International Labour Organization

Acting against forced labour: An assessment of investment requirements and economic benefits

Discussion paper on the economics of forced labour

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▶ Acronyms and abbreviations

CC	Coordinating Committee
FCSE	Forced commercial sexual exploitation
FLE	Forced labour exploitation
GDP	Gross domestic product
GFEMS	Global Fund to End Modern Slavery
HIV	Human immunodeficiency virus
IJM	International Justice Mission
ILO	International Labour Office/Organization
IMF	International Monetary Fund
IOE	International Organisation of Employers
IOM	International Organization for Migration
ITUC	International Trade Union Confederation
KNOMAD	Global Knowledge Partnership on Migration and Development
LCU	Local currency unit
MPC	Marginal propensity to consume
MRC	Migrant Worker Resource Centre
NGO	Non-governmental organization
NRM	National referral mechanism
OECD	Organisation for Economic Co-operation and Development
PPP	Purchasing power parity
PTSD	Post-traumatic stress syndrome
SDGs	Sustainable Development Goals
STD	Sexually transmitted disease
TEG	Technical Experts Group
UNCTAD	UN Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	UN Refugee Agency
UNODC	United Nations Office on Drugs and Crime
USDOL	United States Department of Labor
UWW	United Way Worldwide
WHO	World Health Organization

Introduction

On any given day in 2021, there were 27.6 million people trapped in forced labour, representing an increase of 2.7 million people in forced labour since 2016 (ILO, Walk Free, and IOM 2022). The global community has therefore fallen further behind in its commitment to ending forced labour by 2030, in line with Target 8.7 of the Sustainable Development Goals (SDGs). And in the face of multiple and overlapping economic and political crises, geopolitical tensions and structural challenges including persistent informality and intensifying adverse impacts of climate change, the risk of forced labour continues to grow in many parts of the world.

Investment in action against forced labour has, therefore, never been more urgent.

This discussion paper explores some of the key investment requirements towards ending forced labour and the economic returns to this investment for society. The paper fits within a broader programme of ILO research on the economics of forced labour designed to improve understanding of the economic underpinnings of the phenomenon and help inform action against it.

The discussion paper is organized in two parts. Part 1 assesses the magnitude of the investment requirement – the cost of action towards ending forced labour. It looks specifically at the cost of implementing a package of targeted forced labour interventions identified through a process of consultation with stakeholders and experts within the broad framework provided by the ILO Protocol of 2014 to the Forced Labour Convention, 1930 and the ILO Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203).

Part 2 of the discussion paper analyses the economic returns to ending forced labour. It focuses specifically on the aggregate demand-driven impact on the level of gross domestic product (GDP) that would result from freeing all workers from forced labour and reintegrating them into the regular labour force.

The results of the study are preliminary and should be interpreted accordingly. Data gaps and methodological challenges mean it is not yet possible to quantify the full investment requirements towards ending forced labour or fully measure its economic impact. These are areas where more research is needed, and it is hoped that this discussion paper will help spur this research.

Yet the results emerging from this initial analysis are encouraging. They suggest that substantive action against forced labour is well within our collective means, and that the cost of this action is likely to be considerably outweighed by the resulting economic benefits to society. In addition to the clear and inarguable human rights case for ending forced labour, the results of the study point to a compelling economic one.

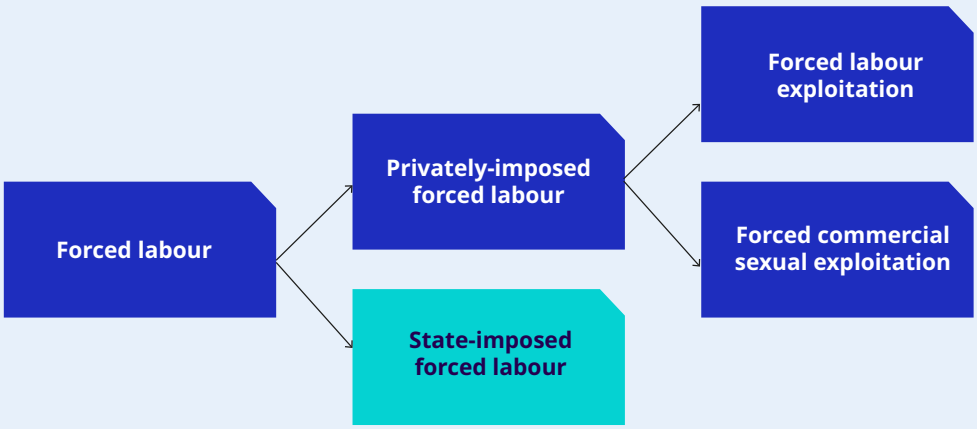
Box 1. What is forced labour? Definitions and overview

The ILO Forced Labour Convention, 1930 (No. 29) states in Article 2 that forced or compulsory labour is "all work or service that is exacted from any person under the menace of any penalty and for which said person has not offered himself voluntarily".

Forced labour is defined, for purposes of measurement, as work that is both involuntary and under penalty or menace of a penalty (coercion). Involuntary work refers to any work undertaken without the free and informed consent of the worker. Coercion refers to the means used to compel someone to work without their free and informed consent. Involuntary work and coercion can occur at any stage of the employment cycle – at recruitment, to compel a person to take a job against their will; during employment, to compel a worker to work and/or live under conditions to which they do not agree; or at the time of desired separation from the employment, to compel a person to remain in the job they wish to leave.

Typology of forced labour

For statistical purposes, forced labour can be divided into two broad categories – privately-imposed forced labour and state-imposed forced labour.



Privately-imposed forced labour refers to forced labour in the private economy imposed by private individuals, groups, or companies in any branch of economic activity. For the purpose of measurement, privately-imposed forced labour is commonly divided into two sub-types, both of which are considered in the current study:

- *Forced labour exploitation (FLE)* refers to forced labour in the private economy imposed by private individuals, groups, or companies in any branch of economic activity with the exception of commercial sexual exploitation; and
- *Forced commercial sexual exploitation (FCSE)* refers to forced labour imposed by private agents for the purpose of commercial sexual exploitation.

Box 1. ***(cont.)***

State-imposed forced labour refers to forms of forced labour that are imposed by state authorities, agents acting on behalf of state authorities, and organizations with authority similar to the State, regardless of the branch of economic activity in which it takes place. This category of forced labour is beyond the scope of the current study.

There were 27,6 million people trapped in forced labour on any given day in 2021, 2.7 million more than in 2016. Eighty-six per cent of all forced labour was imposed by private actors – 63 per cent in forced labour exploitation and 23 per cent in forced commercial sexual exploitation. Nearly four out of five of those in forced commercial sexual exploitation were girls or women. There were 3.3 million children in forced labour, over half of which were in commercial sexual exploitation. The prevalence of forced labour among adult migrant workers was more than three times higher than that of their non-migrant counterparts. These findings underscore the vulnerability of different population groups and the urgent need for targeted interventions.

Sources: ILO, Walk Free, and IOM, 2017 and 2022.

Part 1. Understanding investment requirements for action against forced labour

The goal of ending forced labour clearly cannot be met in the absence of adequate investment. Part 1 of this discussion paper presents the results of a costing exercise aimed at providing initial insight into the magnitude of the investment needed.

Two key ILO instruments, the Protocol of 2014 to the Forced Labour Convention, 1930, and the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203), provided the framework for the exercise. The two instruments reflect a broad consensus on the general strategies and priority areas of intervention in the global effort against forced labour.

The Protocol establishes the obligations to **prevent** forced labour, **protect** those subjected to forced labour, and provide them with access to **remedies**. In line with the ILO Forced Labour Convention, 1930 (No. 29), the Protocol also reaffirms the importance of **enforcement** and of ending the impunity of perpetrators. Recommendation No. 203 is a non-binding instrument providing guidance for implementing these obligations.

Evidence from impact evaluations, policy assessments, causal analyses and other research that guides cost assessments in other policy areas is lacking in the field of forced labour. In the absence of this evidence, a strategy of consultation at the country and global levels was adopted to guide and inform the costing exercise, within the broad framework of the Protocol and Recommendation. As described in box 2, the consultation process involved national stakeholders, practitioners and experts in 18 countries as well as international experts within bespoke technical advisory groups.

Box 2. Process of consultation with stakeholders, practitioners and experts

The costing exercise was informed by and built on a process of consultation with national-level stakeholders, practitioners and experts in a total of 18 countries as well as with two international advisory groups.

A comprehensive consultation process was conducted across four countries representing different regions and roadmaps to accelerate action toward forced labour eradication – Ghana, Malawi, Nepal, and Peru – involving a total of around 140 government officials, trade unions, employers' representatives, civil society organizations, survivor-led groups, and other key stakeholders. A two-day technical workshop was held in each country, comprising a combination of plenary and working group sessions. Stakeholders in each country also completed a written technical survey and participated in semi-structured interviews to collect additional information on interventions, associated costs, and intervention targets within their respective areas of work. Thorough reviews of policies and budgetary information related to forced labour were undertaken alongside the consultations.

Further information on interventions and costs was collected in 14 additional countries through semi-structured interviews and consultations with thematic experts in the areas of social protection, migration, enforcement, fair recruitment, skills and education, among others.

Two advisory bodies, the Coordination Committee and Technical Experts Group, facilitated the coordination and collaboration among experts and provided technical direction. They were composed of partners from governments, trade unions, employers' representatives, United Nations agencies, civil society, and key members of the Alliance 8.7 global partnership network. The advisory bodies helped guide the identification of interventions included in the costing exercise as well as the various technical assumptions and modelling methods employed. Two survivor advisors provided critical advice on survivor-centred approaches to combatting forced labour.

The underlying idea was to rely on the people actually engaged in tackling forced labour in different capacities to guide decisions concerning what measures should be included in the costing exercise and the specific costing parameters for each.

The costing exercise was limited to privately-imposed forced labour, owing to the different nature and drivers of state-imposed forced labour. Privately-imposed forced labour accounted for 86 per cent of all forced labour in 2021, and determined the increase in forced labour observed over the 2016 to 2021 period (see box 1).

The costing exercise assessed the *total* rather than *additional* investment requirements. This approach was necessitated by the lack of reliable country-level information on existing investment in intervention areas relating to forced labour, without which it is not possible to assess investment gaps. In contexts where interventions are already being implemented, therefore, the *additional* investment requirement is lower than the total cost estimate.

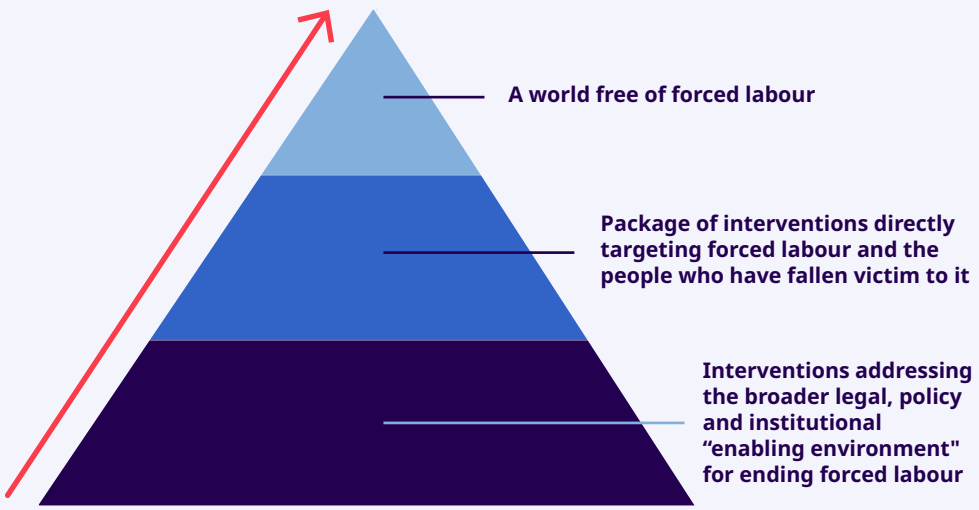
1.1. Methodology

The costing methodology comprised two sequential steps. The first involved the identification of the interventions for inclusion in the exercise, and the second involved calculating the costs for each.

Identifying the intervention package

The consultation process described in box 2 served to translate the Protocol of 2014 and Recommendation No. 203 into a set of concrete interventions, and, following from this, to identify which of these interventions should be included in the costing exercise. Emerging from this consultation were two levels of interventions (figure 1): First, interventions directly targeting forced labour and the people who have fallen victim to it; and second, interventions addressing the broader legal, policy and institutional "enabling environment" needed for ending forced labour.

▶ **Figure 1. Two levels of interventions**



As discussed in box 3, the enabling environment relates, first and foremost, to the policies and measures of relevance to addressing the root causes of forced labour. For the purposes of the costing exercise, the enabling environment also includes the underlying legal framework, systems of service provision, and the labour and criminal justice mechanisms needed for implementation of the protection, remedies and enforcement pillars of the Protocol and Recommendation.

While both levels of interventions are critical towards ending forced labour, it was decided to limit the costing exercise to the first level of interventions, that is, those directly targeted to forced labour.

Interventions linked to the broader enabling environment were not considered in the costing because their relevance extends well beyond forced labour. These enabling policies are also critical to poverty alleviation, promoting decent work, improving education and health, fostering inclusion, economic formalization and a range of other broader national development goals. Attributing their cost exclusively to the efforts against forced labour, therefore, would result in a misleadingly high estimate of the investment needed to end forced labour.

Box 3. Enabling environment for ending forced labour

The critical importance of creating enabling legal, policy and institutional conditions for eradicating forced labour is emphasized throughout all the strategic pillars outlined in the 2014 Protocol and Recommendation No. 203.

The instruments stress that **prevention** requires, first and foremost, protecting and advancing freedom of association and collective bargaining and other fundamental principles and rights at work, extending the coverage and enforcement of legislation to all segments and sectors of the economy, providing basic social security guarantees, educational opportunities for children and skills training for at-risk populations, and human rights due diligence efforts on the part of employers and businesses. They also stress the importance of policy frameworks for employment and migration that account for the special risks faced by specific groups of migrants, and of coordinated efforts to ensure fair recruitment and regular and safe migration.

The **protection** measures set out in the Protocol and Recommendation depend on an extant network of frontline service providers in a position to detect and refer forced labour cases, and adequate healthcare, skills training and basic education systems through which specialized protection services for victims can be provided.

Access to **remedies** depends on a legal framework (laws and regulations), extant resolution mechanisms (courts, tribunals and others) and existing appropriate compensation schemes. Similarly, **enforcement** depends on a legal framework that defines, criminalizes and assigns adequate penalties for forced labour, and adequate underlying systems of labour and criminal law enforcement. Finally, the development of **policies and plans** on forced labour depends on an enabling national planning capacity and mechanisms for social dialogue.

Thus, the targeted intervention package does not include, for instance, the costs of closing gaps in social protection coverage, or the resources needed to increase the number of doctors, nurses, teachers or labour inspectors in countries where there is insufficient capacity. Instead, the targeted intervention package provides an estimate of the *extra* financial burden needed to implement interventions aimed at addressing forced labour *within broader systems of service provision, legal support and enforcement already in place*. This includes interventions such as specialized training for existing service providers and law enforcement actors, and additional resources for specialized services for victims within existing systems of education, training, health and legal support.

Underlying the decision to limit the costing exercise to interventions directly targeting forced labour was an important broader strategic point: rather than building new, parallel systems that are likely to be more costly and difficult to sustain, in most instances national responses to forced labour should emphasize the "mainstreaming" of forced labour considerations into existing policy frameworks, institutional mechanisms and systems of service provision.

Nonetheless, it is worth underscoring that ending forced labour will not be possible in the absence of the broader enabling environment. Investment relating only to targeted interventions to forced labour will not be enough. The cost implications of interventions related to the enabling environment are likely to be considerable in many national contexts, and their exclusion from the costing exercise should be kept in mind when interpreting the results. Many of these enabling policy areas, including social protection (box 4), are covered by other Social Development Goals (SDGs) and their costs are assessed in other SDG costing exercises (see, for example, UNCTAD 2023; UN 2024).

Box 4. Social protection and the enabling environment for ending forced labour

Social protection is a particularly important element of the enabling environment for ending forced labour.

Put simply, social protection is a primary means of mitigating the socio-economic vulnerability that underpins much of forced labour. When set at an adequate level, it has a critical "emancipatory value" providing workers with the basic income security to be able to say no to jobs that are abusive and to quit jobs that have become so. More generally, social protection can obviate the need for poor and credit-constrained people to resort to unscrupulous moneylenders to survive shocks such as sudden job loss or family illness, in turn limiting their risk of falling into situations of debt bondage. There is also evidence that social protection can facilitate savings, and thereby enable workers to take greater productive risks and engage in income-generation activities. This, too, can promote income security and reduce the power and pull of informal moneylenders.

There is an urgent overarching need to extend at least basic social security guarantees to all workers and their families, without discrimination. Such guarantees are an important part of a nationally-defined social protection floor, which forms the "ground floor" of a universal social protection system.[1] A particular priority in this regard is those struggling to eke out an existence in the informal economy, where most forced labour is found. Despite important progress, the most recent ILO estimates indicate that four billion people are still without social protection (ILO 2021b), a large share of whom are found in the informal economy.

Box 4. *(cont.)*

Migrants – and, above all, migrants in irregular situations, unaccompanied and separated migrant children, asylum seekers, the forcibly displaced (both internally and across international borders), and refugees – are especially vulnerable to forced labour and trafficking for forced labour. Addressing the array of obstacles, legal and practical, to social protection for these groups therefore constitutes a particular priority. They should have equitable and non-discriminatory access to main social protection schemes, as partial provision of social protection through limited parallel schemes is not enough.

Strengthening and extending social protection systems, including floors, requires adequate financing. ILO estimates show that, considering low- and middle-income countries together, the financing gap to achieve universal coverage of social protection floors is 3.3 per cent of GDP annually. However, for low-income countries, the financing gap amounts to 52.3 per cent of their GDP annually (Cattaneo et al. 2024).

Note: The International Labour Conference in June 2021 set out a framework for action towards universal, adequate, comprehensive and sustainable social protection systems that are adapted to developments in the world of work (ILO 2021a).

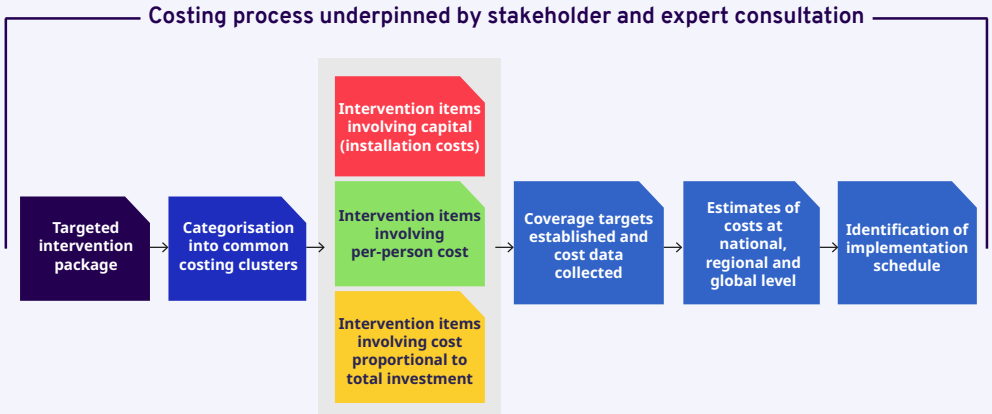
Source: Text adapted from ILO, Walk Free, and IOM 2022: 80–81.

The targeted intervention package emerging from the consultation process is described in more detail in section 1.2.

Costing the intervention package

Costing the intervention package required the development of bespoke costing strategies for different intervention types, drawing on stakeholder and expert consultation and input (figure 2). In this process, three cost "clusters" were identified – intervention items involving (i) per-person costs; (ii) capital (installation) costs; and (iii) costs proportional to total investment. For all three cost categories, cost data and coverage targets were first determined in 18 reference countries. These countries were selected to represent different regions of the world, as well as a variety of income groups and forced labour situations.[1]

Figure 2. Overview of the costing process



1 The 18 reference countries were as follows: Argentina, Cambodia, Fiji, Ghana, India, Kosovo, Malawi, Malaysia, Nepal, Niger, Peru, Philippines, Romania, Serbia, Sri Lanka, Thailand, Timor Leste and Uzbekistan.

Intervention items involving **per-person costs** comprised services or actions targeting the general population; specific population segments (for example, migrants and difficult-to-reach populations); protection service providers (for example, frontline service providers, including health and education workers, and consular staff); legal support actors (for example, lawyers and paralegals); law enforcement actors (for example, labour inspectors, police and members of the judiciary); and victims themselves. These interventions accounted for the majority of those included in the intervention package.

Costing for this cost cluster first involved establishing per-person costs for each intervention item. For most of the intervention items, the per-person cost was established through country-level cost information collected from stakeholder consultations, key informant interviews, expert inputs and reviews of budgetary information in the 18 reference countries. Where an activity or service was applied both to a general beneficiary population and a difficult-to-reach beneficiary population, an additional multiplier was applied to reflect the access challenges and special needs of the latter.[2]

Where specific country-level per-person costing data for victims was not available, per-person costs were instead calculated using the per capita cost of the service for the general population, and then applying a multiplier to calculate the extra cost burden associated with meeting the special needs of victims. These cost multipliers were specifically applied to specialized healthcare services and specialized education for victims. Only the *extra* cost burden associated with providing the service to victims was considered in the costing exercise, as functioning systems of service provision for the general population were considered as part of the enabling environment (see previous discussion).

In the case of specialized healthcare services, the size of the multiplier was set higher for child victims than for adult victims, and for victims of forced commercial sexual exploitation relative to victims of forced labour exploitation, in response to evidence indicating that the health consequences of forced labour are especially pronounced for these groups.[3] In the case of specialized education, multipliers were set progressively higher for primary, secondary and upper-secondary education based on evidence suggesting that the cost of specialized education increases with a child's age (World Bank and UNHCR 2021).[4] The multipliers used in the exercise are discussed further in Annex 1.

The second step for costing the intervention items involving per-person costs was the establishment of coverage targets – that is, the share of the target population to be covered by each intervention and, where relevant, the frequency of the intervention. Again, in the absence of evidence upon which to base decisions regarding these parameters, they were set in consultation with national stakeholders and experts (see box 2).

Intervention items including **capital costs** related to both the development of intellectual capital (for example, development of awareness raising and training material) as well as physical capital (for example, migrant information exchange platforms or forced labour complaint

2 This related to three specific interventions: awareness raising for vulnerable populations, orientation and information for migrants, and legal support services for migrant victims. This point is discussed further in Annex 1.

3 The multipliers are based on the following sources: European Commission 2020, and ILO, forthcoming. The first study estimated that persons who experienced sex without consent during adulthood were 50 per cent more likely to suffer a limiting health condition than any average person in the European Union. Persons who experienced physical violence or threat during adulthood were 40 per cent more likely to suffer a limiting health condition than any average person in the European Union. The same study estimates that children exposed to physical or psychological violence are 30 per cent more likely to suffer any limiting health conditions compared to the average child in the European Union. The second study does not provide an estimate of the multiplier, but confirms these broad patterns, based on global data.

4 The study considers that the per-student extra cost to include marginalized children is 20 per cent for primary education, 35 per cent for secondary education and 40 per cent for upper secondary education.

mechanisms). Costing for these items was also based on country-level cost information collected from stakeholder consultations, key informant interviews, literature reviews, expert inputs and reviews of budgetary information.

Finally, intervention items whose costs were calculated as **proportional to total investment** related to planning and statistics. For these items, an aggregate cost was calculated through the application of spending benchmarks from ILO development cooperation guidance.[5]

The 18 reference countries included countries from the different world regions and income groupings. The costing information from the reference countries belonging to each region/income grouping was used to impute costs for other countries belonging to the same region/income grouping and then, for interventions involving per-person costs, were combined with secondary country population data to obtain intervention costs. The resulting national cost estimates were aggregated to produce the regional and global cost estimates.

The final stage of the costing process involved the establishment of the implementation schedule. As described further in the next section, the study assesses the costs associated with the immediate full implementation of all interventions in 2025 and with a phased-in implementation schedule over the 2025 to 2030 period.

1.2. Targeted intervention package

The targeted intervention package emerging from the consultation process is detailed in table 1. It comprised a total of ten intervention types and 27 specific interventions divided across five strategic pillars from the Protocol and Recommendation – prevention, protection, remedies, enforcement, and planning and statistics.

In addition to people at risk of forced labour and forced labour victims, interventions also targeted a range of actors providing services to those at risk or victims of forced labour. These actors include providers of protection services (such as health workers and education services providers), legal support actors (such as lawyers and paralegals) and criminal and labour law enforcement actors (such as police, labour inspectors and members of the judiciary).

Further details regarding the interventions contained in the intervention package under each of the strategic pillars are provided below.

Prevention

The Protocol calls for prevention measures aimed at addressing the root causes of workers' vulnerability to forced labour. Prevention measures included in the intervention package related to awareness raising and orientation and information for migrants.

Targeted awareness raising

- *Awareness-raising campaigns* targeting the *general public* as well as bespoke awareness campaigns targeting *at-risk population groups,* aimed at helping potential victims recognize and avoid exploitative situations and at fostering a broader societal culture of vigilance and accountability. Campaigns involved developing communication materials and their dissemination through media channels and strategic physical locations (such as transport corridors, airports, bus and train stations, health centres, schools, job centres, and embassies).

5 ILO development cooperation guidance recommends the allocation of a minimum of 3 per cent of a project's budget for monitoring, collecting baseline data and reporting, and a minimum of 2 per cent for the project evaluation (ILO 2021c).

- *Training and awareness raising for members of the mass media*, in view of the important potential role of accurate and informative media coverage in raising awareness and promoting informed debate on forced labour and related abuses. Interventions involved the development and adaptation of toolkits and other training materials and the delivery of training.[6]

- *Awareness-raising activities targeting employers in high-risk sectors*, in line with the call in the 2014 Protocol for "educating and informing employers, in order to prevent their becoming involved in forced or compulsory labour practices" (Art. 2b). Interventions again involved the development and adaptation of toolkits and other training materials and the delivery of training.

Orientation and information for migrants

- *Orientation seminars and briefings for prospective migrant workers,* aimed at providing them with information on their rights and obligations, and at ensuring they understand their contracts and are able to identify support services and access justice in case of abuse. This intervention involved the development of materials for the seminars and briefings and their delivery. Migrant Worker Resource Centres (MRCs) operating in a number of origin and destination countries offer one proven model for delivering these services to migrants.[7]

- *Web-based platform for migrant workers* to exchange information and provide feedback on their experience with labour recruiters and recruitment agencies, thereby helping them to avoid risks of forced labour linked to recruitment abuses. The intervention is based on Recruitment Advisor, an online platform developed by a consortium of unions from different countries to allow workers to review and exchange information on recruitment agencies.

Protection

The Protocol calls for measures for the identification, release, protection, recovery and rehabilitation of all those who have endured forced labour. Protection measures included in the intervention package related to detection and referral and to protection services for victims.

Detection and referral

- *Development and operation of complaints mechanisms* that enable those in situations of forced labour to self-identify and seek protection and remedies. The intervention included the setting up and running of a forced labour helpline, an institutional model adopted in a number of countries for enabling potential forced labour victims to register anonymous complaints of forced labour and link to support services (see, for example, ILO 2018: 92–93).

- *Training of front-line service providers*, on recognising warning signs of forced labour, the protection needs of victims, and referral guidelines and protocols.[8]

6 One key resource in this regard is the ILO toolkit for journalists: *Reporting on Forced Labour and Fair Recruitment* (ILO n.d.) This toolkit provides guidance for media professionals on how to report accurately and effectively on forced labour and fair recruitment issues.

7 Operated on a collaborative basis by government entities, trade unions, employers, or civil society organizations, these centres offer a wide range of services, including training programmes, information and counselling on the national labour legislation, community outreach, referral services, legal assistance, and support for reintegration, to migrants in both origin and destination countries (ILO 2024a).

8 Frontline service providers have been proxied by a proportion of medical and educational services providers. See Annex 1 for more details.

- *Training for labour attachés or other consular officials* in destination countries. These officials are often an important point of contact for workers abroad and can also play a role in working with local authorities and non-governmental organizations (NGOs) to ensure that victims are able to access legal representation, receive the necessary protection services and support, and are safely repatriated.
- *Establishment of national referral mechanisms (NRMs),* to ensure that once forced labour is identified, there is a clear process for referral to appropriate services, including legal and social support.[9] The intervention involved the development of protocols and guidelines, setting up and maintaining an online platform for hosting them, and convening an inter-agency taskforce annually to review the protocols and update them as necessary.

Protection services for forced labour victims

- *Targeted protection services addressing the immediate needs of victims* following their exit from a forced labour situation, including accommodation and economic assistance in the form of cash transfer and the provision of physical and psychological healthcare. Regarding healthcare, costs related to the extra burden shouldered by the healthcare system to provide specialized services to victims.
- *Skills training and upgrading to adult forced labour victims,* designed to support their long-term and sustainable reintegration, enhance their employability, and prevent their re-victimization. Costs for this intervention also related to the extra burden on the skills training system for providing training to victims.
- *Remedial education support for child victims,* designed to facilitate their reintegration into regular schooling. Again, costs related to the extra burden shouldered by the education system to meet the special educational and skills needs of children who have experienced forced labour.[10]

Remedies

The 2014 Protocol calls for measures to ensure that victims, non-nationals as well as nationals, have access to justice and other appropriate and effective remedies. Measures relating to access to remedies in the intervention package included legal support to victims and training of legal support actors.

Legal support to victims

- *Provision of legal advice and legal representation* in civil and criminal proceedings, critical in helping victims navigate the complex practical and procedural obstacles they face in pursuing compensation claims. The intervention extends to both paralegals and lawyers, in view of country experience indicating that the former group can be valuable in overcoming the financial obstacles often faced by victims in pursuing remedies (see ILO 2018: 108).

9 In the intervention package, the NRM is understood as a set of guidelines and protocols designed to assist the diverse array of frontline actors in identifying and referring victims of forced labour to the appropriate services in a coordinated and standardized manner, accompanied by training of frontline service providers in their operationalization.

10 As for the health services, only extra burden costs to provide specialized adapted educational services are considered in the targeted intervention package. See Annex 1 for more details.

Capacity building, legal support actors

- *Training of lawyers and paralegals* on the right of victims to remedies and the different legal avenues for obtaining them.

Enforcement

The 2014 Protocol reaffirms the importance of enforcement to prevent and combat forced labour and end the impunity of perpetrators. Enforcement measures included in the intervention package related to the capacity building of enforcement actors and specialized coordination mechanisms.

Capacity building, enforcement actors

- *Specialized training* for labour inspectors, law enforcement officials, judicial actors and immigration officials, aimed at equipping them with the requisite knowledge and skills for fulfilling their respective roles in identifying, referring and prosecuting or otherwise following up cases of forced labour. The intervention involved content creation and dissemination and training delivery.

Specialized coordination mechanisms

- Setting up and running of *taskforces and other specialized coordination mechanisms* bringing together enforcement actors to coordinate their actions on forced labour. Adequate coordination and information exchange within and across the different concerned enforcement entities – labour inspectorates, police, judicial and immigration authorities – is critical to the effective identification, referral and prosecution of forced labour cases.

Planning and statistics

The Protocol calls for national policies and plans of action addressing forced labour. Measures included in the intervention package related to planning and to statistics and research.

Planning

- *Development of national plans of action* backed by mechanisms for coordinating its implementation. As forced labour cuts across sectors and institutional mandates, plans of action and accompanying coordination mechanisms can be critical in promoting policy and strategic coherence in national efforts against forced labour.

Statistics and research

- *Collection and analysis of detailed information and statistical data,* to inform legal reforms and national efforts against forced labour and to monitor and evaluate progress in implementing national plans of action and other relevant policies.

▶ **Table 1. Targeted intervention package**

Intervention type	Activity		Direct beneficiary	Reference
Prevention				
1. Targeted awareness raising	Awareness raising, general public	Development of communication materials; materials dissemination; multi-media campaign delivery	General public	PO29(2a); R.203 (4b,4c)
	Awareness raising, vulnerable populations	Development of communication materials; materials dissemination; multi-media campaign delivery	Vulnerable populations (e.g., informal economy workers)	
	Awareness raising and training, employers	Development and adaptation of information and training materials; materials dissemination; training delivery	Employers in high-risk sectors	PO29(2b)
	Awareness raising and training, journalists	Development and adaptation of information and training materials; materials dissemination training delivery	Journalists covering human rights and labour issues	
2. Orientation and information for migrants	Awareness raising, migrants	Development of communication materials; materials dissemination; multi-media campaign delivery	Migrant workers	PO29(2d); R.203(4g)
	Migrant orientation and information seminars (departure and arrival)	Development of information materials; delivery of orientation and information seminars		
	Migrant information exchange platform	Establishment of web platform; publicizing platform; administrative cost and personnel		

Intervention type	Activity		Direct beneficiary	Reference
Protection				
3. Detection and referral	Forced labour complaints mechanisms	Development of automatic helpline call distribution system; helpline physical call centre; publicizing helpline; staff training; administration	Forced labour victims	PO29(3); R.203(5i)
	National referral mechanism (NRM)	Development of NRM guidelines and protocols; NRM taskforce; NRM web platform	Protection service providers	
	Training for frontline service providers	Content creation and dissemination; training delivery	Frontline service providers	
	Training for consular staff	Content creation and dissemination; training delivery	Consular staff	
	Accommodation	Shelter or economic support for accommodation	Forced labour victims	PO29(3); R.203(9d,9f)
4. Protection services for forced labour victims	Material support	Cash transfer programme	Forced labour victims	PO29(3); R.203(9d,9f)
	Physical and psychological healthcare for victims	Provision of specialized care	Forced labour victims	PO29(3); R.203(9c)
	Vocational training for adult victims	Provision of vocational training	Adult forced labour victims	PO29(3); R.203(9f)
	Remedial education	Provision of remedial education	Child forced labour victims	PO29(3); R.203(10a)
Remedies				
5. Legal support to victims	Legal support, migrants	Provision of general legal advice, support and information; legal representation and services in civil and criminal proceedings	Forced labour victims, migrants	PO29(4); R.203(12)
	Legal support, nationals	Provision of general legal advice, support and information; legal representation and services in civil and criminal proceedings	Forced labour victims, nationals	
6. Capacity building, legal support actors	Training for lawyers and paralegals	Content creation and dissemination; training delivery	Lawyers and paralegals involved in labour and human rights issues	

Intervention type	Activity		Direct beneficiary	Reference
Enforcement				
7. Capacity building, enforcement actors	Training for labour inspectors	Development of materials; training delivery	Labour inspectors	PO29(1,2c); R.203(13a)
	Training for law enforcement actors	Development of materials; training delivery	Law enforcement actors	
	Training for judicial authorities	Development of materials; training delivery	Judiciary	
8. Specialized coordination mechanisms	Specialized coordination mechanisms for labour inspectors	Taskforces and other coordination mechanisms (e.g., mandates and operational parameters); convening of meetings	Labour inspectors	
	Specialized coordination mechanisms for law enforcement actors	Taskforces and other coordination mechanisms (e.g., mandates and operational parameters); convening of meetings	Law enforcement actors	
	Specialized coordination mechanisms for judicial authorities	Taskforces and other coordination mechanisms (e.g., mandates and operational parameters); convening of meetings	Judiciary	
Planning and statistics				
9. Planning	Inter-agency and other coordination mechanisms	Convening of meetings, including for development of national action plan	Government representative and frontline service providers	PO29(2); R.203(1)
10. Statistics and research	Statistics and policy-oriented research	Monitoring and evaluation; data collection; policy-oriented research		PO29(2); R.203(2a)

1.3. Results

An estimated total global investment of $212 billion[11] would be required to implement the targeted intervention package under a baseline scenario involving full implementation of the package in 2025 (figure 3). For context, this overall global cost figure is equivalent to roughly 0.14 per cent of global GDP.[12] It is worth underscoring that this is a one-time total cost. Spread across the 2025 to 2030 period, the *annual* cost of implementing the intervention package would of course be much lower (see below).

▶ **Figure 3. Global total investment requirement for a targeted forced labour intervention package, baseline scenario, 2025**

Total investment requirement

▶ $212 billion

Total investment requirement as % of global GDP

▶ 0.14%

Note: Dollar figures are expressed in constant $ 2022 PPP.

Protection interventions accounted for the largest share of the estimated investment requirement, a little less than half of the total (table 2). This is a reflection of the focus of the intervention package on interventions *directly targeting forced labour* rather than on interventions linked to the broader enabling environment, many of which relate to prevention (see previous discussion).

▶ **Table 2. Total investment requirement by intervention theme, baseline scenario ($ billions)**

	Total	% GDP
Prevention	45.93	0.03
Protection	105.34	0.07
Remedies	30.42	0.02
Enforcement	20.47	0.01
Planning and statistics	10.14	0.01
Total	**212.29**	**0.14**

Note: Dollar figures are expressed in constant $2022 PPP.

11 The estimated results are all presented in constant international dollars (constant 2022 values, adjusted by national PPP).

12 Expressed as a proportion of global GDP in 2022 in constant international dollars.

▶ **Table 3. Total investment requirement by region, baseline scenario ($ billions)**

	Total	% GDP
Africa	27.17	0.36
Americas	42.57	0.11
Arab States	11.08	0.27
Asia and the Pacific	78.91	0.13
Europe and Central Asia	52.57	0.14

Note: Dollar figures are expressed in constant $ 2022 PPP.

The cost of the targeted intervention package varied considerably across regions (table 3). The overall investment requirement was highest in Asia and the Pacific ($78.9 billion) and Europe and Central Asia ($52.57 billion), the regions with the highest number of people in forced labour. Regional differences in the overall costs are also influenced by underlying regional differences in the distribution of victims among different forms of forced labour (forced labour exploitation, forced commercial sexual exploitation), age groups (adults and children) (box 5) and the size of the population groups targeted by interventions (for instance, migrant workers).

The cost as a percentage of GDP helps contextualize the financial burden relative to the overall size of regional economies. The investment requirement relative to GDP was highest in Africa (0.36 per cent) and in the Arab States (0.27 per cent) (table 3).

Box 5. Gender-responsive and child-responsive approaches in financing and delivering services to victims

Forced labour and the forms of coercion associated with it have long-term effects on the health of victims. Victims of forced labour are subject to multiple abuses, including physical, sexual and emotional violence and hazardous working conditions, which generate physical, sexual and mental harms that significantly impact their health, well-being and quality of life.[1] Because of that, they require health-specialized services, which implies an additional budgetary burden to the health system compared to the resources required to serve the average population.

ILO research and other studies point to different health risk factors and outcomes by population group (children and adults, male and female) and type of forced labour (forced labour and forced commercial sexual exploitation) (see Annex 1).

To account for the additional financial burden of specialized services to victims and in order to reflect differences in health consequences among groups, we applied higher multipliers for children compared to adults and for forced commercial sexual exploitation compared to forced labour exploitation. These assumptions resulted in higher per-victim costs for protection and remedies *services* for children vis-à-vis adults and for forced commercial sexual exploitation victims vis-à-vis forced labour exploitation victims.

Box 5. ***(cont.)***

While assumptions might be improved with better data, this approach points to the critical importance of adopting a gender-responsive and child-responsive approach in financing and delivering services to victims due to the varying health consequences among different groups. For example, women, who represent 78 per cent of victims in forced commercial sexual exploitation, are more at risk of sexually transmitted diseases (STDs) than men. Similarly, violence and threats affect children differently from adults.

While gender-sensitive and child-responsive health services may require thoughtful planning, they do not necessarily increase overall costs and can be highly cost-effective in the long run. By addressing specific barriers faced by different population groups, such as geographical distance, inconvenient service hours, and language barriers, these services become more accessible. For instance, offering services in locations that are closer to communities or during hours that accommodate working parents can significantly enhance accessibility. Additionally, considering the characteristics of healthcare providers, such as their age, gender, ethnicity or religion, helps build trust and comfort among patients, increasing acceptability. Implementing gender-sensitive features such as single-sex sections or child-friendly spaces within health facilities further ensures that services are welcoming and appropriate for all. These tailored approaches not only improve service uptake but also foster a more inclusive healthcare environment, ultimately leading to better health outcomes for victims.

Note: [1] Turner-Moss et al. 2014; Zimmerman and Schenker 2014.

These estimates reflect the investment requirements for an *immediate* implementation scenario, rather than for a more realistic schedule of implementation. The overall estimated investment requirement increases under scenarios in which implementation of the targeted intervention package is phased in over a multi year period, but the cost burden in such scenarios is also spread out over time.

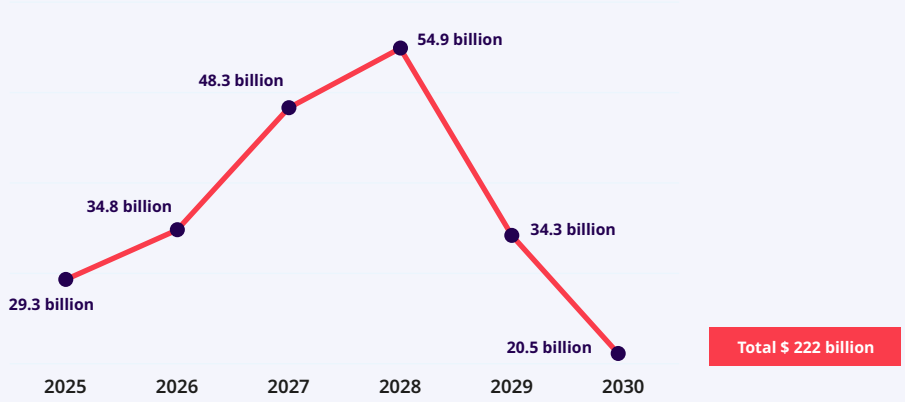
To illustrate this point, the study considered a scenario in which the implementation of the targeted intervention package is phased in over the 2025 to 2030 period and victim services follows an inverted u-shaped pattern – a gradual build-up of implementation and of the number of victims treated, up to a peak in 2028, followed by a slowdown in implementation thereafter, as the number of victims in need of services diminishes and reaches zero in 2030.[13]

The estimated investment requirement under this scenario rises to $222 billion, with annual costs averaging $37 billion and ranging from a high of $54.9 billion in 2028 to a low of $20.5 billion in 2030 (figure 4).[14] The evolution of the number of forced labour victims under the baseline and this alternative scenario is depicted in figure 5.

13 Specifically, this scenario considers that 10 per cent of the number of forced labour victims will be covered by services to victims in 2025, 15 per cent in 2026, 20 per cent in 2027, 30 per cent in 2028 (peak), 15 per cent in 2029 and 5 per cent in 2030. The assumption is a gradual build-up effect of the intervention package with a peak in 2028 and hardest-to-reach cases at the end of the period. The scenario assumes an upfront capital investment in 2025 and a smaller constant annual investment covering capital maintenance costs for the remainder of the period up to 2030. All the other interventions except services to victims are evenly implemented in the 2025–30 period. The scenario assumes constant prevalence in privately imposed forced labour as in the latest forced labour global estimates and applies it to the current population. Thus, the rise in the number of victims in this scenario is purely driven by population growth. Annex 1 provides more details on the methodology for the cost estimates.

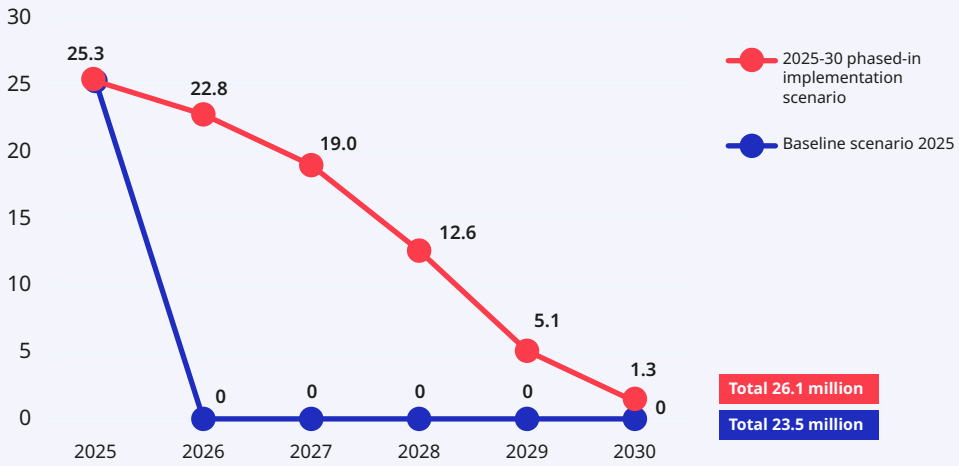
14 Note that in the dynamic scenario recurrent costs and maintenance costs are repeated annually. This, together with the rise in the number of victims, determine the increase in overall costs.

Figure 4. Annual and total investment requirement for implementing targeted intervention package by 2030, gradual phase-in schedule, 2025–30 ($ billions)



Note: Dollar figures are expressed in constant $ 2022 PPP.

Figure 5. Annual and total number of victims by implementation scenario, 2025–30 (millions of victims)



Note: See Annex 1 for more details.

The total investment required to implement the targeted intervention package would increase significantly were implementation postponed beyond 2030. For example, in a scenario where investment was delayed to 2045 (and forced labour prevalence was held constant at its 2022 value), the total investment requirement would rise to $246 billion, translating into a 16 per cent additional investment compared to the 2025 baseline. The total number of victims under the same scenario would rise from 25.3 million in the 2025 baseline scenario to 31.5 million (box 6).

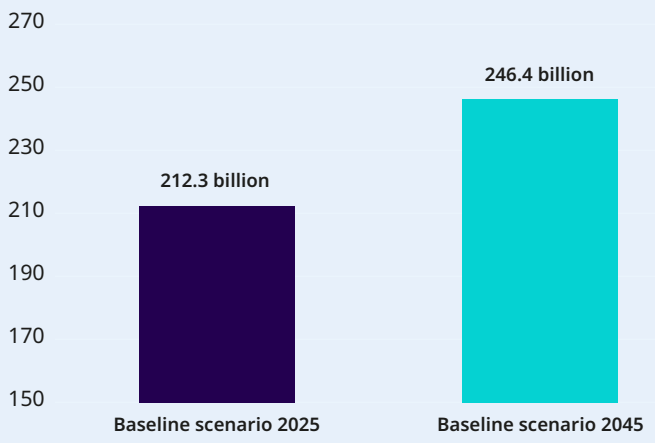
Box 6. The cost of delayed action

The cost of implementing the targeted intervention package increases the longer it takes for the global community to act. This is due to the increase in the number of victims and the resulting increased investment required to provide protection and remedies to victims, as well as to additional resources required for capacity building, enforcement, coordination and all the other interventions in view of overall demographic growth.

The estimated total investment requirement in 2045 under a conservative scenario in which the forced labour prevalence is constant at its value in 2022 rises to $246.4 billion, translating into a 16 per cent additional investment compared to the 2025 baseline (figure A). The total number of victims under the same conservative scenario would rise from 25.3 million to 31.5 million (figure B).

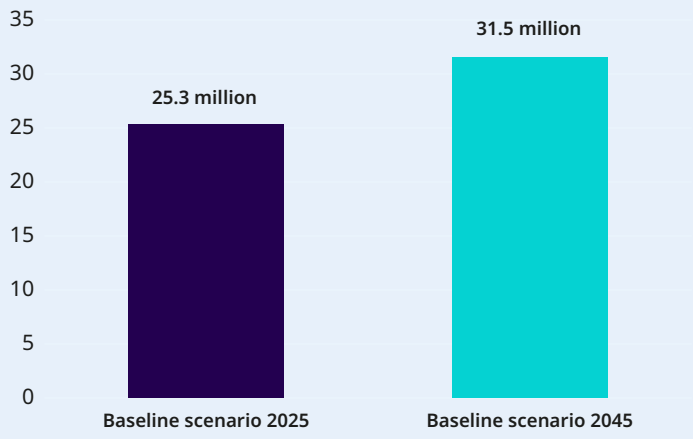
In an alternative scenario of growing prevalence, consistent with the observed trend during the 2016 to 2021 period, the human and economic implications of delayed action would be even higher.

Figure A. Total investment requirements by implementation year (billions)



Box 6. *(cont.)*

Figure B. Number of victims prior to elimination, by implementation year (millions of victims)



Note: Dollar figures are expressed in constant $ 2022 PPP.

Of course, any number of implementation scenarios are possible, each with different implications for the total investment requirement and for the total number of people in forced labour. But across all possible scenarios, one important pattern holds – the faster countries act, the fewer the number of victims and the lower the total resource implications. Acting quickly is not only a human and legal imperative but also makes sense from a strictly budgetary standpoint.

There are a number of important caveats to consider when interpreting these estimates of investment requirements. First, they reflect *total* investment requirements rather than the investment *gap*. In many contexts, significant investments are already being made in actions against forced labour, meaning the investment estimate overstates the *additional* global investment needed for the implementation of the targeted intervention package. At the same time, in other respects, the estimates *under*state total investment requirements. They are based on a conservative assumption that forced labour prevalence remains constant rather than continuing the upward trend observed between 2016 and 2021. Relaxing this assumption would lead to a higher estimate of the total investment required for ending forced labour. Perhaps most importantly, the estimates do *not* reflect the substantial resources needed to ensure the broader legal, policy and institutional enabling environment for ending forced labour.

While the results provide initial insight into the magnitude of the required investment, additional research and better data are needed to produce a more comprehensive estimate of the resource implications of action to end forced labour.

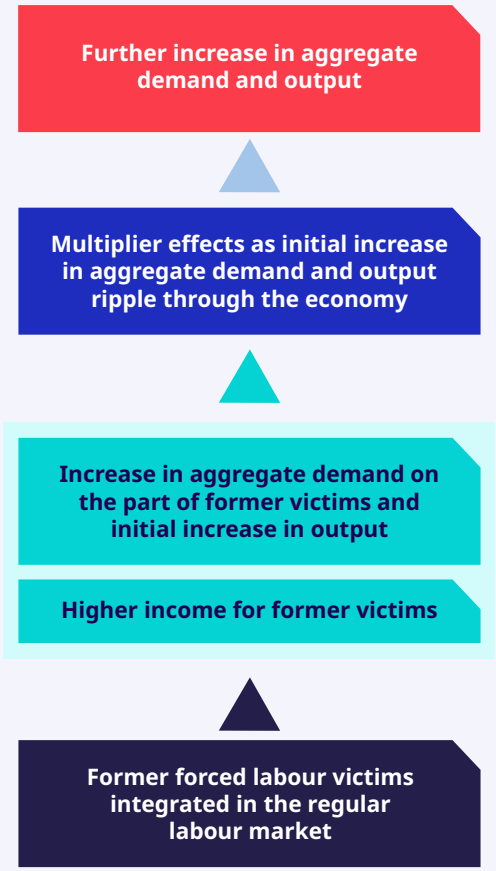
Part 2. Understanding the economic benefits of ending forced labour

Part 2 presents the results of an empirical analysis of the economic returns to ending forced labour. Again, the analysis focuses on privately-imposed forced labour, owing to the different nature of state-imposed forced labour and the economic consequences associated with it.

The analysis focuses on the demand-driven increase in GDP that would result from the re-integration of people in forced labour into the regular labour market. The underlying mechanism is straightforward. As depicted in figure 6, workers who are freed and reintegrated into the regular labour market would enjoy a higher income, in turn generating an increase in their demand for goods and services, and an increase in GDP as output adjusted to meet this increased demand.[15] These initial increases would trigger further – larger – increases in the aggregated demand and output as their multiplier effects filtered through the economy.

While important, this is by no means the only channel through which ending forced labour would yield economic benefits for society. As discussed further below, ending forced labour would also fuel economic *growth* through demand effects and through a number of other impact channels. Growth effects are not included in the empirical exercise because of data limitations.

Figure 6. Demand-driven increase in GDP arising from ending forced labour



15 Given that the change in aggregated demand will be small with respect to the size of the economy because of the relatively small number of people in forced labour, it is safe to assume that the system has enough spare capacity to accommodate the changes in demand without substantial price effects.

2.1. Methodology

The empirical exercise estimates the size of the demand-driven increase in GDP levels in a scenario in which all persons in privately-imposed forced labour are freed and fully integrated into the regular labour force.[16] The scenario also assumes that once reintegrated into the labour market, they receive the average annual earnings of free workers, and that they spend all of their gains in earnings.

The rationale behind this scenario is as follows. Full reintegration into the free labour market is made possible by adequate investment in the protection services and remedies supporting reintegration, as discussed in Part 1. Full reintegration means that former forced labour victims have the same working conditions as other workers, including earnings. The assumption of victims' spending all of their gains in earnings is based on the evidence that people with extremely low living standards have very little capacity to save, which is likely to be the case of people emerging from forced labour (see, for example, Blundell, Pistaferri, and Preston 2008; Jappelli and Pistaferri 2011).

On this basis, the demand-driven increase in GDP is given by equation (1). The rise in GDP (*ΔY*) is calculated as the increase in workers' income (*ΔW*) multiplied by the total consumption multiplier (*α*) and by the number of victims of forced labour (*FL*).

$$\Delta Y = \alpha \Delta W * FL \quad (1)$$

Where $\alpha = \frac{MPC'}{1-MPC(1-\tau)}$ (2)

The increase in workers' income (*ΔW*) is given by the difference between the wages paid to people in forced labour exploitation and the average wages of workers in the free market. The lower wages of people in forced labour could stem from, for example, paying workers less than the statutory minimum wage, the failure to provide overtime pay when required, illegal wage deductions for made-up workplace infractions, or the violation of other wage-related regulations (ILO 2024b).[17] For people in forced commercial sexual exploitation, where there are no standard levels of payment, a near-zero wage is assumed based on evidence that only a tiny share, if any, of illegal profits generated by this exploitation trickles down to its victims as a form of remuneration (Kara 2017).

The consumption multiplier (α) is given by equation 2. It depends on the proportion of additional income that is spent and circulated in the economy, known as the marginal propensity to consume, of former victims (*MPC'*) and other workers (*MPC*). The higher the marginal propensity to consume of former victims and other workers, the higher the consumption multiplier, and the larger the effect of a rise in workers' incomes on GDP.

As noted above, the estimation scenario assumes that the marginal propensity to consume of former victims is 1, meaning that they consume all of their increased income. For other

16 This is a long-run steady-state effect in which the economy has adjusted fully to the entry of the freed workers in the labour market, and there are no further tendencies for change unless there are external shocks or policy changes. Children freed from forced labour will return to school or vocational training and enter the labour market only at a later stage. Adults may also need a recovery period before being reintegrated in the labour market. The estimated effect is a long-term effect once both adults and children will be employed in the regular labour market.

17 According to the latest global estimates of forced labour, 47.8 per cent of people in forced labour receive very low or no wages, 36.3 per cent are subject to no payment of wages and 5.1 per cent are victims of debt manipulation (ILO, Walk Free, and IOM 2022).

workers, the study estimates the marginal propensity to consume and the consumption multipliers at the regional level to capture regional heterogeneity (see Annex 2).[18]

2.2. Results

The results of the estimation exercise are summarized in figure 7. The total estimated demand-driven increase in GDP amounts to $611 billion, translating to 0.41 per cent of global GDP.[19]

Figure 7. Demand-driven increase in GDP

Total demand-driven increase in GDP

$611 billion

Total demand-driven increase in GDP as % of global GDP

0.41%

Note: Dollar figures are expressed in constant $ 2022 PPP.

This demand-driven boost in GDP can be viewed as the impact of the transfer of the illegal profits earned through forced labour *from* the perpetrators and the illicit economy *to* the freed workers and the formal economy. It is the economic ripple effect that starts from more money reaching the pockets of former victims, and from their resulting ability to acquire the goods and services needed for the survival and well-being of themselves and their families. In the case of migrant workers, the higher remuneration of freed workers would mean higher remittances, in turn contributing to alleviating poverty and fostering development in communities that are dependent on this source of income.

The effects of the increase in GDP would be distributed among wages, profits and additional consumption of goods and services, all of which are subject to taxation. The increase in GDP would therefore also translate into an increase in tax revenues. Applying countries' average tax rate for central governments, the $611 billion increase in GDP would translate to a $114 billion increase in tax revenues.[20] At the same time, ending forced labour would mean savings in victim services. As demonstrated in Part 1 of this report, the costs associated with these services are substantial. Both these effects would translate to additional public resources that could be invested in innovation, infrastructure and human capabilities, in turn improving longer-term growth prospects (see below).

18 Estimate based on the analysis of data from 189 countries, as further detailed in Annex 2. On average, the global marginal propensity to consume is 0.62 and the multiplier 2.40.

19 Expressed as a share of global GDP constant $ 2022 PPP.

20 As data on taxation for the whole sample of countries is limited, this study considers only the tax revenues to the central Government. This might underestimate the total additional tax revenue generated by the elimination of forced labour, as it does not account for taxation at other levels of government. Dollar figures are expressed in constant $ 2022 PPP.

Forced labour, by contrast, brings economic benefits only to the perpetrators. They earn a total of $236 billion of illegal profits annually, according to recent ILO estimates (ILO 2024b), in turn strengthening criminal networks and creating a cycle of illegality that encourages the growth of the illicit economy. Perpetrators are unlikely to pay taxes, and often resort to bribery to avoid detection, encouraging corruption and weakening the rule of law, and in turn further undermining public tax collection capacity. And the more that forced labour prevails, the greater public resources that must be allocated to dealing with its terrible human toll on survivors.

The estimates of the demand-driven increase in GDP depend critically on the difference in the income of workers in forced labour and that of other workers. It also depends on the variable used in the estimation to proxy the income of workers. Box 7 demonstrates how changes in these parameters can affect the estimation of the benefits.

Box 7. Impact of scenario parameters on estimation results: Sensitivity analysis

A sensitivity analysis was undertaken to assess the effect of different assumptions relating to the income of workers in forced labour on the estimation results.

The size of the estimated demand-driven increase in GDP depends on the difference between the average income of workers in forced labour and that of free workers. At the global level, when income is proxied by average wages, the estimated increase in GDP varies from the lower bound of zero in the case in which the workers in forced labour are paid as well as the average wages of the employees in the market (an unrealistic assumption), to an upper bound of $918.7 billion (0.62 per cent of GDP) in the case in which the workers in forced labour are not paid at all (figure A). The estimation reported in the text sits between these two extreme values and is based on an estimation of the wages of people in forced labour which is higher than zero and lower than the average market wages (see Annex 2).

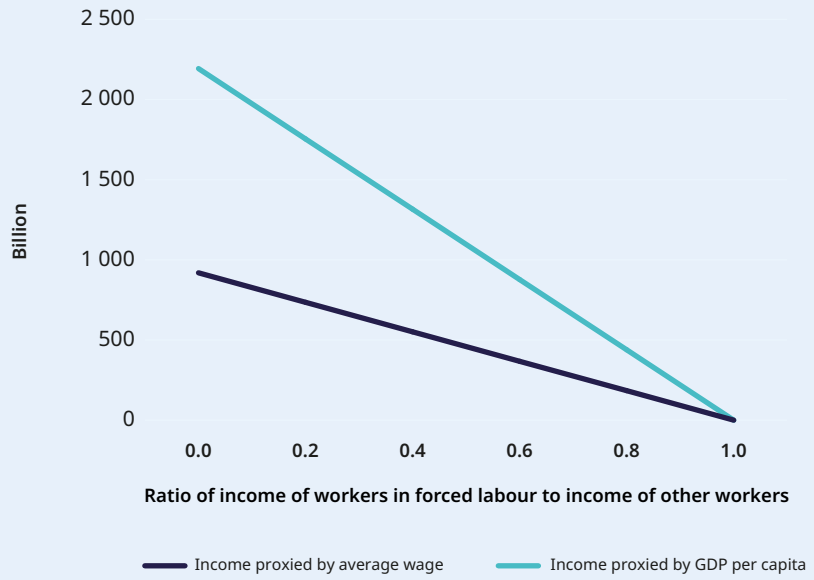
The size of the estimated increase in GDP also depends on how workers' income is proxied. The estimated presented in figure 7 is based on the assumption that the income of freed workers is equal to the average wages of workers in the broader labour force. If instead, workers' income is proxied by GDP per capita, which represents the average contribution of each person to the economy, the estimated increase in GDP would rise to $2,193 billion or 1.48 per cent of global GDP, almost three times the estimated increase when income is proxied by average wages. In this respect, the estimated increase in GDP reported in figure 7 should be considered as a conservative estimate.

Which of the two proxies for income of freed workers is most reasonable depends on whether the increase in labour due to the entry of the freed workers into the regular labour market also causes an adjustment in capital, thus leaving the capital–labour ratio constant. If capital also adjusts, then GDP per capital is likely to be a better proxy for freed workers' production than average wages.

Also in the case where workers' income is proxied by GDP per capita, the estimated total demand-driven increase in GDP will vary according to the difference between the GDP per capita produced by the workers in forced labour and the GDP per capita produced by free workers. The higher the difference (that is, the closer the ratio to 1) the larger will be the effect on GDP of ending forced labour (figure A).

Box 7. *(cont.)*

Figure A. Total economic benefit, by ratio of income received ($ billions)



Note: Dollar figures are expressed in constant $ 2022 PPP.

2.3. Growth effects

While the results of the estimation exercise make clear that ending forced labour would yield very large economic gains to society, it is worth underscoring that results represent only a partial accounting of the *total* economic gains. They capture the demand-driven boost in the *level* of GDP from ending forced labour but not the impact of ending forced labour on GDP *growth*.

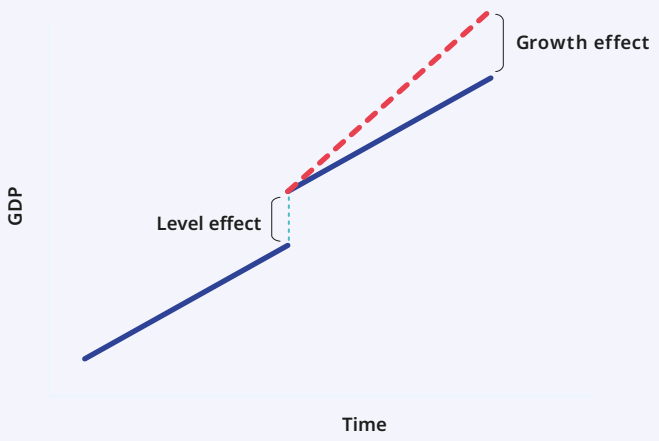
In more technical terms, as illustrated in figure 8, the study measures the "level effect", or the one-time upward shift in the linear GDP trend line, but *not* the "growth effect", or the change in the *slope* of the linear trend. Concerning the latter, even small changes in the GDP growth rate can have a substantial cumulative effect if sustained over time, eventually outstripping the one-time rise in the level of GDP.[21]

Ending forced labour is likely to affect economic growth through a number of channels. For example, the increase in tax revenues resulting from ending forced labour could be invested in activities promoting sustainable economic growth. As detailed in box 8, ending forced labour would also improve the health of the workers concerned, incentivize investment in human capabilities, promote innovation, and help create a level playing field for business – all with important implications in terms of economic growth.

While these potential channels can be inferred, an estimate of the growth effect of the elimination of forced labour is not possible, due to data limitations. Further research would be needed to fully understand and quantify these effects.

21 See Annex 2 for a numerical example.

Figure 8. GDP level and growth effects



Box 8. Growth effects of ending forced labour: Key impact channels

There are a number of other impact channels through which ending forced labour would generate economic growth.

Improved workers' health. Forced labour affects worker productivity through its impact on workers' health and human capabilities. Workers in forced labour are likely to experience poorer health due to the abusive work conditions they face. Unhealthy workers in turn are likely to have fewer opportunities to escape to alternative jobs, leaving them trapped in forced labour, to the further detriment of their health and productivity.

Investment in human capabilities. Workers in forced labour have little or no opportunity to develop their human capabilities. Abusive employers do not invest in the skills of their workers and may even actively hinder workers from investing in their own human capabilities, as enhanced skills would improve their alternatives outside forced labour and lessen employers' control over them. The effects of forced labour on human capabilities can also be inter-generational. Workers in forced labour have limited resources to invest in the education of their children. They may also have little incentive to invest in their children's education if they anticipate that their children too may end up in forced labour or in low-skilled jobs, further limiting these children's educational prospects. Ending forced labour would reverse these patterns, improving health outcomes, incentivizing investment in skills and education, and ultimately promoting the accumulation of human capabilities.

Box 8. ***(cont.)***

Investment in innovation. Forced labour tends to depress wages, both in the affected sector and economy-wide. Lower wages create incentives for the use of labour-intensive production methods, reducing incentives for innovation and mechanization. The lack of innovation in the economy also keeps labour productivity low and does not allow wages to rise, creating a vicious circle. Eliminating forced labour would turn the vicious circle into a virtuous one, increasing wages and promoting innovation, productivity and growth.

Level playing field for business. Ending forced labour would remove the unfair advantage that unethical businesses gain from exploiting workers. It would enable companies that adhere to labour laws and ethical practices to compete more fairly.[1] Additionally, it would prevent market distortions artificially suppressing labour costs and distorting market prices and competition. By eliminating forced labour, more accurate pricing based on true labour costs could be achieved. Furthermore, it would reduce reputational risks, as allegations of forced labour can damage the reputation of entire industry sectors or countries. Eliminating forced labour would protect ethical businesses from unfair competition and being tainted by association.[2]

Notes: [1] ILO 2021d. [2] ILO 2021d.

Discussion

The human returns to the investment in ending forced labour are incalculable. Ending forced labour would mean profound gains in human dignity, freedom and quality of life for millions of individuals around the world. It is an essential starting point for the realization of decent work and social justice for all.

This study undertook an initial analysis of the size of the investment needed for ending forced labour and the resulting *economic* benefits to society.

The results of the study suggest there is no economic excuse for inaction.

The estimated one-time cost of implementing a package of interventions directly targeting forced labour would be $212 billion in 2025, translating to roughly 0.14 per cent of global GDP. While this investment would not by itself be enough to end forced labour – parallel investment in the enabling environment is also essential – it would be critical to moving the world towards this goal.

At the same time, the results suggest that the economic returns to ending forced labour would be considerable. Freeing workers from forced labour and reintegrating them into the regular workforce would lead to an estimated $611 billion demand-driven rise in GDP.

This rise would have important distributional implications. It would represent a transfer *from* the perpetrators and the illicit economy *to* the freed workers and the formal economy. The increase in GDP would also translate to an increase in tax revenues, which, together with the saving in victim services deriving from the ending of forced labour, would translate into additional public resources that could be invested in national development goals. Ending forced labour is also likely to boost economic *growth* through several channels, including higher levels of health, skills and innovation, which were not considered in the estimation exercise because of data limitations, meaning that the *total* economic impact would likely be much higher.

The estimates of investment requirements and economic returns presented in this study cannot be interpreted in simple cost-benefit terms. The estimated economic returns are a result of *ending* forced labour, and achieving this goal requires investment not only in interventions directly targeting forced labour but also accompanying investment in social security guarantees, tackling recruitment abuses, extending educational opportunities and a range of other interventions related to the wider enabling environment needed for ending forced labour.

Yet the comparison of the two estimates is nonetheless instructive. It suggests that the demand-driven increase in GDP resulting from ending forced labour would not only cover the cost of a package of targeted interventions critical to progress against forced labour, but also provide economic justification for additional investment in interventions linked to the necessary enabling environment. Investment in the enabling environment, in turn, is relevant not just to efforts against forced labour but also to efforts towards a range of other development goals.

While this and other dimensions of the economics of forced labour require more research, the results of this initial study suggest that ending forced labour is not only a human imperative and legal obligation but also makes clear economic sense. Governments, in consultation with employers and workers' organizations, can and should adopt national strategies to mobilize the necessary resources for this investment. The international community has a key role to play in helping to fill national financing gaps where they persist.

Annexes

Annex 1. Methodology to estimate the investment requirement for the targeted intervention package

A1.1. Normative background

The ILO Protocol of 2014 to the Forced Labour Convention and the ILO Forced Labour (Supplementary Measures) Recommendation (No. 203) provide the normative foundation for the intervention framework used in this study.

In line with the ILO Forced Labour Convention, 1930 (No. 29), the he Protocol establishes the obligations to prevent forced labour, protect those subjected to forced labour, and provide them with access to remedies. It also reaffirms the importance of enforcement, coordination and planning, research, statistics, and international cooperation. Recommendation No. 203 is a non-binding instrument providing guidance for implementing these obligations.

For the first time, this study aims to estimate the investment required to implement the measures in the 2014 Protocol and Recommendation No. 203. This exercise requires essential decisions at different levels to operationalize the Protocol and Recommendation. Following a consultation process, an intervention framework was developed that distinguishes the measures in the two instruments into two broad categories of interventions: (i) a package of targeted interventions that are directly related to forced labour or directly targeted to its victims; and (ii) a broad set of policies and interventions linked to the enabling legal, policy and institutional environment needed for ending forced labour. The investment calculation exercise considers only the former category, the targeted intervention package for ending forced labour, and this annex provides some details on the methodology used.

Following the Recommendation, the targeted intervention package classifies the interventions within the five pillars of prevention, protection, remedies, enforcement, and planning and research. It comprises a total of ten intervention types and 27 specific interventions, which align with the measures in Recommendation No. 203.

Unlike other studies, this study does not review current spending or assess additional resources necessary to achieve the policy targets. Unfortunately, many countries lack data on current expenditures in interventions addressing forced labour, impeding this type of analysis at the global level. Instead, the study estimates the total investments required to achieve policy targets in a set of interventions. A share of the necessary investment is likely to have already been allocated to these interventions in several countries.

The approach used is an accounting process to calculate the required resources for each intervention. This requires characterizing the interventions into intervention items and setting parameters that enter the calculation formula. The parameters relate to coverage targets (the share of the population group that is covered by each intervention), the frequency of the intervention, and its schedule. Together with the cost of the intervention items, they contribute to determining the intervention investment. The policy parameters used in the estimation result from the consultation process (see box 2). Different parameters would have produced different estimates. The tool developed for the estimations is flexible and allows for modifying policy parameters to obtain different investment scenarios.

A1.2. Measuring the costs

Costing the intervention package required the development of bespoke costing strategies for each intervention, drawing on stakeholder and expert consultation and input. In this process, three cost "clusters" were identified – intervention items involving (i) per-person costs; (ii) capital (installation) costs; and (iii) costs proportional to total investment.

1. **Per-person costs** were those that were proportional to the number of beneficiaries of the intervention. These accounted for most of the costs in the targeted intervention package. Interventions involving per unit costs included:

   - awareness-raising campaigns for the general population, the vulnerable, migrants and employers;
   - provision of services for victims (for example, accommodation, material support, healthcare, vocational training, remedial education, legal support);
   - capacity building for service providers, including teachers, medical staff, journalists, diplomatic staff, lawyers and paralegals, labour inspectorates, police forces, immigration services, judges and prosecutors;
   - coordination mechanisms for labour inspectorates, police forces, immigration services, judges and prosecutors, frontline services providers and relevant government stakeholders;
   - inter-agency and other coordination mechanisms.

The cost of these interventions was calculated by multiplying the unitary costs by the number of direct beneficiaries of the interventions. The latter is determined by the coverage target, or the share of the targeted population to be covered by the intervention. The cost calculation also in some cases depended on the frequency of the intervention (for example, the number of training sessions in one year). When the coverage target was proportional to a population group (for example, migrant population), data on population group was obtained from secondary databases (see section A1.3 for the sources). For some interventions, the number of beneficiaries was fixed, rather than a proportion of the targeted beneficiary population (for example, journalists). The parameters for the coverage targets and the frequency of the intervention resulted from the consultation process.

A bottom-up approach was used when information about unit costs was available through consultation. When unit costs were not available, a top-down approach was utilized. This latter approach used spending data on the national overall service costs and attributed a portion of it to the direct beneficiaries of the intervention. It was used to calculate the costs of physical and psychological healthcare, remedial education and vocational training. For these interventions, investments were estimated based on the national public expenditures on health and education. In all the other cases, a bottom-up approach was used.

Due to the severe lack of data on unit cost, especially on specific intervention items tailored to the needs of victims, victims' service providers, and operators engaged in the fight against forced labour, in several cases the cost of interventions targeted to a general population was adapted using a multiplier to account for the incremental cost related to the specific needs of the forced labour situation. Three types of multipliers were used in the estimations, as summarised in table A1.1 and discussed further below.

▶ **Table A1.1. Incremental cost multipliers**

Type of multiplier	Interventions	Value
Incremental cost multiplier for hard-to-reach populations	2b. Dissemination of awareness materials, general population, vulnerable population 5b. Migrant orientation and information seminars 6b. Dissemination of material for awareness raising for migrants 17. Legal support services for migrant victims	1.6
Incremental cost multiplier for specialized health services for victims	13. Physical and psychological healthcare	Forced labour exploitation = 0.4 Forced commercial sexual exploitation = 0.5 Forced labour of children = 0.3
Incremental cost multiplier for specialized education for victims	14. Vocational training 15. Remedial education	Primary education = 0.2 Secondary education = 0.35 Upper secondary education = 0.4

The incremental cost multiplier for hard-to-reach populations is used to account for the additional costs of developing and implementing interventions tailored to such populations compared to the general population. This multiplier accounts for the higher cost required due to geographical or language barriers, for instance, when considering the services to migrants that imply translations or multilanguage contents, the awareness campaigns for vulnerable populations in geographically hard-to-reach communities, or the additional effort needed to reach "invisible" workers such as domestic or informal workers. After the consultation process, this multiplier was set at 1.6 (e.g., a 60 per cent higher cost).

The incremental cost multiplier for specialized health services for victims is used to estimate the "extra burden" cost for the health system to secure specialized services for victims. Forced labour and the forms of coercion associated with it have long-term effects on the health of victims. Victims of forced labour are subject to multiple abuses, including physical, sexual and emotional violence and hazardous working conditions, which generate physical, sexual and mental harms that significantly impact their health, well-being and quality of life (Turner-Moss et al. 2014; Zimmermann and Schenker 2014). Because of that, they require specialized health services adapted to their specific needs.

The ILO conducted a metadata analysis of micro-datasets from several surveys, including ILO national forced labour surveys, to establish the prevalence of health risk factors associated with forced labour (for example, emotional, physical and sexual violence as well as excessive hours of work) and health outcomes associated with them among victims. The results show that people in forced labour carry an excess burden in several health outcomes compared to the average population, including depression, anxiety, post-traumatic stress syndrome (PTSD), headache, musculoskeletal pain, diarrhoea, nausea and skin problems, among other outcomes (ILO, forthcoming). These effects are more severe for women in forced commercial sexual exploitation. A systematic review indicates that a third of women in forced commercial sexual exploitation had HIV, while around one in seven girls in forced commercial sexual exploitation were pregnant during exploitation (Ottisova et al. 2016). The study also reports on a literature review that shows that child victims experience more severe health outcomes due

to their younger age and physical, cognitive and emotional uncompleted development. They will also suffer the negative effect of exposure to health risks during forced labour for a longer time, given their young age (Wood 2020).

A study on European countries also found that victims who suffered physical violence have more health-detrimental effects than average, and those who suffered sexual violence have more severe effects than victims of physical violence. The study estimated multipliers of 0.5 for victims of sexual violence and 0.4 for victims of physical violence (European Commission 2020).[22] The study also estimated a multiplier of 0.3 to account for children.[23]

The extra burden costs secure additional resources to provide specialized physical and psychological care for victims' needs compared with the average population. While the cost of care for an average person is not considered part of the targeted intervention package (as an adequate healthcare system should guarantee it to everyone), the extra burden on the health system to provide specialized services to victims is included. The multipliers consider the victims' needs due to their health conditions rather than the use of health services by current victims.

In the absence of other estimates of the multipliers, the following multipliers were applied: the multiplier estimated for European countries on physical violence to people in forced labour, the multiplier on sexual violence to people in forced commercial sexual exploitation, and the child multiplier for all children in forced labour exploitation and forced commercial sexual exploitation.[24] The implicit simplistic assumption made is that victims of forced commercial sexual exploitation are victims of sexual violence, while victims of forced labour exploitation are victims of physical violence. While this is not necessarily the case, this assumption implies a small approximation given that there is no major difference between the two multipliers. Moreover, the multipliers are estimated for the European region and applied globally in this study. More research is needed to improve the understanding of the relationship between forced labour and health consequences.

The incremental cost multiplier for specialized education for victims is used to estimate the "extra burden" cost for the education system to secure remedial education and vocational training for victims of forced labour.

In the absence of literature on the cost of remedial education and training for victims of forced labour, the literature on inclusive refugees' education is used. Following a study in this area (World Bank and UNHCR 2021), a multiplier of 0.2 was used for remedial primary education, 0.35 for secondary education and 0.4 for upper-secondary education. Similar to the health services multipliers, these multipliers reflect the additional need for resources to secure specialized education for victims of forced labour compared to their average peers.[25]

2. **Capital costs (installation costs)** referred to those incurred to acquire, develop and maintain capital assets. These are up-front, long-term investments that are essential for the provision of goods and services. Capital costs are assets that depreciate over the asset's useful life due to the long-term nature of the investment. Thus, maintenance costs might occur

22 The study estimated that persons who experienced sex without consent during adulthood were 50 per cent more likely to suffer a limiting health condition than any average person in the European Union. Persons who experienced physical violence or threat during adulthood were 40 per cent more likely to suffer a limiting health condition than any average person in the European Union.

23 The study estimated that children exposed to physical or psychological violence are 30 per cent more likely to suffer a limiting health conditions than the average child in the European Union.

24 For children, the child multiplier will be used together with the multiplier on the type of forced labour, depending on whether the child is in forced labour exploitation or forced commercial sexual exploitation.

25 The study by the World Bank and UNHCR considers that the per-student extra cost to include marginalized children is 20 per cent for primary education, 35 per cent for secondary education and 40 per cent for upper secondary education.

during the asset's life to maintain its value and functionality. In the targeted intervention package, capital costs included:

- creation of awareness material;
- creation of materials for capacity building;
- creation of a forced labour complaint mechanism;
- creation of a migrant information exchange platform;
- creation of the national referral mechanism.

Costing for these items was based on country-level cost information collected from stakeholder consultations, key informant interviews, literature reviews, expert inputs and reviews of budgetary information in the 18 reference countries.

3. **Costs proportional to total investment** related to interventions in the category of planning and statistics. For these interventions, an aggregate cost was calculated through the application of spending benchmarks from international development cooperation guidance. Specifically, the cost was calculated as 5 per cent of total investment to align with the recommendation in the ILO Internal Governance Manual on Development Cooperation (ILO 2021c) concerning the minimum budgetary allocation to monitoring, collecting baseline data and evaluation for development cooperation projects.[26]

A1.3. Data sources and aggregation

As previously discussed, the estimation of the investments is based on three sets of variables: costs (per-person, capital and proportional to overall costs), target population groups for each intervention and policy targets (for example, population covered and other parameters on frequency of interventions). These variables were obtained from a variety of sources.

Data on costs and policy targets were obtained through consultation and available data for 18 countries.[27] For health and education costs, for which consultation data were not available, secondary data were used. The target beneficiaries of the intervention were obtained by applying the coverage targets to the relevant target population using secondary data for 2022.[28] Adjustments for growth population at the regional level were made to account for variation in populations across time. Data on the number of victims in forced labour exploitation and forced commercial sexual exploitation for adults and children were obtained from the latest global estimates of forced labour. Secondary data sources are described in table A1.3.

Given the limited coverage of cost data from the consultation, costs had to be imputed to the uncovered countries. The regional average cost by income group was imputed to countries with missing costs.[29] Secondary data, including data on forced labour, were largely available for 189 countries and territories.

26 ILO development cooperation guidance recommends the allocation of a minimum of 3 per cent of a project's budget for monitoring, collecting baseline data and reporting, and a minimum of 2 per cent for the project evaluation (ILO 2021c).

27 The comprehensive list of countries is as follows: Argentina, Cambodia, Fiji, Ghana, India, Kosovo, Malawi, Malaysia, Nepal, Niger, Peru, Philippines, Romania, Serbia, Sri Lanka, Thailand, Timor Leste and Uzbekistan.

28 Regional weighted averages were used in case of missing values at the country level.

29 The global average cost was used in case of missing values at the regional level for an income group.

After obtaining a complete dataset, costs were estimated by adding up the cost values of all the interventions at the national level and then aggregated at regional and global levels. While data at the national level were utilized to account for variations across countries and to benefit from comprehensive data coverage from secondary sources, the estimates at the national level were not used directly due to the high variability associated with the estimates of forced labour. This variability is a result of the small national sample size and the complexity of collecting data on forced labour, which inherently leads to measurement errors. The national estimates were intended to be used for regional and global estimations. All economic values are expressed in constant $ 2022 PPP.

Table A1.2 reports the costing formula, the cost cluster, the target population, and the population coverage for each of the 27 interventions among the ten intervention types. For the cost cluster, the target population, and the population coverage, the sources are indicated in parenthesis.

▶ **Table A1.2. Targeted intervention package, cost formulas, policy targets and data sources**

Intervention type	Intervention	Formula	Cost cluster (source)	Target population (source)	Population coverage[1] (source)
Prevention					
1. Targeted awareness raising	1a. Creation of awareness materials, general public	Capital cost	Total set-up cost + regular maintenance (consultation)	Not applicable	Not applicable
	1b. Dissemination of awareness materials, general population	Unit cost x target pp[2] x pp coverage	Unit cost: dissemination costs (consultation)	National population (UNDESA), and pp at risk of entry in forced labour (consultation)	100% of general population, (consultation); twice number of victims (consultation)
	2a. Creation of awareness materials, vulnerable population	Capital cost x multiplier for hard-to-reach populations	Total set-up cost + regular maintenance (consultation) Incremental cost multiplier for hard-to-reach populations (consultation)	Not applicable	Not applicable
	2b. Dissemination of awareness materials, general population, vulnerable population	Unit cost x target pp x pp coverage x multiplier for hard-to-reach populations	Unit cost: dissemination costs (consultation) Incremental cost multiplier for hard-to-reach populations (consultation)	National population (UNDESA)	100% of general population, (consultation); twice number of victims (consultation)
	3a. Development of awareness-raising and training material, employers and trade unions	Capital cost	Total set-up cost + regular maintenance (consultation)	Not applicable	Not applicable

Intervention type	Intervention	Formula	Cost cluster (source)	Target population (source)	Population coverage[1] (source)
	3b. Dissemination of awareness raising and training delivery, employers and trade unions	Unit cost x target pp x pp coverage	Unit cost: dissemination costs (consultation)	Total number of employers (ILOSTAT)	10% or 20%, depending on the prevalence of forced labour (consultation)
	4. Awareness raising and training, journalists	Unit cost training x number of trainings x target population	Unit cost: dissemination of training material (consultation)	Journalists covering human rights and labour issues (consultation)	100 target journalists (consultation)
2. Orientation and information for migrants	5a. Development of material for awareness raising among migrants	Capital cost x multiplier for hard-to-reach populations	Total set-up cost + regular maintenance (consultation) Incremental cost multiplier for hard-to-reach populations (consultation)	Not applicable	Not applicable
	5b. Dissemination of material for awareness raising among migrants	Unit cost x target pp x pp coverage x multiplier for hard-to-reach populations	Unit cost: dissemination costs (consultation) Incremental cost multiplier for hard-to-reach populations (consultation)	Total number of migrants (UNDESA)	100% of migrants for social media (consultation), 20% migrants for training (consultation)
	6a. Development of material for migrant orientation and information (departure and arrival)	Capital cost x multiplier for hard-to-reach populations	Total set-up cost + regular maintenance (consultation) Incremental cost multiplier for hard-to-reach populations (consultation)	Not applicable	Not applicable
	6b. Migrant orientation and information seminars (departure and arrival)	Unit cost x target pp x pp coverage x multiplier for hard-to-reach populations	Unit cost: dissemination costs (consultation) Incremental cost multiplier for hard-to-reach populations (consultation)	Total number of migrants (UNDESA)	100% migrants for social media (consultation), 20% of total number of migrants for training (consultation)
	7. Migrant information exchange platform	Capital cost	Total set-up cost + regular maintenance (literature review)	Not applicable	Not applicable

Intervention type	Intervention	Formula	Cost cluster (source)	Target population (source)	Population coverage[1] (source)
Protection					
3. Identification and referral	8. Forced labour complaints mechanisms	Capital cost	Total set-up cost + regular maintenance (Public Safety Canada)	Not applicable	Not applicable
	9. National referral mechanism (NRM)	Capital cost	Total set-up cost + regular maintenance (literature review)	Not applicable	Not applicable
	10. Training for frontline service providers	Unit cost of training x number of trainings per year x target pp x pp coverage	Unit cost: Unit cost of training x number of trainings per year (consultation)	Frontline service providers: Number of doctors and nurses (WHO), number of teachers (UNESCO)	10% of total doctors, nurses and teachers (consultation)
	11.Training for consular staff	Unit cost of training x number of trainings per year x target pp x pp coverage	Unit cost: Unit cost of training x number of trainings per year (consultation)	Number of diplomatic missions – embassies and consulates (Lowy Institute)	Five people in each diplomatic mission (consultation)
4. Protection services for forced labour victims	12. Accommodation	25% of annual international poverty line × number of forced labour victims	Unit cost: annual poverty line (World Bank)	Forced labour victims (ILO, Walk Free, and IOM 2022)	100% (consultation)
	13. Material support[30]	75% of annual international poverty line x number of forced labour victims	Unit cost: annual poverty line (World Bank)	Forced labour victims (ILO, Walk Free, and IOM 2022)	100% (consultation)

30 Cash transfer programme equal to 75 per cent of the international poverty line. The cost for accommodation was considered separately as 25 per cent of the poverty line. The international poverty line is constructed based on national poverty lines for the considered income group which should allow people to cover the costs of basic food, clothing and accommodation. Evidence shows that accommodation accounts for about 25–30 per cent of the poverty line. For more details on the definition of the international poverty lines,, see World Bank 2022; Tetteh Baah et al. 2022.

Intervention type	Intervention	Formula	Cost cluster (source)	Target population (source)	Population coverage[1] (source)
	14. Physical and psychological healthcare	Average health expenditure per capita x number of forced labour victims x incremental cost multipliers for specialized health services to victims	Unit cost: Health expenditure per capita (WHO) Incremental cost multiplier for specialized health services to victims (European Commission)	Forced labour victims by age and form of forced labour (ILO, Walk Free, and IOM 2022)	100% (consultation)
	15. Vocational training for adult victims	Education expenditures per capita on upper secondary x target pp x pp coverage x incremental cost multiplier for specialized education for victims	Unit cost: education expenditures per capita on upper secondary (UNESCO) Incremental cost multiplier for specialized education for victims in upper secondary education (UNHCR-World Bank)	Number of forced labour adult victims (ILO, Walk Free, and IOM 2022)	100% target pp (consultation)
	16. Remedial education	Education expenditures per capita on primary x incremental cost multiplier for primary + expenditures per capita on secondary x incremental cost multiplier for secondary)/2 x target pp x pp coverage	Unit cost: education expenditures per capita on primary, expenditures per capita on secondary (UNESCO) Incremental cost multiplier for specialized education for victims' education: (UNHCR-World Bank)	Number of children in forced labour (ILO, Walk Free, and IOM 2022)	100% target pp (consultation)
Remedies					
5. Legal support to victims	17. Legal support services for national victims	Hourly mean wage of a lawyer x average time spent on a case of forced labour x target pp x pp coverage	Unit cost: hourly mean wage of a lawyer (IJM). Average time spent on a case (IJM)	Number of people in forced labour (ILO, Walk Free, and IOM 2022)	85% of total victims (global share of national victims from GEMS)

Intervention type	Intervention	Formula	Cost cluster (source)	Target population (source)	Population coverage[1] (source)
	18. Legal support services for migrant victims	Hourly mean wage of a lawyer x average time spent on a case of forced labour x target pp x pp coverage x multiplier for for hard-to-reach populations	Unit cost: hourly mean wage of a lawyer (IJM), Average time spent on a case (IJM) Incremental cost multiplier for hard-to-reach populations (consultation)	Migrant victims (ILO, Walk Free, and IOM 2022)	15% of total victims (global share of migrant victims from GEMS)
6. Capacity building, legal support actors	19. Training for lawyers and paralegals	Unit cost of training x number of trainings per year x target pp x pp coverage	Unit cost: unit cost of training (consultation) x number of trainings (consultation)	Lawyers and paralegals (UNODC)	10% of lawyers and paralegals (consultation)
Enforcement					
7. Capacity building, enforcement actors	20. Training for labour inspectors	Unit cost of training x number of trainings per year x target pp × pp coverage × incremental cost for forced labour	Unit cost: cost per meeting (consultation) x number of meetings (consultation)	Labour inspectors (ILOSTAT)	100% of labour (consultation)
	21. Training for law enforcement actors	Unit cost of training x number of trainings per year x target pp x pp coverage x incremental cost for forced labour	Unit cost: cost per meeting (consultation) x number of meetings (consultation)	Police officers (UNODC)	100% police coverage (consultation)
	22. Training for Judicial authorities	Unit cost of training x number of trainings per year x target pp x pp coverage	Unit cost: cost per meeting (consultation) x number of meetings (consultation)	Total prosecutors (UNODC)	25% of total prosecutors (consultation)
8. Coordination mechanisms	23. Specialized coordination mechanism for labour inspectorates	Unit cost of meeting x Number of meetings per year x target pp x coverage pp	Unit cost: cost per meeting (consultation) x number of meetings (consultation)	Labour inspectors (ILOSTAT)	2.5% of total labour inspectors (consultation)

Intervention type	Intervention	Formula	Cost cluster (source)	Target population (source)	Population coverage[1] (source)
	24. Specialized coordination mechanism for law enforcement actors	Unit cost of meeting x number of meetings per year x target pp of × coverage pp	Unit cost: cost per meeting (consultation) x number of meetings (consultation)	Police officers (UNODC)	2.5% of total police officers (consultation)
	25. Specialized coordination mechanism for judicial authorities	Unit cost of meeting x number of meetings per year x target pp of x coverage pp	Unit cost: cost per meeting (consultation) x number of meetings (consultation)	Total prosecutors (UNODC)	2.5% of total police officers (consultation)
Planning and statistics					
9. Planning	26. Inter-agency and other coordination mechanisms	Unit cost of meeting x number of meetings per year x number of participants	Unit cost: cost per meeting (consultation) x number of meetings (consultation)	Government representative and frontline service providers (consultation)	100 people (consultation)
10. Statistics	27. Statistics and policy-oriented research	5% of the total cost on prevention, protection, remedies, enforcement and planning	Overall cost	No reference population, proportional to other package costs	5% of other package costs

Notes: [1]Changes in the population coverage will change the cost estimation but not the nature of the exercise. The model is flexible to be used with different policy parameters. The calculation tool can be used for simulating different scenarios according to the variation of parameters. [2] pp = population.

▶ Table A1.3. Secondary data and literature review used for setting parameters

Scope	Source
Number of forced labour victims	ILO, Walk Free, and IOM. 2022. *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*.
National population	UNDESA, Population Division. 2022. *World Population Prospects 2022*.
Total number of employers	ILOSTAT explorer. N.d."Employment by Sex, Status in Employment and Economic Activity". Database.
Stock of migrants	UNDESA, Population Division. 2020. "International Migrant Stock".
Stock of emigrants	UNDESA, Population Division. 2020. "International Migrant Stock".
Cost of the establishment of a human trafficking hotline	Public Safety Canada. 2023. "Evaluation of the Canadian Human Trafficking Hotline", Powerpoint presentation.
Expenditure on health per capita	WHO, The Global Health Observatory. N.d. "Current health expenditure (CHE) per capita in US$". Database.
Expenditure on education per capita	UNESCO Institute for Statistics. N.d. "Sustainable Development Goals: 4.5.4 Education expenditure per student by level of education and source of funding". Database.
Forced labour health multipliers	European Commission. 2020. *Study on the Economic, Social and Human Costs of Trafficking in Human Beings within the EU*.
Forced labour education multipliers	World Bank and UNHCR. 2021. The Global Cost of Inclusive Refugee Education.
International poverty lines	Tetteh Baah et al. 2022. "Updating the International Poverty Line with the 2017 PPPs", World Bank Blogs, 2 May 2022.
Number of diplomatic posts	Lowy Institute. 2023. "Global Diplomacy Index". Database.
Number of teachers	UNESCO Institute for Statistics. N.d. "Other policy relevant indicators: Number of teachers by teaching level of education". Database.
Number of medical doctors (physicians)	WHO, The Global Health Observatory, N.d. "Medical doctors (per 10 000 population)". Database.
Number of nurses and midwives	WHO, The Global Health Observatory, "Nursing and midwifery personnel (per 10 000 population)". Database.
Hourly mean wage of a lawyer	IJM (International Justice Mission), international administrative data at national level. Data included in the country-level data collected through the consultation process.
Average time spent on a case of human trafficking by a lawyer	IJM (International Justice Mission), international administrative data at national level.
Number of lawyers and paralegals	UNODC. 2016. *Global Study on Legal Aid: Country Profiles*.
Number of labour inspectors	ILOSTAT explorer. N.d. "Number of labour inspectors by sex – Annual". Database.
Police personnel	UNODC. N.d. "Access & Functioning of Justice". Database.
Prosecution personnel	UNODC. N.d. "Access & Functioning of Justice". Database.
GDP	World Bank. N.d. "GDP, PPP (current international $)". Database.

A1.4. Schedule of implementation

Another crucial policy decision to take for the implementation of the targeted intervention package is the timing of the interventions. The static scenarios assume a hypothetical situation where all the interventions are fully implemented in one year. While unrealistic, this helps illustrate the implications of scheduling the full implementation of the intervention package at different times and provides clear evidence of the cost of delaying the implementation of the intervention package. The static scenarios are estimated for 2025 and 2045, while the dynamic scenario is estimated for the period 2025–30.

The interventions may be implemented according to three rollout modalities.

1. **Installation and maintenance** refer to the rollout modality used for capital costs, which are investments in assets that decrease in value over time and may need maintenance to retain their value throughout the asset's life.

   In the intervention package scenarios, the installation and maintenance rollout are used for:

   - creation of awareness material;
   - creation of materials for capacity building;
   - creation of a forced labour complaint mechanism;
   - creation of a migrant information exchange platform;
   - creation of the national referral mechanism.

   In static scenarios, the full installation cost in one year is considered, while for the dynamic scenario, 10 per cent of the installation cost for each subsequent year is included to account for maintenance costs.[31]

2. **Gradual implementation** refers to the implementation of interventions in stages. This rollout modality is used for interventions targeted to large populations that would be difficult to reach in one stage.

   In the targeted intervention package scenarios, the gradual implementation rollout is used for:

   - targeted awareness raising campaign (excluded development of materials);
   - orientation and information for migrants (excluded development of materials);
   - protection services for forced labour victims;
   - legal support;
   - training for relevant actors, such as employers, journalists, frontline service providers and consular staff;
   - capacity building for enforcement actors (excluded development of materials).

   In the static scenarios, full implementation in one year is assumed.

   In the dynamic scenario, targeted populations are distributed equally each year, except for interventions aimed at victims (protection services for forced labour victims and legal

31 The value of the maintenance cost varies depending on the intervention activity. Here, 10 per cent is taken for illustrative purpose. Other hypotheses can be easily implemented in the estimation tool.

assistance). For interventions targeted at victims, it is assumed that the implementation of victim services will follow an inverted U-shaped pattern over 2025-30.[32] The assumption behind this pattern is that interventions will have a cumulative effect up to the point at which only the hard-to-reach cases of forced labour are left and returns to interventions will be lower. A constant prevalence of forced labour is assumed, as in the latest global estimates (a conservative assumption). Nevertheless, the number of victims will increase annually due to population growth. Each year, there will also be new victims based on the current prevalence applied to the annual increase in the population. However, each year, the prevalence of forced labour will decrease due to more victims exiting forced labour and receiving services. This process continues until 2030, when there will be no victims of forced labour. The dynamic scenario serves as an illustrative example to demonstrate how interventions can be implemented over time with the objective of eliminating forced labour.

3. **Recurrent implementation** refers to interventions that take place regularly (that is, every year).

In the targeted intervention package scenarios, the regular implementation rollout is used for:

- coordination mechanisms;
- planning;
- statistics.

In static scenarios, only the cost of recurrent implementation for one year is considered, while for the dynamic scenario, this cost is considered every year. Therefore, the static cost does not account for the full investment in recurrent implementation interventions needed for longer periods of implementation.

It is important to note that the implementation of the intervention package alone may not be enough to completely eradicate forced labour, as discussed in the main text of this document.

32 Specifically, this scenario considers that 10 per cent of the number of forced labour victims will be covered by in 2025, 15 per cent in 2026, 20 per cent in 2027, 30 per cent in 2028 (peak), 15 per cent in 2029, and 5 per cent in 2030.

Annex 2. Methodology to estimate the GDP effect of ending forced labour

A2.1. Theoretical background

Achieving a world where all workers are freed from forced labour and reintegrated into the "free" labour market will be likely to generate economic benefits for society through several impact channels.

This report estimates the effect on GDP led by the rise in income and aggregate demand of workers freed from forced labour and reintegrated into the regular labour market. The report also discusses the implication of this rise in income in terms of distribution and estimates the increase in tax revenues. Owing to data limitations, the growth effects are discussed but not estimated.

Ending forced labour would increase GDP through a boost in aggregate demand

The theoretical idea behind the increase in the output and GDP is that workers freed from forced labour and reintegrated into the labour market would enjoy higher income, thereby increasing the aggregate demand for goods and services. The initial change in aggregated demand can lead to a larger increase in the overall economic output due to a multiplicative effect. The multiplier effect occurs because the additional spending generated by the higher income of freed workers creates income for recipients, who then spend a portion of this new income in additional spending, generating extra income for other recipients.[33]

The portion of additional income spent on consumption, known as the marginal propensity to consume (MPC), plays a crucial role in determining the multiplier effect: the higher the MPC, the higher the multiplier of consumption and the multiplier effect.

The change in GDP following the elimination of forced labour, ΔY, will be given by the multiplier of consumption times the variation in income for workers freed from forced labour times the number of victims in forced labour.

$$\Delta Y = \frac{MPC'}{1-MPC(1-\tau)} \Delta W * FL \qquad (1)$$

Where ΔW is the increase in income of the freed workers, MPC' is the average marginal propensity to consume of the freed workers, MPC is the average marginal propensity to consume in the economy, τ is the average tax rate and FL the number of workers freed from forced labour. It is assumed that $MPC' \cong 1$, that is, the workers freed from forced labour have a propensity to consume almost equal to 1 as they spend almost all their wages for their needs and have no resources left for saving. The increase in victims' welfare will generate an increase in the aggregate demand for goods and services proportional to the consumption of the freed workers, which will depend on their propensity to consume.[34] Considering the limited number of people

33 Here it is assumed that there is no reduction in demand due to a possible reduction in the profits of the coercive employer. The demand stemming from profits generated from forced labour is likely to be low, as the marginal propensity to consume out of profits is low. Moreover, the demand from illegal profits generated by forced labour will operate, at least to some extent, through illegal or illicit channels.

34 The marginal propensity to consume represents, on average, the effect that an additional unit of disposable income has on consumption. In other words, it is the reciprocal of the marginal propensity to save.

in forced labour, the change in aggregate demand is expected to have a small impact on the economy. Therefore, we can assume that the system has sufficient spare capacity to accommodate these changes in demand without significant price effects.[35]

Ending forced labour would increase tax revenues through a boost in aggregate demand

The increase in GDP creates an additional fiscal effect, which the following formula can explain:

$$\Delta T_{LF} = \tau \Delta Y \quad (2)$$

Where ΔT_{LF} is the fiscal revenue from the boost in GDP, and τ is the average tax rate.

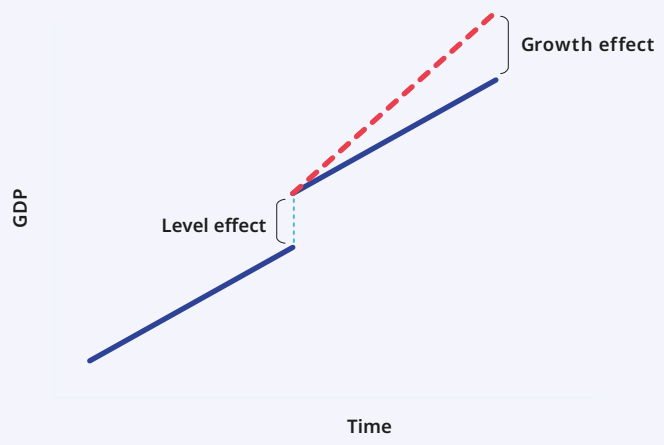
The fiscal effect is estimated using the countries' average tax revenue ratio to GDP. Due to data limitations, only the revenue to the central Government is accounted for. This might underestimate the additional tax revenue generated by eliminating forced labour as it does not account for any other taxation.

Ending forced labour would increase GDP growth through the increase in GDP and growth rate

Unlike the increase of the GDP level that refers to a specific point in time (such as one year), GDP growth is a dynamic concept that refers to the increase in the value of goods and services produced by the economy over a specific period (for example, from 2025 to 2030).

The elimination of forced labour is likely to drive an increase in GDP growth through two effects: the rise in the level of GDP and the increase in the growth rate. The empirical analysis of this study estimates the increase in GDP due to higher aggregate demand. Ending forced labour can increase the growth rate by improving the health of the workers concerned, incentivize investment in human capabilities, promote innovation, help create a level playing field for business, and generate savings in public services for victims (see box 8 in the main text). Owing to data limitations, this study does not estimate the effect of ending forced labour on the growth rate and overall growth effect. However, this annex provides an intuition of this effect and a sense of its possible magnitude.

▶ **Figure A2.1. GDP level and growth effects**



35 A larger increase in aggregate demand would not necessarily imply an increase in the production of goods and services, as the prices would also change.

As shown in figure A2.1, even a slight increase in the growth rate (the slope of the linear trend) can substantially affect the income level if it is maintained over time. If present, the growth effect might, with time, dominate the GDP level effect (the one-time upward shift in the linear trend).

The growth effect of the elimination of forced labour between period t and t+1 $Y_{g,t+1}$ can be estimated as follows:

$$Y_{g,t+1}=(1+g_{FL})(\Delta Y+Y_t) \quad (3)$$

Where ΔY is the increase in the level of GDP due to the elimination of forced labour and g_{FL} is the increase in growth rate.[36] The higher growth rate driven by forced labour will apply to the overall GDP (i.e. $Y_t\, g_{FL}$) and not only to the boost in GDP resulting from the freed workers' highest demand for goods and services ($\Delta Y_t\, g_{FL}$). At the same time, the GDP growth will derive from both the effect of the higher growth rate on the initial GDP (Y_t) and the increase in the GDP due to eliminating forced labour (ΔY).

Equation (3) can also be written as follows:

$$Y_{g,t+j}=Y_{g,0}(1+g_{FL})^j \quad (4)$$

If there is a relatively small effect of the elimination of forced labour on the growth rate, for example, from 2 to 2.001 per cent per year, and if such a slight increase is maintained over the years, the effects of ending forced labour on GDP is far from negligible.

Following a simple accounting rule, compute:

$$Y_{t+j} = Y_t + \Delta Y(1 + 0.001)^j \quad (5)$$

Where Y_t is GDP at time t and Y_{t+j} is GDP at the time (t+j), both measured in 2022 PPP $[37] adjusted to 2025 values, 0.001 is the supposed increase in growth rate due to forced labour and j is the time span over which the simulation is calculated. For example, after ten years from 2025, the growth effect would have increased world GDP by a further 1 per cent (table A2.1).

36 g_{FL} refers only to the increase in growth rate due to forced labour and should be intended as additional to any growth rate already existing in the economy.

37 GDP is calculated using the purchasing power parity (PPP) method, expressed in international dollars, and adjusted to reflect the price levels of the year 2022, thus eliminating the effects of inflation. This measure allows for more accurate comparisons of economic output and living standards over time and across different countries. It is then adjusted to the GDP growth rate between 2023 and 2025 to make the simulation start from 2025.

▶ **Table A2.1. Example of variation in GDP with a small increase in growth rate**

	GDP in 2022	GDP in 2025	GDP in 2030	GDP in 2035	GDP in 2045
Time period		t	t+5	t+10	t+20
$(1+g_{FL})^j$			1.01	1.01	1.02
Y_t	148 555	163 320	164 138	164 961	166 618
ΔY	611 210	603 482	606 505	609 544	615 667
Total	**759 765**	**766 802**	**770 644**	**774 505**	**782 285**
%			**0.50%**	**1.00%**	**2.02%**

Note: GDP growth from 2003 to 2005 from IMF data.

A fiscal effect could arise not only from the increase in GDP level but also from the growth effect. As for the increase in the GDP level, the increased output deriving from the growth effect will be subject to different forms of taxation, which will create additional tax revenue as described in the following formula:

$$\Delta T_{GE} = \tau \Delta Y_{GE} \quad (6)$$

A2.2. Empirical methodology

The effect on output and GDP of the reintegration of people in forced labour into the regular market is obtained using the multiplier to consumption and the wages of workers in forced labour. The estimation of the increase in GDP (equation 1) is conducted at the regional level to account for regional heterogeneity.

Regarding the estimation of the variation in victims' income, two possible proxy variables can be used. The main scenario in the discussion paper uses a conservative approach that considers the variation in victims' income to be equal to the variation in their wages. In this scenario, each worker freed from forced labour will experience an increase in wages proportional to the average workers' productivity in the considered country minus the wages that they used to receive while in forced labour. In this scenario, the increase in workers' income is given by the difference between the wages paid to people in forced labour exploitation and the average wages of workers in the free market. The lower wages of people in forced labour could stem from, for example, paying workers less than the statutory minimum wage, the failure to provide overtime pay when required, illegal wage deductions for made-up workplace infractions or the violation of other wage-related regulations (ILO 2024b).[38] For people in forced commercial sexual exploitation, where there are no standard levels of payment, a near-zero wage is assumed based on evidence that only a tiny share, if any, of illegal profits generated by this exploitation trickles down to its victims as a form of remuneration (Kara 2017).

38 According to the latest global estimates of forced labour, 47.8 per cent of people in forced labour receive very low or no wages, 36.3 per cent are subject to no payment of wages and 5.1 per cent are victims of debt manipulation (ILO, Walk Free, and IOM 2022).

An alternative scenario is to consider the GDP per capita as a proxy for the income of freed workers. This assumption is plausible if capital adjusts to the entry of freed workers to leave the capital–labour ratio unchanged.[39]

If the stock of capital does not adjust to accommodate the former forced labourers, then the output will increase in proportion to the labour share, and average wages might be a better approximation to the increase in demand.[40] Therefore, estimates based on GDP per worker will give an upper bound, while those based on average wages will represent a lower bound.

Calculation of the multiplier to consumption

The study calculates the marginal propensity to consume for each region and globally as the regression coefficient using the following specification:

$$\Delta C_{i,t} = \alpha + \beta * \Delta Y_{t,i}^{D} + \varepsilon_{t,i} \quad (7)$$

Where ΔC is the annual difference of the variable, $C_{i,t}$ is the consumption at time t of country i, and Yt is the disposable income, i.e., Yt = Ct – ΔCt. The regression is estimated separately for each region (i) over the years (t) from 2017 to 2021, which are the years of the data collection of the forced labour global estimates.

Calculation of wages of forced labour workers

Due to the lack of comprehensive and harmonized data, in this study the wages earned by workers in forced labour are estimated using data from the ILO and the Global Knowledge Partnership on Migration and Development (KNOMAD) Migration and Recruitment Cost Surveys datasets for the years 2015 and 2016. The datasets include monetary and non-monetary costs incurred by migrant workers seeking jobs abroad.

The 2015 surveys included responses from 2,454 migrants covering nine bilateral migration corridors, namely, India–Saudi Arabia, Philippines–Saudi Arabia, Nepal–Malaysia, Nepal–Qatar, Nepal–Saudi Arabia, Kyrgyzstan–Russian Federation, Tajikistan–Russian Federation, Uzbekistan–Russia Federation, and West Africa–Italy (Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Ghana, Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo) (ILO and KNOMAD 2015).

The 2016 surveys included responses from 3,149 migrants covering ten bilateral migration corridors, namely, Pakistan–Saudi Arabia, Pakistan–United Arab Emirates, Ethiopia–Saudi Arabia, India–Qatar, Nepal–Qatar, Philippines–Qatar, Viet Nam–Malaysia, Guatemala–Mexico, Honduras–Mexico, and El Salvador–Mexico (ILO and KNOMAD 2016).

The ILO and KNOMAD datasets cover international migrant workers and inform on their working conditions, including earnings. The datasets do not purposely collect information on forced labour; however, detailed information on working conditions allows to proxy forced labour status. Migrant workers surveyed in KNOMAD were classified in the present study as potentially in forced labour in the current job if any of the following conditions arose: they did not sign a contract before migrating, the contract they signed changed on arrival, they had

39 This result can be derived by considering a Cobb Douglas production function of the form $Y=A\,K^{\alpha}\,L^{\beta}$, where K refers to capital and L to labour inputs, and by differentiating it with respect to L holding K constant (first scenario), or letting it adjust to keep the capital–labour ratio constant (second scenario).

40 Of course, not all of the increase will be translated into additional demand, as the propensity to consume out of profits is low and some of the newly generated profits might just replace the profit earned by the firms that used forced labour.

their rights deprived, they did not have a rest day, they were irregular migrants, they were not allowed to join an available union, or they were not paid when injured. The wages of people in forced labour are estimated as the average of the net nominal wages of the current job of migrant workers potentially in forced labour. The monthly wages were obtained from the hourly wages assuming 40 hours of work per week to make them comparable with the wages of free workers. Indeed, workers in forced labour may work longer hours and overtime, which may or may not be paid.

As data on wages of migrant workers potentially in forced labour were not available for all sectors within regions, the complete data available in Europe and Central Asia were used for the base wages. These base wages were then adjusted to account for regional disparities in wages using an adjustment rate based on regional wages of free workers such that:

$$w_{s,r} = \left(\frac{\rho_{s,r}}{\rho_{s,ECA}}\right) w_{s,ECA} \quad (8)$$

where $\left(\frac{\boldsymbol{\rho_{s,r}}}{\boldsymbol{\rho_{s,ECA}}}\right)$ is the ratio of wages of free workers in sector $\boldsymbol{s}$ and region $\boldsymbol{r}$ ($\boldsymbol{\rho_{s,r}}$) to the wages of free workers in the same sector in Europe and Central Asia $\boldsymbol{\rho_{s,ECA}}$, and $w_{s,ECA}$ is the wages of migrants potentially in forced labour from the KNOMAD datasets wages in the same sector in Europe and Central Asia. The ILO's ILOSTAT database was used to obtain the ratio of wages for each region.

The wages of migrants potentially in forced labour from the KNOMAD datasets were used to proxy the wages of people in forced labour, both migrants and non-migrants. This assumption relies on the idea that people in forced labour receive similar payments, regardless of whether they are in their country of origin or abroad, because the involuntariness and coercive conditions that define forced labour make them equally vulnerable.

A2.3. Data sources

Estimations are based on 189 countries and territories, and conducted at regional and global levels. Several sources of data are used for the estimation.

- Data on forced labour for adults and children are based on the latest forced labour global estimates (ILO, Walk Free, and IOM 2022).
- Data on the average monthly earnings of employees are from the national labour force surveys, harmonized by the ILO and available on ILOSTAT.
- Data on the monthly wages of people in forced labour are estimated from KNOMAD datasets.
- Data on tax revenues in the current local currency unit (LCU) and taxes on income, profits, and capital gains (in LCU) are obtained from the IMF *Government Finance Statistics Yearbook*, 2017–22 and data files.
- Data on GDP (current international dollars, converted by PPP conversion factor) are obtained from the International Comparison Program, World Bank, World Development Indicators database, and Eurostat–OECD PPP Programme. Data on GDP per person employed are based on employment, population, GDP, and PPP data obtained from the ILO, the UNDESA Population Division, Eurostat, the OECD, and the World Bank, respectively.

The analysis employs an average of the indicators for the same period of forced labour data collection, which is 2017–22, except for KNOMAD data that are from 2015 and 2016. When data for a specific country were not available, regional or subregional averages were used instead.

▶ Table A2.2. Data sources and description

Indicator	Description	Source
GDP per person employed	GDP per person employed is gross domestic product (GDP) divided by total employment in the economy. Purchasing power parity (PPP) GDP is GDP converted to 2022 constant international dollars using PPP rates. An international dollar has the same purchasing power over GDP that a US dollar has in the United States.	World Bank, World Development Indicators database. Estimates are based on employment, population, GDP, and PPP data obtained from the ILO, the UNDESA Population Division, Eurostat, OECD, and the World Bank.
Average monthly earnings of employees	The earnings of employees relate to the gross remuneration in cash and in kind paid to employees. They exclude employers' contributions for their employees' social security and pension schemes, and severance and termination pay. Data are harmonized: first converted to hourly and then to US dollars using exchange rates or purchasing power parity (PPP) rates for comparability across countries.	ILOSTAT
Regional average earnings of people in forced labour	The wages of people in forced labour are estimated as the average of the net nominal wages of the current job of migrant workers potentially in forced labour. The monthly wages were obtained from the hourly wages assuming 40 hours of work per week to make them comparable with the wages of free workers. Indeed, workers in forced labour may work longer hours and overtime, which may or may not be paid.	Global Knowledge Partnership on Migration and Development (KNOMAD) Migration and Recruitment Cost Surveys datasets for the years 2015 and 2016
GDP, PPP	This indicator provides values for gross domestic product (GDP) expressed in current international dollars, converted by purchasing power parity (PPP) conversion factor. GDP is the sum of gross value added by all resident producers in the country plus any product taxes and minus any subsidies not included in the value of the products. PPP conversion factor is a spatial price deflator and currency converter that eliminates the effects of the differences in price levels between countries. From April 2020, "GDP: linked series (current LCU)" is used as underlying GDP in local currency unit so that it is in line with time series of PPP conversion factors for GDP, which are extrapolated with linked GDP deflators.	International Comparison Program, World Bank World Development Indicators database; Eurostat–OECD PPP Programme
Tax revenue	Compulsory transfers to the central Government for public purposes. Certain compulsory transfers such as fines, penalties, and most social security contributions are excluded. Refunds and corrections of erroneously collected tax revenue are treated as negative revenue.	IMF *Government Finance Statistics Yearbook* and data files
GDP growth rate	Annual variation in the value of all goods and services produced at global level, expressed in percentage.	IMF data
Population growth rate	Increase in the number of individuals in a population as the percentage change in the population size over a given time frame, such as annually.	UNDESA Population Division, *World Population Prospects 2022*

▶ Annex 3. Composition of regions

Africa			
Algeria	Djibouti	Libya	Sierra Leone
Angola	Egypt	Madagascar	Somalia
Benin	Equatorial Guinea	Malawi	South Africa
Botswana	Eritrea	Mali	South Sudan
Burkina Faso	Eswatini	Mauritania	Sudan
Burundi	Ethiopia	Mauritius	Tanzania, United Republic of
Cameroon	Gabon	Morocco	Togo
Cabo Verde	Gambia	Mozambique	Tunisia
Central African Republic	Ghana	Namibia	Uganda
Chad	Guinea	Niger	Western Sahara
Comoros	Guinea-Bissau	Nigeria	Zambia
Congo	Kenya	Rwanda	Zimbabwe
Congo, Democratic Republic of the	Lesotho	Sao Tome and Principe	
Côte d'Ivoire	Liberia	Senegal	

Americas			
Argentina	Costa Rica	Jamaica	Suriname
Bahamas	Cuba	Mexico	Trinidad and Tobago
Barbados	Dominican Republic	Nicaragua	United States
Belize	Ecuador	Panama	United States Virgin Islands
Bolivia	El Salvador	Paraguay	Uruguay
Brazil	Guatemala	Peru	Venezuela (Bolivarian Republic of)
Canada	Guyana	Puerto Rico	
Chile	Haiti	Saint Lucia	
Colombia	Honduras	Saint Vincent and the Grenadines	

Arab States			
Bahrain	Kuwait	Oman	Syrian Arab Republic
Iraq	Lebanon	Qatar	United Arab Emirates
Jordan	Occupied Palestinian Territory	Saudi Arabia	Yemen

Asia and the Pacific			
Afghanistan	Hong Kong, China	Maldives	Singapore
Australia	India	Mongolia	Solomon Islands
Bangladesh	Indonesia	Myanmar	Sri Lanka
Bhutan	Iran, Islamic Republic of	Nepal	Taiwan, China
Brunei Darussalam	Japan	New Caledonia	Thailand
Cambodia	Korea, Democratic People's Republic of	New Zealand	Timor-Leste
China	Korea, Republic of	Pakistan	Tonga
Fiji	Lao People's Democratic Republic	Papua New Guinea	Vanuatu
French Polynesia	Macau, China	Philippines	Viet Nam
Guam	Malaysia	Samoa	

Europe and Central Asia			
Albania	Estonia	Latvia	Serbia
Armenia	Finland	Lithuania	Slovakia
Austria	France	Luxembourg	Slovenia
Azerbaijan	Georgia	Malta	Spain
Belarus	Germany	Moldova, Republic of	Sweden
Belgium	Greece	Montenegro	Switzerland
Bosnia and Herzegovina	Hungary	Netherlands	Tajikistan
Bulgaria	Iceland	North Macedonia	Turkey
Channel Islands	Ireland	Norway	Turkmenistan
Croatia	Israel	Poland	Ukraine
Cyprus	Italy	Portugal	United Kingdom
Czech Republic	Kazakhstan	Romania	Uzbekistan
Denmark	Kyrgyzstan	Russian Federation	

▶ Annex 4. Advisory groups on the part of investment requirements

The FUNDAMENTALS team has received significant guidance in the research process on the investment requirements to eliminate forced labour through two advisory groups:

- The **Coordinating Committee (CC)** offered strategic advice and feedback on the project and fostered coordination and collaboration among experts on forced labour.
- The **Technical Experts Group (TEG)** provided technical direction on the research method and advised the data collection process.

Organization	Advisory group
Alliance to End Slavery and Trafficking	CC
Anti-Slavery International	CC
Carleton University, Ottawa	TEG
Free the Slaves	CC
Freedom Collaborative	CC
Freedom Fund	CC-TEG
Global Fund to End Modern Slavery (GFEMS)	CC-TEG
Humanity United	CC
International Justice Mission (IJM)	CC
International Labour Organization (ILO)	CC-TEG
International Organisation of Employers (IOE)	CC
International Organization for Migration (IOM)	TEG
International Trade Union Confederation (ITUC)	CC
Liberty Shared	CC
Polaris	CC-TEG
Rights Lab at the University of Nottingham	CC-TEG
Survivor Alliance	CC
UNODC	CC-TEG
United States Department of Labor (USDOL)	CC-TEG
United Way Worldwide (UWW)	CC-TEG
Verité	CC
Walk Free Foundation	CC-TEG

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