

Executive Summary



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Forced labor: Coercion and exploitation in the private economy

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This edited volume presents the results of new empirical research by the ILO into the manifestations of contemporary forced labour in the private economy. It argues that coercion and economic exploitation, which characterize modern forced labour, arise as a result of market failures producing socially unacceptable outcomes, in terms of both equity and efficiency. There are two deficiencies in labour market regulation that are particularly pertinent in understanding why forced labour continues to flourish: first, the existence of unregulated labour recruitment systems that makes it easy to conceal deception and abuses; and second, the continued weakness in wage regulations which leads to impunity in cases of the non-payment of wages.

The work offers a multi-faceted, multi-disciplinary view of modern forced labour, bringing together research carried out by authors from different regional and academic backgrounds. The first part of the book contains case studies from Latin America, South Asia, Africa and Europe, providing in-depth analysis of deceptive recruitment systems, debt bondage and other forms of coercion that result in the economic exploitation of workers. The second part offers fresh perspectives on how legislation, policy action and statistics can be strengthened to combat contemporary forced labour. It provides a detailed analysis of how the struggle to eliminate forced labour can be rendered more effective through a combination of stronger labour inspection and labour market institutions; less ambiguous legal frameworks to criminalize and prosecute human trafficking; a more intensive use of instruments that empower communities vulnerable to forced labour, such as microfinance; and more developed statistical tools to record cases of forced labour and serve as a compass for policy formulation and monitoring progress.

Regional perspectives

The book presents selected cases from the ILO's wide-ranging research programme on forced labour. While by no means representative, these case studies highlight examples of some of the key challenges in the region.

In Africa, forced labour has been identified in a range of economic sectors, as a result of internal or cross-border movement and as a consequence of long-standing discrimination against people of slave descent. It also affects children who are recruited into the military by force or who are sent to work for relatives, as part of a cultural pattern. The book presents the case of Niger where deeply rooted discrimination against people of slave descent continues to keep them in conditions of servitude despite the legal prohibition of such practices. The study is based on qualitative assessments in a selection of Nigerian villages.

The book contains two case studies from Latin America, one focusing specifically on Brazil and another summarizing research from Peru, Bolivia and Paraguay. According to these case studies, the most commonly used way to keep people in forced labour in the region is debt bondage. Under this system, intermediaries recruit agricultural workers through wage advances, and workers agree to pay back these advances with their labour or the produce of their labour. Once at the workplace, however, workers find out that they have been deceived by the intermediaries and discover that the value of their labour is not properly accounted toward the reimbursement of the advance. As in Africa, such exploitative practices are closely related to discrimination, in particular against indigenous peoples.

In terms of numbers, forced labour is most widespread in Asia. It affects migrant workers, who are trafficked within countries or across borders, as well as bonded labourers, for example in India and Pakistan. The case study from Pakistan focuses on traditional systems of wage advances that can lead to bonded labour. The study shows that older forms of coercion and bonded labour are mutating into new ones. Although bonded labour continues to exist in agriculture, often rooted in traditional agrarian systems, the problem has now also been detected in other economic sectors, where intermediaries recruit workers through wage advances that can lead to significant indebtedness and, ultimately, debt bondage.

In industrialized countries, the majority of forced labour victims are caught in vicious trafficking cycles. They are duped by intermediaries, usually in their home countries, and then employed under highly exploitative working arrangements, some of which can be considered as forced labour. One case study summarizes the results of research into human trafficking into ten European countries and offers empirical evidence on the correlation between deceptive recruitment and exploitation as well as widespread practices of wage manipulation used in conjunction with threats and other coercive measures.

Key findings

- Forced labour is widespread in labour-intensive economic sectors with a high labour turnover and seasonal shifts, such as agriculture, construction, mining, textiles and garments and restaurants. It exists in developing

countries with traditional bonded labour systems as well as in industrialized countries which are exposed to contemporary forms of human trafficking. The ILO estimates that at least 12.3 million people work under coercion in the underground and illegal economy.

- According to international law and practice, forced labour is a crime. Crime can be seen as the result of three factors: a suitable target, a motivated offender and the lack of a capable guardian. There is a large supply of poor and marginalized workers who can be tricked into exploitative and coercive employment. Unscrupulous employers are tempted to exploit vulnerable workers because they believe that this increases their profits. Case studies presented in this volume confirm that forced labour occurs in places to which labour inspectorates and other labour market institutions have little access or influence.
- Contemporary forms of forced labour are not new. There are, of course, major differences between traditional slavery and modern forced labour, as well as between the transatlantic slave trade and contemporary human trafficking, but there are also important similarities. The book reviews past and current academic debates around slavery and unfree labour and proposes a conceptual framework that could guide further empirical research.
- In what economists describe as “efficient” labour markets, workers are always paid their “marginal product” (i.e. what they contribute to the employer’s revenue) on a regular basis and without delay. But in practice, some employers take advantage of poorly regulated labour markets to push down labour costs and increase profits through coercion and non-payment of wages. Through these practices, employers can also shift economic risk onto workers: if sales are low, they simply withhold wages. This clearly represents a departure from the idealized picture of the “free market”, whose superior efficiency is based on the assumption that all actors will act in good faith. The reality of forced labour shows that in the absence of strong labour market regulations, this assumption is flawed.
- Two principal mechanisms underpin the forced labour process: abusive recruitment and failures in wage payment systems. An analysis of recruitment mechanisms reveals how workers enter forced labour; the authors present cases of recruitment mechanisms that either lead directly to forced labour or contribute to workers’ increased vulnerability to being subjected to forced labour at the employment stage. Unscrupulous employers can use a whole series of wage manipulations, including wage deductions, debt manipulations and payments in kind, or simply the non-payment of wages. This is a powerful way to force workers to remain in working conditions that they would not have accepted otherwise. Often, wage manipulations go hand in hand with other coercive methods.

- The use of statistical methods to measure forced labour and trafficking is in urgent need of improvement. There are two ways of collecting data: through national data collection systems based on a variety of institutional sources, and through national estimates based on scientific statistical methods. Qualitative and quantitative approaches are complementary. Robust global estimates will only be possible once representative national surveys are implemented; meanwhile, the failure to produce good statistics ultimately does the victims a dramatic disservice.

Moral values demand the abolition of slavery and forced labour, and the book provides concrete policy recommendations in order to bring about change. In particular, it argues for stronger regulations and labour market institutions to target offenders adequately and to empower exploited workers to claim their rights. Ultimately, the book argues that the fight against forced labour is only part of a larger struggle to eliminate exploitative labour practices in today's global economy.

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