates, educated guesses and argumentations under the irritating heading “what we know about human trafficking”. For example they state that “all available evidence indicates that human trafficking is an exceptionally lucrative business” for criminal gangs, offering large monetary rewards in parallel to drugs and arms trade (175), before reporting two pages later about trafficking patterns including family and friends – with 60% of victims in South-eastern Europe being recruited by acquaintances (177). Obviously, not all evidence indicates the predominance of organized crime.

Indeed, we do not ‘know’ that much about human trafficking so that the additional information provided by this study is particularly enriching. Their study is one of the few attempts to analyse the drivers of human trafficking with micro data from countries of origin in an extended way. It delivers interesting new information based on a large household survey in Eastern Europe and a large survey of migrants in Moldova.

The household survey encompasses 5513 randomly selected households from 82 regions in Belarus, Bulgaria, Moldova, Romania, and Ukraine, conducted in 2006. The largest module in the survey was dedicated to human trafficking across borders. Trafficking was assumed if the interviewee indicated that persons in their close surroundings (relatives, friends and neighbours), in their close family, or they themselves had experienced one of the following situations after travelling abroad:

- was offered a domestic or nursing job, but was locked and forced to work for no pay
- was offered a job at an enterprise, on a construction site, or in agriculture, but was locked and forced to work for no or little pay
- was offered employment, but the passport was taken away upon arrival to the destination country and was forced to work in the sex business.

It was tried to reduce the degree of underreporting by referring to unidentified family members and framing sexual exploitation in a labour context. At the same time, this means that the study surveys no direct experience, but experience from hearsay. Interviewees may not be aware particularly of sexual exploitation of family members abroad.

About 7% of the migrant households reported to have a trafficking victim in their close family (108 out of 1563 households with migrants in the sample). Out of these, there are 22 reported cases of household members being forced to work in the sex business and 86 cases were associated with non-sexual forms of exploitation – that means that about 80% of all reported trafficking cases concerned trafficking into labour exploitation and 20% trafficking into sexual exploitation (Omar Mahmoud/Trebesch 2010: 178).

Using the migrant household sub-sample only, they analysed whether the individual risk of trafficking depends on regional migration rates. Migration prevalence has a positive and significant coefficient, indicating that trafficking risks increase more than

proportionally with emigration rates. The proxy for low migration pressure (“share of stayers”) had a significant negative impact. They further show that irregular migration in the household interacts positively with human trafficking (Omar Mahmoud/Trebesch 2010: 182). Awareness of trafficking, measured as having heard about it and using TV for political and social information, decreased the risk of trafficking in the household.

In an additional survey in 211 localities of the small country Moldova in 2008, the share of households having a member abroad was particularly high (29%). While it focussed on remittances, it allowed also the identification of the worst forms of migrant exploitation. For 31 out of 1560 individual migrants as identified by the respondents, it was reported that they were locked by their employers, had their passports taken away or were sexually exploited in the year of the survey or the preceding year. This was coded as being trafficked.¹⁵ With this survey, the link between regional migration pressure and trafficking was confirmed, as well as the impact of illegality, measured as illegal border crossing. Migrants’ personal characteristics such as age, sex and education do not appear to matter, nor do the main Moldovan destinations (Russia and Italy) (Omar Mahmoud/Trebesch 2010: 185).

For policy implications, the authors propose to target awareness campaigns and other anti-trafficking policies to areas where migration flows are high or on the rise, as their results provide strong indications that trafficking is more likely in high emigration regions. They are tentatively optimistic that increasing awareness in such regions helps to reduce the risk of this form of exploitation.

7 The prostitution policy context: Do prostitution regimes impact on the extent of human trafficking?

7.1 Policy context

Political debates on prostitution regimes are currently fierce. There is a strong movement in favour of the criminalisation of buying sexual services, carried by concerns about the image of women in the society and the plight of exploited and abused women in prostitution.

In February 2014, Mary Honeyball delivered a report on “sexual exploitation and prostitution and its impact on gender equality” for the Committee on Women’s Rights and Gender Equality (Honeyball 2014). The report stated among others “that prostitution and trafficking in women and under-age females are linked because the demand for women in prostitution, whether trafficked or not, is the same” and that “trafficking acts as a mean to bring a supply of women and under-age females to the prostitution markets”, thus alleging that the demand for commercial sex caused human

¹⁵ I do not understand why the authors characterize the share as ‘notably smaller’ than in the 5-country household survey. If I take household size into account as reported in Omar Mahmoud/Trebesch (2009: 21), migrant households report about a total of more than 5000 persons, so that the percentage incidence on the individual level is similarly around 2%.

trafficking. The report indicates a high number of concerns about violence, health risks and abuse in prostitution, and about gender inequality in the society linked to these concerns. Among other recommendations, it stresses that the member states should fund support and exit strategies for “victims of trafficking or sexual exploitation, including migrant and undocumented persons” (Honeyball 2014:50). The report indicates that demand reduction should be an integral part of member states’ policies and that it can be achieved “through legislation that shifts the criminal burden onto those who purchase sexual services rather than onto those who sell it” (Honeyball 2014:31). Clients of prostitutes should be criminalised as in Sweden. The European parliament voted to accept this motion on February 27 2014, thus demanding the criminalisation of clients in the European Union.

While urging “the Member States to evaluate both the positive and negative effects of criminalising the purchase of sexual services on reducing prostitution and trafficking”, the report itself uses studies and factual statements in a very selective way, ignoring evidence that does not support the recommendations. This allegation is made in a letter signed by 70 researchers (Lehmann 2014). In this discourse, it is often difficult to disentangle normative from positive arguments. Those who consider prostitution to be inherently traumatising for the participating women and hindering gender equality in the whole society seem to be so convinced of their cause that they find it justified to ignore good scientific standards in the conduction of studies – such as the search for evidence that may potentially disprove the preconceptions of researchers (Seale 2004). Results are presented in a one-sided way.¹⁶

One study on the effects of legalization received considerable public attention after a report was published in 2011 (Cho et al. 2011). In the media, it was quoted as providing evidence that Germany’s liberal prostitution law of 2002 led to an increase in human trafficking.¹⁷ The study also drew criticism from different sides. For example, a German association in favour of social and political rights of prostitutes lists 16 points, accusing the authors of misrepresenting facts and fuelling firebrands with pseudo-scientific arguments (Doña Carmen e.V. 2011). A commentator from the economic magazine Forbes discusses the study as bad economic research, mainly criticizing that trafficking is confused with irregular migration. For this review, I have used the version published in the multidisciplinary scientific journal *World Development* (Cho et al. 2013). Some of the concerns of critics of the earlier published version are addressed in the 38 footnotes of the article, others are not.

7.2 Theoretical arguments

Cho, Dreher and Neumayer (2013) do not explicitly discuss how trafficking is defined. We can assume that the results of the EU-funded study refer to the definition of the Anti-trafficking directive (see 3.2) which refers to a wide range of exploitative purposes.

¹⁶ The public presentation of the well-documented and carefully described European trafficking statistics is an example of this tendency Vogel (2014).

¹⁷ <http://daserste.ndr.de/panorama/aktuell/prostitution131.html>

Throughout the article, authors use trafficking solely in the meaning of trafficking into prostitution. This understanding is supported by a factual statement in the introduction that most trafficking victims are women and girls, the “vast majority” ending up in sexual exploitation. This factual statement refers to UNODC (2006), without page, as a reference, before turning to national prostitution policies as an allegedly neglected factor impacting on trafficking in human beings. However, the quoted report does not support the statement that most victims are women and girls trafficked for prostitution. The report refers to “major problems in identifying human trafficking victims who are men”, partly caused by the fact that laws in some countries only refer to women and to trafficking into prostitution (UNODC 2006: 78).

The status of prostitution as legal or illegal in a country’s law is taken as independent variable that may influence human trafficking. The theoretical argument about the effect of legalizing prostitution is the following: the traded quantity of sexual services will increase, because actors who have been formerly deterred by sanctions will enter the market, both on the demand and the supply side. The supply side is identified as sex workers or their pimps and the demand sides as clients of commercial sex acts. Cho and others do not explicitly address the price effect of legalisation, but seem to imply that legalisation implies lower prices compared to the situation of illegal prostitution in which suppliers ask for a “pay premium” to compensate for the risk of prosecution (Cho et al. 2013: 69).

Whether the *number of trafficked prostitutes* increases after legalization is considered to be theoretically open due to two counteracting effects: a scale effect and a substitution effect. The substitution effect predicts a falling share of trafficked persons after legalisation, as legal sex businesses would not like to endanger legality by employing irregular migrants or buying trafficking victims.¹⁸

For the scale effect, the authors state that “the increased equilibrium quantity of prostitution will, for a constant share of trafficked prostitutes among all prostitutes, exert an increasing scale effect on the incidence of international trafficking for prostitution purposes” (Cho et al. 2013: 69). The scale effect seems to be considered as a kind of automatism which requires no further explanation. This automatism allows that the authors only discuss demand and supply on the market for commercial sex, without explicitly addressing how it links to human trafficking.

But what could be the logic behind the assumed scale effect? Does it mean that a prostitution market growing due to legalisation simply replicates the structures of the formerly illegal market? Following the authors, the market grows because new law abiding actors participate in the market who had been formerly deterred by restrictive prostitution laws. The newly entering suppliers only enter the market because there are now legal opportunities so that one could assume that there is a zero or near zero

¹⁸ Their formulation conflates irregular migration and trafficking: “Sex businesses wishing to take advantage of the legality of prostitution (instead of remaining illegal) would want to recruit more national citizens or foreigners legally residing with a work permit in the country since employing trafficked foreign prostitutes (or, for that matter, illegally residing foreign prostitutes that were not trafficked) endangers their newly achieved legal status.” Cho et al. (2013: 69). My reformulation suggests that they are meaning both.

share of trafficking among the newly entering actors and not the same share as before in the illegal market.

Other authors present a different theoretical logic, assuming contrasting price effects. Kotsadam and Jacobsson (2010:7) expect increased quantities of sexual services sold after legalization just as Cho and others and increased profitability of trafficking due to *increased* prices in a legalized sex market, following Della Giusta (Della Giusta 2008: 126).¹⁹ Seemingly, the shift in demand is considered to be more important than the shift in supply – the effect of new clients spending money in the legal market is higher than the effect of more prostitutes participating in a legalised market. Similarly, Collins and Judge consider a stronger effect of legalisation on demand than on supply (Collins/Judge 2008: 145). With rising prices, brothel owners find it more profitable to buy forced prostitutes, according to Kotsadam and Jacobsson (2010). Legalising prostitution is assumed to increase trafficking because of rising prices for commercial sex in this study, whereas it is assumed to increase in spite of falling prices in the argumentation of Cho and others (2013).

In addition to the price effect, Collins and Judge discuss the effect of legalisation on prosecution as ambiguous. On the hand, police is freed from enforcing prostitution laws against clients or prostitutes and has thus more capacity to focus on more serious crimes such as trafficking, on the other hand legalisation may offer more options to disguise trafficking under a legal façade. Contrastingly, Akee and others (2011) assume that outlawing prostitution can be taken as an indicator for more effective enforcement against human trafficking (Akee et al. 2011: 6).

The theoretical argumentation of Cho and others is not conclusive and consistent. The discussion of alternative arguments in other studies shows disagreement with regard to central assumptions, indicating the need of empirical clarification.

7.3 Empirical analysis

The study by Cho and others (2013) uses data compiled by the United Nations Office on Drugs and Crime (UNODC). UNODC has screened reports from 113 organisations whether they reported on cases of trafficking during the years 1996 to 2003 and compiled a database on this information (UNODC 2006). In a footnote UNODC clarifies:

It is not the objective of the Trafficking Database to determine the severity of the human trafficking problem based upon the number of victims in a country, but to reflect the number of times that a country is mentioned by different source institutions. (UNODC 2006: 116)²⁰

¹⁹ “Policies that increase stigmatization of clients are expected to reduce the marginal willingness to pay, the quantity sold, and the equilibrium price.” Jakobsson and Kotsadam (2013, p. 92). Conversely, policies that decrease stigmatisation should raise the price.

²⁰ The 2009 report states: „It is not possible to interpret the data collected for this report as representing the true extent or magnitude of human trafficking. The figures used cannot be compared across countries, either to represent the severity of human trafficking or the different levels of performance of countries responding to the phenomenon.” UNODC (2009: 19)

To show such differences in reporting levels, UNODC provides a table on the incidence of reporting of destination countries. A footnote explains that differences in the level of reporting incidence may have a number of different reasons. It is worth to quote it in full length:

There are several reasons why the reporting of human trafficking may vary between countries, regardless of the actual severity of trafficking in persons. Levels of reporting of trafficking in persons may vary due to:

- *geographical bias;*
- *political emphasis;*
- *the comprehensiveness of various national legal definitions of human trafficking and child trafficking;*
- *the non-recognition of different forms of exploitation;*
- *the availability and quality of official statistics and reporting;*
- *the availability and quality of national structures for victim identification, referral, assistance and repatriation;*
- *the extent of bi- and multi-lateral cooperation;*
- *and confusion between trafficking in persons and other forms of irregular migration (UNODC 2006: 19).*

The very same table is reprinted in Cho and others (Cho et al. 2013: 79). Alas, the heading has changed: instead of “Incidence of reporting in destination countries” the heading is “Distribution of countries across categories of human trafficking inflows”. The explanatory footnote is omitted. While acknowledging data insufficiencies, the text sometimes speaks of the ‘reported incidence of human trafficking inflows’ and sometimes synonymously of ‘human trafficking inflows’ (Cho et al. 2013: 67,74 ff.). Kotsadam and Jakobsson use the same data source, indicating that it “captures the amount of trafficking to a country” (Jakobsson/ Kotsadam: 8) and extract European countries from the same table under the heading “trafficking inflow to European countries”. This is obviously false and misleading, but in my view too easy to discover to be called “covering tracks through fraud” (Doña Carmen e.V. 2011).

All researchers studying trafficking in human beings have to deal with weak data and reiterate the demand for better data collection. Certainly, data collection can be improved. However, it should be acknowledged that there will never be any unbiased data about trafficking in human beings. Researchers have to deal with imperfect data and account for biases in their interpretations. Better theoretical arguments and assumptions based on qualitative evidence could help to increase the quality of interpretation.

As such, using indicative data is no problem if the indicator is systematically correlated with the researched phenomenon (trafficking in human beings) and not correlated with the studied explanatory factor (prostitution regime). As Axel Dreher, one of the authors of the study, explains in an interview for the online platform “menschenhandelheute.net”:

“We would have a problem only if the relation between the data insufficiency and the legalisation of prostitution was systematic, having controlled for other variables of the model.” [translation from German by the author].²¹

So the authors of the study claim that “the degree of distortions in reported trafficking intensities is not correlated with whether or not prostitution is legal” (Cho et al. 2013: 70), without explaining in detail how they come to this conviction. When we consider how UNODC characterized impacts on reporting levels as quoted above, doubts are justified. A country with legalized prostitution could have more effective victim identification structures, for example because street-workers have easier access to prostitutes when these do not have to hide their activities. As legalising prostitution increases visibility of brothels and prostitutes, it is also likely that there is more political emphasis on problematic sides of prostitution and more public scrutiny with regard to trafficking. Therefore, the degree of distortions could well be correlated with the legalisation regime. Countries with legal prostitution may have only higher levels of trafficking *reporting*, but not of trafficking – one reason why experimentation with a legalisation index was given up in another study.²²

Anyhow, cross-sectional analysis cannot provide definite conclusions whether legalizing prostitution would result in increased trafficking after legalization (Cho et al. 2013: 74). Therefore, authors want to provide “anecdotal evidence” through country case studies of Sweden, Germany, and Denmark. Indeed, their review of miscellaneous is more anecdotal than evidence. Methodological literature on policy case studies for small numbers of countries is not mentioned.

One of the authors (Dreher) publishes his conclusion that “human trafficking is not a natural feature of legalized prostitution, but a consequence of badly regulated prostitution” in another paper (Dreher/Rudolph 2013). This article takes the position that states should only in extreme cases restrict voluntary exchange on free markets, and thus not in the case of prostitution. A number of regulations are proposed that could be combined with a legalized prostitution market, including strict requirements on brothel owners and support for non-governmental organizations helping prostitutes.

²¹ Für unsere statistische Auswertung müssen die Daten nur bedingt verlässlich sein. Zu unpräzise Daten führen dazu, dass sich keine statistisch signifikanten Zusammenhänge zeigen lassen. Da unsere Ergebnisse aber statistisch signifikant und sehr robust sind, sind Ungenauigkeiten die nicht systematisch mit den untersuchten Variablen zusammenhängen kein Problem. Nur wenn – kontrolliert für die anderen Variablen unseres Modells – der Zusammenhang zwischen dem Datenfehler und der Legalisierung von Prostitution systematisch zusammenhängen würden hätten wir ein Problem.

²² “We did attempt to create an index capturing the degree of legalization of prostitution by using the national legislation typology on prostitution suggested by Transcrime. Interestingly, we only found a small positive correlation of 0.18 between the constructed index of legalized prostitution and prostitution incidence. This may be due to the fact that the complexity of legislation typologies and models of prostitution was not sufficiently captured in the index or, alternatively, that the legalization of prostitution does not so much affect its incidence as it does its visibility. In addition, over a third of the countries included in our sample as countries of destination were not included in the study by Transcrime. Hence, with the present data, we could not shed further light on the debate regarding the link between legalization of prostitution and prostitution incidence” Danailova-Trainor/Belser (2006: 13).

8 The Labour policy context: forced labour with trafficking as related practice

8.1 Policy context

Slavery in the sense of legal ownership over a person, including the ability to buy and sell the person and to use its labour without restrictions, has long been abolished. However, control over persons in the sense of factual power has not ended at the same time. While trading in people has been addressed as trafficking, coercing people to work has been discussed as forced labour. Both discourses have been increasingly mixed since the beginning of this century.

The International Labour Organisation is the international actor that brought the topic of forced labour increasingly to public attention, thus focussing on the labour policy context of coercion (Cyrus 2015). The international debate was inspired by and linked into diverse national debates about abusive practices in the labour market such as debt bondage, wage fraud, neglect of health and safety standards, deceptive recruitment of migrants, abuse of vulnerability of contract workers or live-in domestic workers.

In 2001, a Special Action Programme to combat Forced Labour was initiated that involved a series of studies, conferences and meetings. Two estimates of the extent of forced labour attracted considerable public attention and may be the most quoted figures in the field today. The ILO estimated that 20.9 million people are victims of forced labour globally at any time in the reference period 2002 to 2011, with about 68% of them being trapped in forced labour in the private sector, 22% in forced sexual exploitation and 10% in state-imposed forced labour. This estimate aims to capture “the full realm of human trafficking for labour and sexual exploitation, or what some call ‘modern-day slavery’” (ILO 2012: 13). A most recent result of the international debate is an updating of the ILO Convention C29 in the Labour Conference in 2014 which does not refer to demand-side policies (Cyrus 2015). In a labour policy context, employers are actors on the demand-side and workers are actors on the supply-side.

For closer analysis, I have chosen a 2014 ILO-report called “Profits and Poverty: The Economics of Forced Labour”, because it aims at taking “the understanding of forced labour, human trafficking, and modern forms of slavery to a new level” (ILO 2014: 1).

8.2 Theoretical arguments

The report emphasizes the need for clear definitions (ILO 2014: 4). Modern slavery is identified as “a catch-all for forced labour, human trafficking, forced sexual exploitation and some of the worst forms of child labour”. Forced labour is defined according to the ILO Convention C29 (1930) as “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily” (ILO C.29, Art. 1). ‘Labour’ is understood in a wide sense including all sorts of income-generating activities including commercial sex and begging, so that it is emphasized that forced labour encompasses all exploitative purposes from the

definition of human trafficking as listed in the UN Protocol except from the organ removal.

While there is reference to the UN definition, there is no explicit definition of the term human trafficking for the purpose of the study, unlike in a 2005 study when a process involving the movement of a person by a third party was named as criterion (Belsler, de Cock, & Mehran, 2005, p. 5). 'Human trafficking' is not used consistently: It is referred to as a practice "related" to forced labour (e.g. III, ILO 2014:45), as two distinct categories on the same level (e.g. "forced labour and trafficking" p. 5, 20) or as seemingly synonymous expression (e.g. "Forced labour/ trafficking" in a table p. 34). Forced labour is addressed as the mainly relevant phenomenon, with human trafficking potentially referring to deceptive and coercive recruitment into forced labour.

It is emphasized that working for low wages is not considered forced labour unless it results from coercion and that forced labour does not necessarily involve recruitment or international migration (ILO 2014: 5). In the empirical data, forced labour can be differentiated by different categories: the involved gender and age groups (children, men, women), sector of exploitation (sex, labour), by form of recruitment (free, unfree) and by migration (no migration, internal migration, international migration).

The study aims at looking "at both the supply and demand sides of forced labour" (ILO 2014: 1). Theoretically, the emergence of forced labour is explained referring to principal-agent models from labour economics. Following up on the quoted literature, these are the key ideas: the agent (worker) can decide how hard he or she works, and this impacts on the outcomes and has therefore consequences for the principal (employer). The principal can observe only the outcome and not the effort level. Therefore, employers use incentives depending on the outcome. Principals can promise rewards depending on the amount of work and in some institutional environments also threat to inflict pain if the output is lower than expected. Violence is more likely if the agent has no other options or does not profit from rewards (Chwe 1990). For example a child sent to work by the parents does not have alternatives and does not get the pay from his or her work. A potentially coercive producer represents the demand-side and a potentially coerced agent the supply side. It is more profitable to coerce agents with higher marginal productivity (the labour demand effect) and less profitable to coerce agents with better outside options (the outside option effect) (Acemoglu/Wolitzky 2011: 588).

The authors do not elaborate which expectations can be generated from the theoretical ideas for their empirical work. Generally, theoretical ideas behind the chosen variables remain unclear. Following their theoretical argument, I would predict that those groups must be overrepresented that have on average a higher marginal productivity in sectors prone to force labour and that have fewer outside options.

For example with regard to gender, authors find it counter-intuitive that women and girls are less likely to be found in forced labour according to empirical data (ILO 2014: 37). If they find it counter-intuitive, they must have expected that females are overrepresented. However, this expectation is not explicated from the theoretical reasoning. In many settings, females have on average a lower productivity than men and a socially accepted outside option in reproductive and household work, which could make them less likely to end up in forced settings. Only if we talk about forced

labour in prostitution, it can be expected that women are overrepresented if they generate on average more income than men.

Similarly, other expectations can be generated from their theoretical model. If people from discriminated minorities are less educated and have less outside options, they are more likely to be exploited. People with qualifications can be expected to have more outside options and thus be less likely to be forced, unless their qualifications make them more productive in the field relevant for exploitation. These considerations indicate that the theoretical reasoning about factors that make people vulnerable to exploitation in specific circumstances may be a promising path, rather than assuming that predetermined groups such as women are more vulnerable in any circumstances. This argument can also be found in a study about vulnerability in detention. It differentiates between personal, social and environmental factors which impact on vulnerability (Jesuit Refugee Service-Europe 2010: 91).

8.3 Empirical analysis

The ILO report refers to results of surveys conducted between 2007 and 2012 and targeted at returned migrants in Armenia, Georgia and Moldova and at household surveys in Nepal, the Niger, Bangladesh, Bolivia, Côte d'Ivoire, Guatemala and Mali, partly focussing on children (ILO 2014: 29). The household surveys include a high number of observations (e.g. around 12 000 in Niger and Nepal), but basic descriptive data like the number of observations by age, gender, education etc. is not provided for all studies in the publication.

There is a wealth of country-specific indications of shares of forced labour and deceptive or coercive recruitment into forced labour: For Niger, it is estimated that nation-wide 1.8 per cent of all employed persons are in forced labour. In Nepal and Guatemala, this percentage was estimated for specific target populations in specific provinces that were believed to be extremely vulnerable to forced labour. Around 10 per cent of the surveyed employees in both cases were in forced labour (ILO 2014: 31). Particularly in Guatemala, a high share of forced labourers was recruited either through deception or coercion. Between 40 per cent and 72 per cent of the returned migrants in Armenia, Georgia and Moldova faced some form of exploitation and another 8 to 11 per cent were coerced. Roughly 15 per cent faced some form of deception during the recruitment process (ILO 2014: 35).

Both with household and returnee surveys, analytical models were run to get indications which groups of the population are more vulnerable to forced labour than others. The studies have included demographic variables and variables on education, household size, household revenue decline, food security and some others like rural areas or belonging to specific ethnic groups.

With regard to gender, the household studies generate the result which is already indicated above: women and girls are generally less likely to be in forced labour irrespective of their age. Being female reduces the probability of a household member (aged 5 or older) being in forced labour to a small degree in the nation-wide study in Niger (0.21 percentage point) and to a high degree in the focussed study in Guatemala (about 10 percentage points) (ILO 2014: 37). In the surveys with returned migrants,

males were more likely to report forced labour in Moldova and less likely in Armenia (p.42). This could be linked to the fact that destination mattered: Individuals who went to CIS countries faced a higher probability of experiencing forced labour than those who did not.

Being literate and educated and living in a household with an educated household head generally reduced the probability of experiencing forced labour, with the exception of Guatemala where, “surprisingly”, the literate were more likely to be in forced labour (about 4 percentage points) (p.38). In the returnee surveys, individuals with only primary education level or below were also more likely to be victims of forced labour than their more educated counterparts (p.42).

The quantitatively most impressive results in the household surveys concerned the impact of food security in Nepal – a question that was not asked in the other household surveys. Having enough food to eat reduced the probability of being subjected to forced labour by around 6 percentage points for household members as a whole, irrespective of their age, and about 14 percentage points for children (p.40).

Overall, the divergence of results between different origin regions was particularly impressive. In the returnee survey, being an irregular migrant as opposed to a regular migrant increased the probability of being in forced labour by about 0.4 percentage points in the Republic of Moldova to 13.8 percentage points in Georgia, all else being constant (p.42). Borrowing from relatives and friends as opposed to not borrowing also increased the probability of being in forced labour, but only about 0.35 percentage points in the Republic of Moldova and 8.43 percentage points in Armenia (p.44).

Given the wide divergence of results, the conclusions and recommendations are rather confirmative, downplaying contradictions and surprises and mirroring established ideas about what matters in forced labour. With regard to gender for example, the ILO global estimate shows a slight overrepresentation of females and the survey a slight overrepresentation of males. The conclusion mentions that the “vast majority of victims are women and girls” in prostitution and domestic work, while the overrepresentation of men and boys in the surveys is downplayed with a reference to the selection of studies.²³

The need for better and more standardized cross-national data collection is reiterated. In my view, the data collection efforts are impressive, and the most interesting conclusion is that the results diverge widely. More efforts in theoretically guided interpretation of existing data and a closer investigation into specific regional circumstances seems the most promising path to better understanding of forced labour at the present moment.

²³ “According to the ILO’s Global Estimate, about 55 per cent of all victims are women and girls. In forced sexual exploitation and in domestic work, the vast majority of victims are women and girls. In other economic activities, however, men and boys tend to be disproportionately represented. According to survey data discussed in this chapter, men and boys are slightly more at risk of falling victim to forced labour than women and girls. This can be explained by the selection of surveys, and a particular focus on bonded labour or debt bondage. (p.46)”

9 Comparative discussion

Three studies were presented that address trafficking in human beings and take a general approach, building on quantitative data from a range of countries and seeking to make a general contribution to the understanding of the topic. They can be taken as examples of major approaches to human trafficking in economic argumentations and in the debate on human trafficking in general. Table 1 presents differences between the studies in a simplified way.

Table 2. Comparative focus of three empirical studies on THB

Study	Context	Data used for empirical analysis	Reference market			Main effect responsible for human trafficking
			Good/service	Demand side	Supply side	
Omar Mahmoud & Trebesch (2010)	Migration	Household survey in high emigration countries	International smuggling and labour broker services*	Migrants	Smugglers / traffickers	Vulnerability during irregular migration
Cho <i>et al.</i> (2013)	Prostitution	World-wide reports about human trafficking	Commercial sex acts	Clients	Sex industry	(automatic) scale effect
ILO (2014)	Labour	Household surveys in areas or groups with high exploitation	Labour	Employers	Workers	Vulnerability of poor households

Source: Authors' analysis.

Note: * reference market according to theoretical reasoning, not to presentation of factors for empirical analysis.

The table first of all shows that the studies build on observations of different segments of the reality. Household survey data in high emigration countries are better suited to capture effects of abuse in international migration; household survey data in areas and groups with expected incidence of forced labour are likely to find labour abuses; a study building on trafficking reporting data focuses on what reporting is about – and indeed reporting is so far mainly about prostitution. While the reporting data is ignoring or at least underrepresenting abuses in labour relations, household survey data is likely to underestimate abuses in the sex sector, even when questions were asked in a way to avoid stigmatisation.

So in the study with reporting data it is assumed that the vast majority of all human trafficking occurs in prostitution and concerns females, while the study with data in high emigration areas finds that about 80 percent of human trafficking occurs for the purpose of labour exploitation and concerns males.

The main conclusion of this comparison is that all three reference markets deserve separate attention. Human trafficking as defined in the UN Protocol is not an observable phenomenon but a complex legal and social construction, so empirical studies need an explicit definition to what observable phenomenon they refer. The survey studies do so by asking questions on concrete abuses before merging them into one variable so that the results can be presented as referring to trafficking or forced labour. The results show striking differences that can only be better understood by deconstruction of the categories. I suggest that the regulation of each of the three

reference markets deserves separate attention, and international studies should be open for the conclusion that causes may differ in different regions of the world. So my main conclusion is somewhat unusual for a researcher: Better data on human trafficking is not the most urgent need. Better re-interpretation of existing data could lead a step ahead.

10 Final remark

In the final remark, I present some suggestions how the presented results could contribute to terminological clarification in the project context of DemandAT.

First of all, trafficking and exploitation are problematic as social scientific observation categories. Economic studies are used as an example that studies seemingly addressing the same issue present widely diverging empirical results and theoretical explanations, and this does not seem to be mainly an effect of measuring the same issue differently, but of observing different aspects of the social reality. The migration policy context, the prostitution policy context and the labour policy context deserve separate attention.

Demand is often not defined at all in anti-trafficking debates. As the analysed texts have shown, the use of the term is also not consistent. Therefore, it is suggested to use the term demand *in an economic sense of willingness and ability to buy a particular commodity*. This meaning is not only widely shared among economists, but also one of the different colloquial meanings of demand. It does not imply any need to subscribe to assumptions and methods of the discipline 'economics'.

However, it implies a market context. Researchers should always be able to specify who wants to buy what. Otherwise, the demand- and supply-terminology should be abandoned. In particular, the phrases 'demand for trafficking' or for 'demand for labour exploitation' should be avoided because trafficking and exploitation cannot be bought.

In labour markets, employers are the demand side and workers are the supply side. However, this implies that there must be a degree of choice on both sides. When an employer exercises direct coercion, this cannot be called "labour demand" in the sense of willingness to pay an agreed wage for an agreed amount of work. However, abuses can be framed in a market terminology if employers manipulate the situation of choice to their advantage and abuse vulnerability.

Demand in an economic sense can be identified in highly different markets. It is an essential element of all market settings, so that the term "demand-side policies and measures" becomes virtually meaningless if no type of market is specified. It is suggested to reserve the term '*demand-side measures or policies*' for activities that seek to influence the *demand for final commodities*, also called consumer goods and services. Thus, they deal with all aspects relating to those who satisfy their wants and needs with goods and services. Efforts to change demand for final commodities can address one or several factors of influence. For example, criminalisation seeks to influence demand by changing its legal status, enforcement may be directed at deterring consumers of illegalized activities, information campaigns seek to make

consumers pay higher prices for imported goods that claim to have monitored labour conditions in supply chains, or they may call clients in sex services markets to report the suspicion of abuse of a women to the police.

Suggesting a terminological limitation of demand-side policies does not mean that demand-side policies are more important than other efforts to combat the most serious forms of exploitation of human beings. It only helps to make meaningful comparisons to alternative efforts, for example measures to reduce the vulnerability of workers.

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