

Questions and answers on “The cost of coercion”, the 2009 ILO global report on forced labour

The 2009 ILO global report on forced labour entitled “The cost of coercion” says that victims of forced labour lose an estimated USD 20 billion every year in unpaid earnings. This and other findings provide a powerful economic argument for stepping up global action against forced labour.

ILO Online spoke with Roger Plant, head of the ILO’s Special Action Programme to combat Forced Labour.

ILO Online: What are the main findings of this report?

Roger Plant: We are doing two main things in this report*. First, we are setting out new and emerging issues of contemporary forced labour, including that which results from human trafficking for either labour or sexual exploitation, taking particular account of trends over the past four year period. Second, we are setting out an agenda for coordinated national and international action, emphasising the role that can be played by labour ministries and labour inspectorates, complementing other law enforcement and interventions. We also emphasise what more can be done by employers’ and workers’ organizations and other civil society groups, when the majority of forced labour today is in the private economy.

Since our last global report on forced labour in 2005, we can record many positive achievements. Many countries have adopted new laws, particularly against human trafficking for both labour and sexual exploitation. Many have also adopted national action plans, perhaps establishing inter-ministerial mechanisms for coordinated action against trafficking, and sometimes forced labour. A few have set up and trained special units, to identify forced labour cases and release victims. But there are several gaps and challenges, on which we need to focus attention. First, despite the law making, there is still much uncertainty around the world as to exactly what abusive practices make up the criminal offences of forced labour and human trafficking. There is much loose talk about slavery-like practices and labour exploitation, but more clarity is needed. Governments in both developing and industrialized countries are increasingly coming to the ILO for guidance on these matters. As regards human trafficking, some countries see deliberate coercion as an essential part of the trafficking offence, others place their emphasis on degrading or “inhuman” conditions of work, or a mix of both coercion and very bad conditions.. Second, perhaps because of these uncertainties, there are almost no national estimates of forced labour. In 2005, the ILO gave a global estimate of 12.3 million victims of forced labour, together with regional estimates, insisting that robust national estimates would henceforth be needed. We have since been developing and sharing indicators to help member States conduct such estimates and have embarked on the first pilot exercises. A third concern, again related to the first two, is that there is still very limited law enforcement against forced labour and labour trafficking. This raises the important question. If the criminal law enforcement route has been little used so far, what more can be done, and by whom? The report argues that labour courts and labour justice can also pursue other remedies, complementing criminal law enforcement.

A particular challenge is to safeguard the rights of migrant workers, increasingly young women, who can be at particular risk of forced labour and trafficking. They are most vulnerable when in an irregular situation, meaning that they can be denounced to the authorities and often deported if they do not accept sub-standard conditions and sometimes unpaid labour. But there are growing concerns that migrant workers in a regular situation can end up in forced labour through a modern form of debt bondage. They may be heavily indebted to recruiting agents. If they sign contracts in their country of origin, they may receive different contracts in the destination country, with lower wages and longer working hours.

So a key finding is that, while there are indeed flagrant cases of forced labour throughout the world, involving physical violence and restraint, the more subtle forms of coercion are widespread and require a creative response. This is why we propose an agenda for future global action under the four main themes of: data collection and research, raising global awareness, improving law enforcement and labour justice responses; and strengthening a workers’ and business alliance against forced labour and trafficking.

ILO Online: How many people are in forced labour today?

Roger Plant: In the absence of reliable new regional estimates of forced labour, our estimate is still based on the 2005 Global Report on forced labour, when the ILO estimated that at least 12.3 million people worldwide were in some form of forced labour or bondage. Of these, 8.1 million were exploited by private agents, outside the sex industry. The 2009 report views it as premature to update these figures, which were based on extrapolations from real cases of forced labour reported over a 10-year period. We are now preparing the ground for more reliable country estimates of forced labour, which are necessary but almost non-existent today. Such exercises are urgently needed, to shed light on the national dimensions of modern forced labour.

ILO Online: Why do you talk of the “cost of coercion”? What is being measured here, and how?

Roger Plant: Our main concern is with the human cost of coercion, both to the victims and their families in terms of the untold misery they endure through forced labour, and to society at large. In the midst of a global economic and financial crisis, in which there is a real risk that the poorest and most vulnerable will bear most of the cost, we want to draw public attention to a less publicized but equally serious crisis on labour markets. Similar factors, mainly greed, are allowing different employers and intermediaries to make profits at the expense of the poor. Also as with financial markets, there are a lot of grey areas where they can operate on the margins of the law, and take advantage of gaps in regulation.

We have made a very initial attempt to measure the financial cost to workers, mainly to stimulate interest and encourage more rigorous and systematic attention to this matter in future. Our last Global Report estimated at US\$31.7 billion the total illicit profits produced in one year by trafficked forced labourers, 28 billion of this amount extracted from the victims of trafficking for commercial sexual exploitation**. In other words we estimated that all those involved in the trafficking chain were making some US\$ 4 billion in profits outside the sex industry. Our 2005 figures, though big, may have actually underestimated the profits made from trafficking, or indeed forced labour, in at-risk sectors of the economy. So we began to collect data on average earnings in those activities in which there is known to be a high incidence of forced labour, across all sectors of the economy, collating this with our regional data on forced labour. Based on this data, the new Global Report estimates the financial cost to these workers in terms of unpaid wages, unremunerated overtime and other deductions at some US\$ 20 billion. Thus one finding is that the opportunity cost to workers of being in forced labour rather than a free employment relationship, is five times higher than our earlier estimate of the profits from labour trafficking. We provide these rough figures as a compelling reason why forced labour should be seen as an economic as well as a moral and human rights issue, and why those agencies concerned with poverty reduction should give more attention to forced labour.

ILO Online: What is the linkage between forced labour, as defined by the ILO, and labour exploitation

Roger Plant: These are complex questions, which hardly permit a brief answer. The ILO's definition of forced labour involves coercion, with the two basic elements that the work or service is exacted under the menace of a penalty and is undertaken involuntarily. But there are many ways in which initial freedom of choice can be negated. Many persons enter forced labour situations initially out of their own choice, albeit through fraud and deception, only to discover later that they are not free to withdraw their labour. Research and practical work by the ILO, particularly through its Special Action Programme to Combat Forced Labour, as well as other organizations, point to the difficulties in individual cases in distinguishing between outright coercion and other factors which lead people into situations of severe labour exploitation. It is precisely for this reason that we have been developing operational indicators, covering such aspects as deception, coercion or abuse of vulnerability at different stages of the recruitment and employment cycle.

ILO Online: What is the ILO doing to help track forced labour and human trafficking?

Roger Plant: One example involves a series of indicators developed by the ILO in cooperation with the European Union. These are based on widespread expert knowledge and can be used to track human trafficking for labour and sexual exploitation. The indicators cover issues such as deceptive and coercive recruitment as well as coercion and exploitation in work situations. They are divided into categories of “medium” and “strong” and range from deception about types of work and pay to confiscation of documents, threats of denunciation to the authorities and abduction. But there is a need for much more research and data on the problem of forced labour, which is by nature hard to detect. The report calls for stepped up efforts to gather statistics and learn more about forced labour as part of a Global Action Plan against forced labour.

ILO Online: What role do recruitment systems play in forced labour?

Roger Plant: When effectively regulated and functioning correctly, recruitment agencies can help labour markets run smoothly. Unfortunately, however, there is much evidence of abuses among recruiters – formal and informal enterprises as well as individuals – that can lead to trafficking and/or forced labour. Examples of such abusive recruitment practices are deception about type of work or pay, non-existent or fraudulent labour contracts, or very high recruitment fees, which can be up to 10 times the maximum amount provided for in national laws and regulations.

ILO Online: Has there been progress in the fight against forced labour in recent years?

Roger Plant: There has been progress on many fronts, at both international and national levels, but intensified efforts are now needed in response to the emerging challenges. There has been reinforced national legislation throughout the world, particularly against trafficking, but still rather limited law enforcement. There have been creative joint efforts by governments, business and other stakeholders to identify forced labour and release the victims, or prevent forced labour incidence in product supply chains. There have been important initiatives to pursue criminal prosecutions. In addition, there have been measures to improve recruitment practices between sender and destination countries for migrants.

ILO Online: Despite this, what challenges remain?

Roger Plant: While the good practices should be documented and shared, three key challenges still must be faced. First, governments everywhere must get out of denial mode and support research and surveys to document the incidence of forced labour in their countries. Second, labour ministries should assume a more active role in leading integrated national action against it. Third, the allocation of resources for prosecution of forced labour should be matched by similar resources for prevention, and the protection and integration of victims. And prevention should be understood in its broadest sense, as understanding and addressing those systemic aspects of labour market and migration governance which are at the root of much forced labour in the first place.

* ILO. [The cost of coercion](#), Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, International Labour Conference, Geneva, 2009

** ILO: [A global alliance against forced labour](#), Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, International Labour Conference, Geneva, 2005