

# Migrant, Trafficked and Bonded Workers: Rights Abuse or Human Resource Mis-Management?

Amos Owen Thomas, University of Botswana, Botswana

[Amos.thomas@yahoo.com](mailto:Amos.thomas@yahoo.com)

*The present-day abuses of migrant labour, human trafficking and bonded labour worldwide deserve long-overdue investigation by business academics into their causes and dynamics. Utilising data from NGOs and IGOs, the news media and the limited academic sources in other disciplines, this paper indicates the extent of the phenomenon. The author argues that given its inroads into the global supply chains, exploited labour cannot be ignored by corporations and by governments, much less by consumers and citizens. By their research silence business academics may be culpable in perpetuating this socio-economic injustice in many developing economies, not least in Africa.*

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## INTRODUCTION

Migration in search of work and livelihood is an intrinsic part of the human history. Human trafficking has always existed side-by-side with legitimate international trade in goods and services. Slavery has often been a by-product of political conquests, whether by empires that made our history books or by one tribe versus another in remote parts of continents that did not get adequately documented – as within Central Asia, South America and West Africa. The Atlantic slave trade of the 17<sup>th</sup> to 19<sup>th</sup> centuries was just one leg of a triangular trade in cotton and other legitimate goods desired in Europe. When abolished it was replaced by bonded labour where colonial enterprises helped move large contingents of workers across continents. The current deficit in business research would seem to imply that such illicit trades no longer exist or are relatively insignificant today, given the extant laws against them worldwide, but there is mounting evidence that the situation is patently otherwise. Thus these are not just ethical issues for sociologists, political scientists, geographers, and lawyers alone to concern themselves with, but management and business academics as well.

## TRADING IN PEOPLE

### Human trafficking

The US State Department (2007) claims rather conservatively that around 800,000 persons are trafficked across borders annually, though untold millions more are being trafficked within larger countries or remote regions with ill-defined and unmonitored borders. However the International Organisation for Migration (IOM, 2005) puts the number trafficked across borders at 4 million and the total revenues of this trade at US\$7 billion. The ILO instead estimates human trafficking to be a business worth at least US\$32 billion which approximates 3.2 percent of the global trade in fuels or 5.1 percent of the global trade in travel services (World Trade Organisation, 2005). Quite evidently there is much diversity of definition, validity of research methodology, even political agenda in compiling the statistics (Table 1), not to mention difficult of access to this highly sensitive dark trade. A number of Asian, African, Latin American and Eastern European countries are established sources or transit points for women and children trafficked into prostitution within their region or beyond, as well as destination countries for sex tourists from the developed world. An oft-neglected area and one that is even harder to keep track of is the trafficking of people within larger countries such as in Asia and Latin America invariably from poorer, rural areas to wealthier, urban ones. Unless the under-girding push-factors of poverty, unemployment and possibly famine their home countries and equally the pull-factors of jobs, income and better living standards in their destination countries are addressed, bilateral agreements between these

countries and stricter laws within each country will be quite ineffective, even futile, at stemming the global businesses of human trafficking, people smuggling and forced labour.

Table 1: Estimates of human trafficking by regions

<i>Regions</i>	<i>Numbers Trafficked</i>
Asia-Pacific	9,490,000
Latin America/Caribbean	1,320,000
Sub-Saharan Africa	660,000
Mid-East & North Africa	260,000
Industrialised Countries	360,000
Transition Countries	210,000

Source: Quirk (2008)

### People smuggling

Strictly, human trafficking is to be differentiated from people smuggling because victims of the former are duped into relocating and end up in forced or bonded labour, often in the sex industry. In the latter case of people-smuggling the victims are often voluntary economic migrants or political refugees who pay their own way, but who might nonetheless end up in exploitative employment at their destination. However the two are intertwined, if only because the 'businesses' involved in both are often one and the same. In a rare empirical study, Zhang and Gaylord (1996) uncovered that in the Chinese context, human trafficking is done less by organised crime than by small family businesses often in legitimate travel and export-import trades, who see trafficking as a lucrative side-line done on an ad hoc basis. On the other end of the scale, Myers (1995) alleges close links between the Taiwanese government and business groups involved in smuggling, including of people, via developing countries in Latin America to the developed world. Smuggled women and children are utilised especially in sex-work for the tourism industry and as low-wage workers in sweat-shops for producing goods of every description. People smuggling is particularly invisible to researchers, policy-makers and enforcers alike when the people are trafficked into domestic work, cottage industry, migratory farm labour, isolated small businesses or even illicit trades, and thus the victims are particularly vulnerable.

### Bonded labour

If it is defined as simply chattel, the incidence of slavery might be considered limited. But if slavery is seen as an intrinsic part of complex social system of forced labour, the statistics are compelling, however crudely estimated. The International Labour Organisation (2005) estimates that there are 12.3 million global victims of forced labour mid-decade in the 2000s, and of these 2.5 million were trafficked or moved against their will. A non-government organisation, Free the Slaves (2007), has placed the number of slaves globally much higher at 27 million and virtually unchanged over the last decade, with between 15-20 million of these being in debt bondage on the India subcontinent alone. Debt bondage or bonded labour, is where a person offers his or her services or that of a family member under his control as security or repayment for a loan. It might also count as slavery particularly where the services are not valued fairly, there is no time limit and/or the debtor is placed in a perpetually servile position. In one sense, press-ganging of teenagers and children into armed forces or rebel groups should count as slave labour and, if they moved within countries if not across borders, also as trafficked humans. Many migratory workers have ended up as forced labour in domestic work, child-minding, drug couriership, armed robbery, street hawking, begging, mining, even organ harvesting (Nwogu, 2008). Thus bonded labour is very closely allied to human trafficking and people smuggling, even if by definition and law, they are treated quite separately.

## **DUBIOUS AFRICA-EUROPE CONNECTIONS**

By and large the management / academic community, like many in our wider societies, are ignorant of the extent of the trade in people, believing it to be relatively obscure and existing in a peripheral world that does not intersect with our lives as law-abiding citizens participating in the legitimate world economy. However the evidence uncovered painstakingly by inter-government and non-government organisation is patently otherwise and cannot be ignored much longer - as just a couple of examples from Africa would demonstrate:

### Cocoa Industry

The cocoa industry in countries like Cote d'Ivoire, Liberia, Cameroon, and Sao Tome and Principe has a long history of utilising trafficked and forced labour dating back to the 19th century. It was accepted practice by local landowners and ignored by European colonists till the 1950s, despite boycotts dating from four decades earlier by some chocolate manufacturers abroad. Serious decline in prices for cocoa on the world markets and the speculative nature of globalised, liberalised commodity markets could be linked to farmers resorting to exploitative labour practices. The products in which cocoa is used are far-reaching in our culinary heritage such as in confectionaries and beverages. Yet boycotting chocolates, as was done in 2000 in Europe when news broke of exploitative practices in cocoa farming, is counterproductive to eradication of trafficking and slavery for it only diverts workers into other sources of the same (Ould *et al*, 2004: 5-18).

Addressing the place of forced labour in the industry requires an understanding of the different systems of growing, processing and trading cocoa within the countries as well as internationally, which is well documented. While there have been successful initiatives with cooperatives of farmers to negotiate better prices and improve production and marketing, their impact is limited on the majority of growers who are sharecroppers. The pressure to reduce prices then results in family and thus child labour for a start and when this is insufficient to trafficked and exploited labour. Not all the exploited labour results from trafficking but is due to a complex patten of economic migration driven by the relative wealth or poverty of countries in West Africa. However lack of education and knowledge of the world outside their villagers makes even the initial economic migrant vulnerable to trafficking and long-term enslavement (Ould *et al*, 2004: 48-52).

### Sex Industry

In the late 1990s it was discovered that only 12 out of 25 European countries could produce data on the trafficking of women and only 7 could do so for that of children. Despite some 120,000 women and children being trafficked into Western Europe per year, there were less than 100 convictions recorded in a single year. Though few countries are able to provide data across years, according to Germany and Netherlands sources on trafficking into the sex trade confirms year on year increases even if in the single-digit percentages. However the growth rate into and within Central and Eastern Europe, the prime source of women trafficked also into the rest of Europe, registers extraordinary grown rates of between 44 to 78 percent over the 1990s (Laczko & Gramegna, 2003). A number of Eastern European countries such as Bosnia-Herzegovina, Turkey, Moldova and Croatia act at gateways for trafficking and smuggling people from Asia and Africa into the European Union (Väyrynen, 2003).

A sizeable number of women trafficked or smuggled into sex work in Europe are from outside Europe, namely the developing regions of Africa, Asia and Latin America and notably their poorer countries, constituting a major international business (Table 2). By the largest group from Sub-Saharan Africa comes from Nigeria where trafficking and smuggling is closely linked with migrant communities already established in Europe as well as traditional authorities such as religious leaders who mediate the binding financial pact between the trafficked and the traffickers (Carling, 2005). In the UK, a church-based initiative estimated to be 54,000 women trafficked into prostitution, the majority from Eastern Europe, Baltic states, the Balkans, China, Malaysia and Thailand, 60 percent of them entering the country

illegally. This is far in excess of the figure of 4,000 that the government publishes and its efforts seem focussed on finding and deporting illegal immigrants rather than prosecution of the traffickers, criminalisation of punters, or care of the victims (Gupta, 2007: 247-252). While sexual labour forced on trafficked or smuggled women is the most offensive, it is by no means the only form of exploitation in the European Union which includes sweatshop, contract cleaning, domestic work and care-giving under wages, conditions and terms that no liberal society would condone.

Table 2: Origin of trafficked women in European countries

<i>Region</i>	<i>Percentage</i>
Africa	28.0%
Balkans	20.8%
Central Europe	5.8%
Baltics and CIS	19.7%
Other/ Unknown	25.1%

Source: Laczko *et al* (2002)

By no means are each type of inhumane mis-management of human resources confined only to the countries and regions highlighted for the phenomenon is quite global in extent. Needless to say there is bonded labour in Latin America and Asia, sexual exploitation outside of Europe, child labour in Africa and Asia as well, prison or forced labour beyond Asia, and so on. It might be argued that such cases have been extensively researched and published previously, but this fact does not detract from the point of this paper but actually reinforces a central tenet of this paper - that such information is still considered solely the domain of government, inter-government and non-government organisations, and has little to do with businesses and consumers that benefit from labour thus procured.

#### **EXPLORING CAUSES AND CATALYSTS**

In much the same way as business academia has been found wanting in not fore-warning about the consequences of unregulated financial markets, let alone pre-empting the collapse of large firms, we might be seen irrelevant to yet another critical socio-ethical issue in the global economy. Furthermore, business academia holds not just to analysing people trafficking, but also a major key to bringing about economic development and poverty alleviation in the areas from which this and other dark trades originate.

*Downside of protectionism:* Lack of export access to developed countries of their legitimate agriculture or horticultural products due to high tariffs barriers and farming subsidies such as the US and EU is often a cause of unemployment and underemployment in developing countries in Africa, Latin America and Asia. Furthermore low and declining commodity prices set largely by institutional buyers in the developed world threatens the livelihoods of millions in the developing world. This often leaves the citizens of the latter countries little recourse but to grow other crops such as coca and poppy plants which can be converted into illicit drugs to be smuggled for lucrative sale into the former countries. Alternatively, the farmers are driven to abandon their own fields and be smuggled into developed countries with state-subsidised farms which may lack the labour to plant, tend and harvest them. Subsidies, protectionism and commodity price-fixing have social and economic costs that the citizens of countries that enact them might well be against, if these are made known in full.

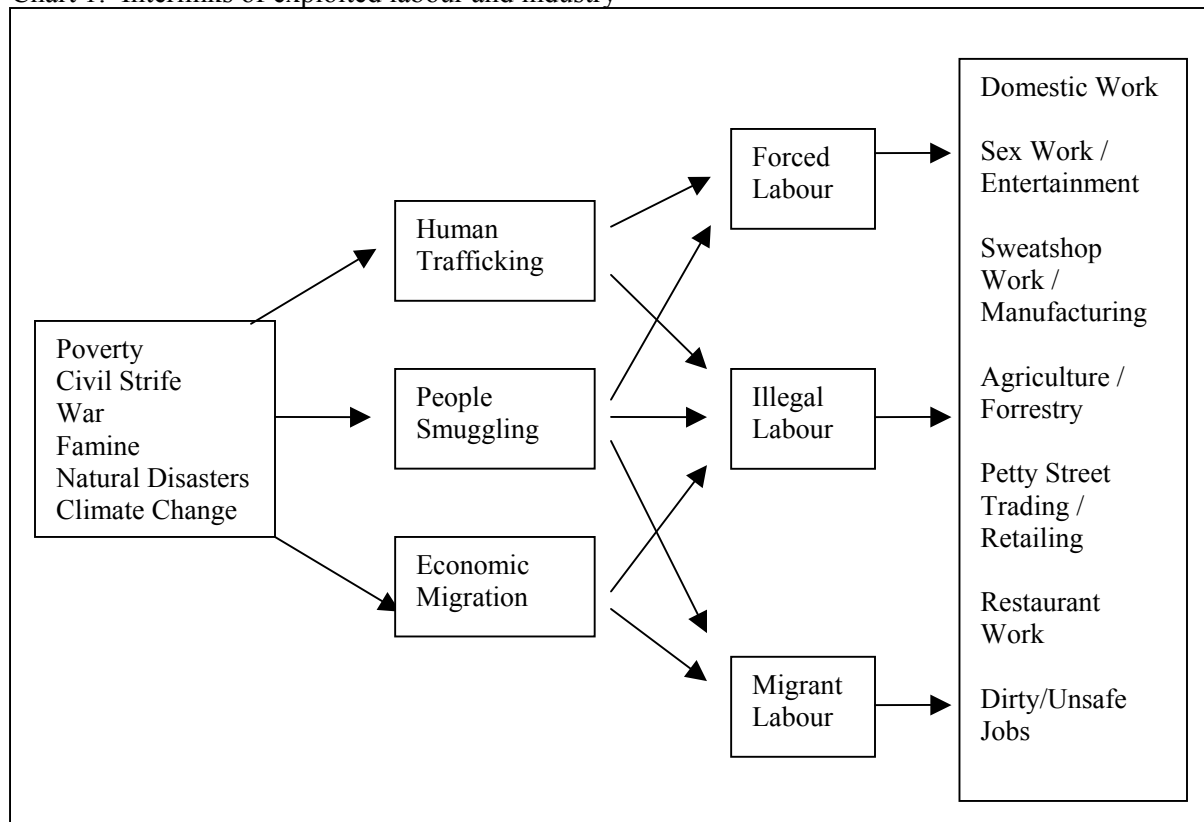
*Civil war and quasi-governments:* The onset of violent conflict is usually the culmination of an extended political struggle in which the economic rights of one or more that society's constituent groups have been denied full fruition. The resultant state of war and often rival claimants to civil authority is a prescription for / provides the necessary ingredients for an illegitimate economy. The arms industry is also culpable for their role in fuelling such wars, as are some of their sponsoring governments who might have further

political or economic agenda for fostering proxy wars. Certainly the social dislocation is a trigger for human trafficking or smuggling both within and across borders, if not also forced or bonded labour. Trafficked people are also not always able to seek protection in the countries to which they are transported since often on being rescued they are repatriated to their countries of origin. Once back home they could be subject to retribution from all parties complicit in their trafficking, including corrupt police and other government departments back home (Miko, 2007).

*Complicity of officialdom:* Most transnational threats from the black or grey economy come from individuals and groups, not nation states unless that latter are thoroughly corrupted by the former (Thachuk, 2007). In many countries where government officials are underpaid and law enforcement weak, whole sections are actively involved in dark trades. These include blood diamond mining in West Africa, hardwood timber harvesting in Southeast Asia, trafficking of women in Eastern Europe and drug smuggling in Latin America. The problem is particularly glaring when the state is ineffectual over the whole country as in Afghanistan or is virtually non-existent as in Somalia or control over the country divided among warring factions as in Moldova. There have even been allegations that peace-keeping forces even under UN auspices have been involved in human trafficking, including for sex work.

People trafficking and the related areas of human smuggling and bonded labour feed into the labour supply of many legitimate businesses in the global economy from which we benefit goods and services (Chart 1), perhaps more commonly than we believe. Supply chains involving trafficked people or forced labour, together with other dark trades such as minerals from war-zones, dumping toxic wastes from manufacturing process or discarded products, pollutants left in the country of production often result in products and services for which there is strong market demand in both developed and developing countries.

Chart 1: Interlinks of exploited labour and industry



### **IMPLICATIONS FOR POLICY AND ACTIVISM**

The inability to arrive at definitive solutions just yet is no barrier to raising questions and generating possible alternatives. As Naim (2005) argues, examining the innovations of the dark traders ought to serve the all stakeholders in the legitimate economy retaliate with similar creativity to addressing the problem. Thus this call for business research into the dark side of international trade ought not to result in the creation of just another arena for academic publishing. Instead, its findings ought to equip citizens, consumers, workers, union officials, government policy-makers and administrators, business executives and civil society groups to work better at addressing the very real human fallout.

*Public education:* There needs also to be public education in the home countries of these women and children to warn them and their families both of unscrupulous labour agents as well as sympathetic social reintegration of repatriated abused women. Ultimately it is universal education and its eventual effect on employment opportunities that is antidote to human trafficking and exploitative migrant labour. It is noteworthy that the countries more successful at economically development, e.g. the Asian tiger economies, are those whose citizens are least vulnerable to being thus exploited. Though unfortunately their economic success have been 'bright lights' to which the less fortunate of their respective regions are drawn. Public education ought also to be directed to the down-sides of other forms of illegal migrant labour. The use of certification in the garment, precious stone and furniture markets have gone some way towards creating awareness of exploited labour. Yet consumers are still ignorant that the products and services they use may have the taint of illicit businesses and dark trades.

*Fairer trade dividend:* The poorest of the poor, the bottom strata of peoples in least developed countries (LDCs), are by far the most vulnerable to exploitation. While their exploiters might be driven by financial greed, the victims are driven by sheer economic desperation with many consumers the unwitting beneficiaries. All efforts at stemming the tide of dark trades via public policy and market-mechanisms in the host countries are doomed to failure if the socio-economic conditions of the home countries of these potential economic migrants due to war, civil strife, natural disasters, political corruption, climate change and trade barriers are ignored. What might seem like harmless if hypocritical protection of local industry in the developed world via tariffs and non-tariff barriers, can have dire consequences in the developing world. But is never acknowledged is that social injustice and economic violence can and does come back to haunt the developed world, as via the problems of human trafficking, drug smuggling and terrorism. Developed countries might find it more cost-effective easing some of their barriers to agricultural produce and other products, rather than spending on 'border control' and other social problems of illegal migrants, legal or otherwise, or even on generic aid to the home countries of economic migrants. Much publicity attended the launch of the UN's Millennium Development Goals, but the momentum seems to have lapsed. The global economic crisis places at risk commitments made by developed countries even as the prospects for developing countries worsen.

*Paucity of data:* A major handicap in the effort against human trafficking is the lack of reliable statistics and systematic data collection, largely due to the lack of clear definition of the phenomenon, lack of resources and capacity to collect data, and the diverse agencies in each country involved in various aspects of it. The call by Salt and Stein (1997) to treat human trafficking as a form of business migration with both illegal and legal modes, demonstrably having profit-loss accounting, information-gathering, agents, recruitment, operations management, integration into host societies and so on, seems to have gone generally unheeded by other academics in the decade since. Pointing out that control measures and legal-punitive approaches do not suffice to control the trafficking especially of women, Impe (2000) called for a multi-disciplinary approach which addresses both the push and pull factors such as of the past four waves of labour migration and trafficking from the Philippines, Latin America, Africa and Eastern Europe. Academic researchers across many social science disciplines are in a particularly well-positioned to contribute to analysing the causes and consequences of trafficking and to proposing approaches to

resolving the social problem, but those in economics and management have been relatively inattentive thus far.

#### **CONCLUDING COMMENT**

Denial of the existence today of slavery, human trafficking and people smuggling, and that even legitimate businesses might be complicit in the trade via their extended supply chains, is little different from the approach of those who opposed abolition of slavery over the past few centuries in various parts of the world. When there has been much preoccupation in the management discipline about job satisfaction, work stress, fair remuneration, occupational health and safety, and employee rights, there certainly needs to be at least some attention directed at working with the hidden underclass of trafficked and exploited labour for whom such concerns are totally absent. Ought not the members of institutions of higher education be at the forefront of educating our societies, its politicians, officials, managers, consumers, citizens and students about and galvanising them to act against a present-day manifestation of this inhuman scourge which our popular history would otherwise suggest was abolished centuries ago?

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