



CHAPTER II
SOCIO-ECONOMIC FACTORS AND RISKS
OF COVID-19 RECESSION

CHAPTER 2

THE IMPACT OF SOCIO-ECONOMIC FACTORS ON VICTIMS' EXPERIENCES AND THE RISKS OF THE COVID-19 RECESSION

Article 9, paragraph 4 of the United Nations Trafficking in Persons Protocol asserts “*States Parties shall take or strengthen measures, including through bilateral or multilateral cooperation, to alleviate the factors that make persons, especially women and children, vulnerable to trafficking, such as poverty, underdevelopment and lack of equal opportunity.*”

In 2020, the COVID-19 pandemic led to a significant global economic downturn. Current projections indicate that the COVID-19 Pandemic Recession (hereinafter “Pandemic Recession”) will involve a 6.2 per cent decline in global per capita Gross Domestic Product (GDP per capita), making it the most severe recession since the end of World War II.¹⁰² While both advanced economies and developing countries are experiencing a recession, experts warn that there is a risk that the Pandemic Recession may increase inequality both at global levels and within countries.¹⁰³

This chapter explores the micro and macro-economic factors that affect susceptibility to recruitment in trafficking in persons and a victim’s exposure to certain exploitative and coercive practices.

While contributing to the wider understanding of the role that socio-economic factors play in the context of trafficking in persons, this chapter specifically focuses on the pre-existing factors that may increase susceptibility to trafficking at both individual and national levels, and shape both recruitment and exploitative practices. This shall not be considered an exhaustive account of the role that economic determinants play in the context of trafficking in persons, which is the subject of study of a much larger research area.

This chapter draws upon primary data collected by UNODC, as well as available scientific literature to shed light on how economic factors may influence both individual dynamics related to socio-economic deprivation and macro-economic trends at the national level. A qualitative analysis of the GLOTIP collection of court case

The concept of vulnerability has been widely used in the conceptualization and further interpretation of the crime of trafficking in persons in legislative and normative instruments. In this framework, “vulnerability” is used to refer both to the pre-existing individual and structural factors that may increase the susceptibility of an individual or group to trafficking in persons (further referred to as “susceptibility” to trafficking) and to those elements that may be generated by the trafficker in order to maximize control over the victim in the context in which the exploitation takes place (such as isolation, dependency and irregular legal status). According to the United Nations Trafficking in Persons Protocol, “abuse of a position of vulnerability” qualifies as the combination of means through which persons can be subjected to a range of particular actions such as recruitment, transportation and harbouring, for purposes of exploitation.

Source: UNODC (2013), Abuse of a position of vulnerability and other “means” within the definition of trafficking in persons, Issue Paper.

summaries was conducted in order to identify common patterns in the profiles of victims and the dynamics of the exploitation when aspects related to socio-economic deprivation were reported.

A micro level analysis of the economic determinants of trafficking in persons

As highlighted in the previous chapter of this report, victims of trafficking in persons consist of a wide range of different profiles. Women, men, boys and girls of different nationalities and backgrounds are reported among detected victims of trafficking every year. Existing literature considers elements related to economic need,¹⁰⁴ such

¹⁰⁴ The notion of economic need as conceptualized in the literature encompasses situations of poverty, to include the range of physiological, personal, and socioeconomic requirements necessary for individual life. As such, the term emphasizes a person’s individual situation, including people who may not fall within the cohort of persons in extreme poverty, but are faced with high barriers to accessing basic services and human rights protection. See Christopher, Karen (2005), *The Poverty Line Forty Years Later: Alternative Poverty Measures and Women’s Lives*, Race Gender and Class, 12 (2), 34 – 52.

¹⁰² World Bank (2020). *Global Economic Prospects*, June 2020. The World Bank. <https://doi.org/10.1596/978-1-4648-1553-9>

¹⁰³ IMF Blog (2020), *How Pandemics Leave the Poor Even Farther Behind*, 11 May 2020.

as poverty, unemployment, and lower income levels, as highly relevant to explain the social dynamics that govern trafficking in persons. Recent studies have identified economic determinants as among the most relevant risk factors affecting victims' susceptibility to trafficking in persons.¹⁰⁵

This section presents the findings of the qualitative analysis conducted on the GLOTIP collection of court case summaries regarding socio-economic determinants of trafficking in persons. Findings were triangulated with existing scientific literature.

Economic needs at the recruitment stage

The analysis of 233 trafficking in persons court cases which present information on the vulnerability of the victims before recruitment shows that the majority of the victims were reportedly in a condition of economic need, characterized by an inability to meet basic needs, such as food, shelter or healthcare.

In these cases, victims were reportedly recruited at a moment when they were experiencing either persist or deteriorating economic needs. At the same time, traffickers made use of deception that could appear as solutions to alleviate the condition of economic need. Jobs offered by the traffickers, for example, included elements of greater financial stability or better social status. In a few cases, victims were also deceived about the working and living conditions (mostly concerning salary, working hours and type of accommodation), or, more generally, the quality of life to be expected in countries of destination.

The vulnerability that traffickers exploit relates to the higher level of risk that persons in economic need are ready to take. Research in the European Union (EU) has shown that individuals in economic need may be more likely to take risks compared to less disadvantaged population groups, as the marginal gain potentially derived from the prospective job opportunity significantly out-

weighs the cost of inaction.¹⁰⁶ In the case of a young man, for example, who was trafficked from West Africa to Europe for the purpose of exploitation in forced criminal activity, the victim was approached after the occurrence of a series of events that had progressively eroded both the household's financial resources and his access to support networks, such as extended family members. The victim faced significant challenges in accessing economic opportunities, having lost the support of family members who had passed away and was now responsible for providing for several individuals in his household. Faced with these immediate challenges, the victim was approached by a well-known individual in his community who offered him the prospect of attractive job opportunities in Europe, along with a loan covering the initial expenses. The victim quickly accepted the offer, driven by hope for a better future and a perceived lack of alternatives.¹⁰⁷

Furthermore, an analysis of the reported vulnerabilities shows that other factors, outside of economic conditions, also characterized the situation of the victim before recruitment took place. Often, victims in economic need are also affected by other conditions perceived as disadvantageous within their social context, and therefore, may face additional challenges.¹⁰⁸ These include having a dysfunctional family presently or in the past, and mental, behavioural or neurological (MBN) disorders, among others.¹⁰⁹ In the 489 cases analysed, these were the other most commonly reported types of disadvantages, often associated with economic need.

Very limited differences emerge by comparing disadvantages affecting female and male victims. Economic need appears the main cause of vulnerability in 52 per cent of the cases reporting female victims and in 50 per cent of those reporting male victims. Being emotionally attached

105 Among others: David, F.; Bryant, K.; Larsen, J.J. (2019) *Migrants and their vulnerability to human trafficking, modern slavery and forced labour*, International Organization for Migration; European Union Agency for Fundamental Rights (2019) *Protecting migrant workers from exploitation in the EU: workers' perspectives*; FRA, Vienna, 2019; Cho, S. Y. (2015), *Modeling for determinants of human trafficking – An empirical analysis*. *Social Inclusion*, 3 (Special Issue, "Perspectives on Human Trafficking and Modern Forms of Slavery"), 2-21; Kara, *Modern Slavery: A Global Perspective*, (2017); Perry McEwing, *How Do Social Determinants Affect Human Trafficking in Southeast Asia, and What Can We Do About It? A Systematic Review*, *Health and Human Rights*, 15 2, (2013).

106 European Union Agency for Fundamental Rights *Protecting migrant workers from exploitation in the EU: workers' perspectives*; FRA, Vienna, 2019.

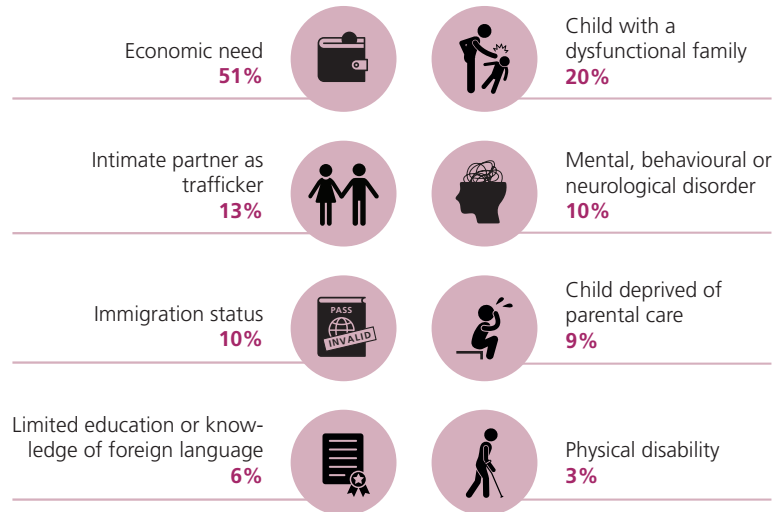
107 UNODC Data, UN Observatory on Smuggling of Migrants, Interview IT-M-03.

108 Ramona Vijayarasa (2015), *Sex, Slavery and the Trafficked Woman: Myths and Misconceptions About Trafficking and Its Victims*, Farnham, Surrey, England; Burlington, VT: Ashgate, 2015.

109 The International Classification (ICD-11) of the World Health Organization defines *Mental, behavioural and neurodevelopmental disorders* as syndromes characterised by clinically significant disturbance in an individual's cognition, emotional regulation, or behaviour that reflects a dysfunction in the psychological, biological, or developmental processes that underlie mental and behavioural functioning. These disturbances are usually associated with distress or impairment in personal, family, social, educational, occupational, or other important areas of functioning. See <https://www.who.int/classifications/icd/en/>

FIG. 43 Percentage of cases by pre-existing factors that traffickers have taken advantage of, as reported in the GLOTIP court cases*

Some cases reported more than one factor



Source: GLOTIP collection of court case summaries.

*The vulnerability condition of the victim before being trafficked was reported in 233 court cases of a total of 489 cases collected by UNODC for the purpose of this Report.

to the traffickers and having a dysfunctional family is more frequently reported in cases of female victims. Being in an interpersonal relationship with a trafficker is reported in 20 per cent of cases reporting trafficking of women or girls, while no cases of male victims reported them as having attachment. Dysfunctional family is reported in 20 per cent of cases affecting female victims, and in 10 per cent of the cases of male victims. Yet, physical disability and lack of parental care seem to affect more male victims.

In all analyzed court cases concerning victims in economic need, abuse of a position of vulnerability was the most reported means used by the perpetrators to recruit the victims. In these cases, we can assume that the intersection of economic need and structural disadvantages results in a situation of vulnerabilities that often does not require traffickers to adopt a deceptive strategy. As typical examples of structural disadvantages include being migrant workers, women and children. The gender dimension is especially relevant when assessing how economic need and structural disadvantages may affect individuals' vulnerability to trafficking. Individuals in economic need who are members of disadvantaged groups are often faced with a reduced range of opportunities and hence, may have a higher level of acceptance of exploitative practices that constitute trafficking when compared to other groups. In these cases, field research illustrates that trafficking experiences can begin as a rational choice,

with no element of deception.¹¹⁰ Research on migrants in an irregular situation, for example, has shown that victims may accept working conditions that they perceive as exploitative – and would mostly likely be qualified as such under international law – or even actively search for them, when they perceive that there are no other alternatives for them to fulfil their economic needs.¹¹¹

The presence of multiple layers of structural disadvantages may aggravate a situation of economic need, increasing a person's vulnerability to trafficking, even when poverty is not extreme. In these cases, a much higher level of economic security is needed to reduce susceptibility to trafficking. Findings from a recent study on migrant workers in the EU provide an example of how migrants with a regular status – who technically, could access regular labour opportunities with legal protection – still tend to prefer more lucrative job offers that present a higher risk of being put into an exploitative-like situation.¹¹² As structural disadvantages have a multiplier effect on socioeconomic vulnerability, far greater levels of economic

110 Ramona Vijayarasa (2015), *Sex, Slavery and the Trafficked Woman: Myths and Misconceptions About Trafficking and Its Victims*, Farnham, Surrey, England; Burlington, VT: Ashgate, 2015.

111 European Union Agency for Fundamental Rights (2019) *Protecting migrant workers from exploitation in the EU: workers' perspectives*; FRA, Vienna, 2019.

112 *Ibid.*

security may be needed to fulfill the person's economic needs. The same dynamics may be at play with other groups affected by structural disadvantages, such as children or minority groups. Job opportunities that are just above the poverty line may not be enough if combined with the challenges posed by structural disadvantages.

Structural disadvantages are defined as individual, family or socio-economic circumstances that are systematically devalued within a society or community and place individuals in a disadvantaged position when compared to the society at large. Typical examples of structural disadvantages are being “migrant workers, women, and children.” While none of these characteristics represent a disadvantage per se, the process of social devaluation and stigmatization of these groups, often coupled with a restricted structure of opportunities for their members, systematically translates in a disadvantaged position within their society or community.

Source: Ramona Vijayarasa, *Sex, Slavery and the Trafficked Woman: Myths and Misconceptions About Trafficking and Its Victims*, (Farnham, Surrey, England; Burlington, VT: Ashgate, 2015).

The role of economic needs during the exploitation phase

While some individual characteristics may be more frequently associated with certain forms of trafficking, there is no typical form of exploitation in trafficking to which victims in economic need seem to be more vulnerable. Economic factors do not appear to correlate to a defined set of exploitative practices. Available evidence suggests that victims in economic need may be subject to all the forms of exploitation.

When examining the court cases concerning victims in economic need recruited for trafficking for the purpose of sexual exploitation,¹¹³ children account for a significant proportion of victims.¹¹⁴ A recent study identified that a situation of material deprivation is among the key

113 The GLOTIP collection of court case summaries includes 153 cases of victims of sexual exploitation who were in economic need, out of 331 victims of trafficking for sexual exploitation; A total number of 205 cases concerned victims in a condition of economic need before being trafficked.

114 The GLOTIP collection of court case summaries includes 518 child victims on a total 1,496 victims who were in a condition of economic need before being trafficked for sexual exploitation.

drivers of susceptibility to trafficking for the larger majority of detected child trafficking cases in Europe.¹¹⁵

Therefore, it can be suggested economic need is a widespread condition characterizing child trafficking worldwide (see *Chapter 3 – Children; easy to target*).

Coercion by economic means; financial control and debt bondage

Beyond the recruitment phase, victims in economic need may be exposed to specific types of coercive practices when subject to exploitation. Being in economic need may severely hinder the capacity of the victim to leave the exploitative situation. In the case of victims trafficked for forced labour, it has been noted that being in economic need increases the victim's dependence on the employer, hence exacerbating “the imbalance of power and allowing employers to take advantage of the workers.”¹¹⁶

Financial control is one of the main strategies actively used by traffickers to keep victims in exploitative work situations. Traffickers may resort to a number of mechanisms aimed at prolonging the situation of dependence of the victim and reducing their capacity to access any support mechanisms potentially available. Examples of financial control used in situations of trafficking for forced labour identified in the EU, are the delay of the payment of wages, or the promise of higher payments in the near future (two- or four-weeks' time). Perpetrators thereby maintain control over their victims and manage to continue their exploitation without resorting to physical means of coercion.¹¹⁷

Another coercive practice widely reported in court cases concerning victims in economic need is debt bondage. Victims are often told in advance that they must repay travel and living expenses that the trafficker has incurred. Often, the debt increases over time - according to the traffickers - because of interest rates, medication or purported costs for other necessities. In some cases, the practice of levying fines if daily work targets are not met has also been reported.

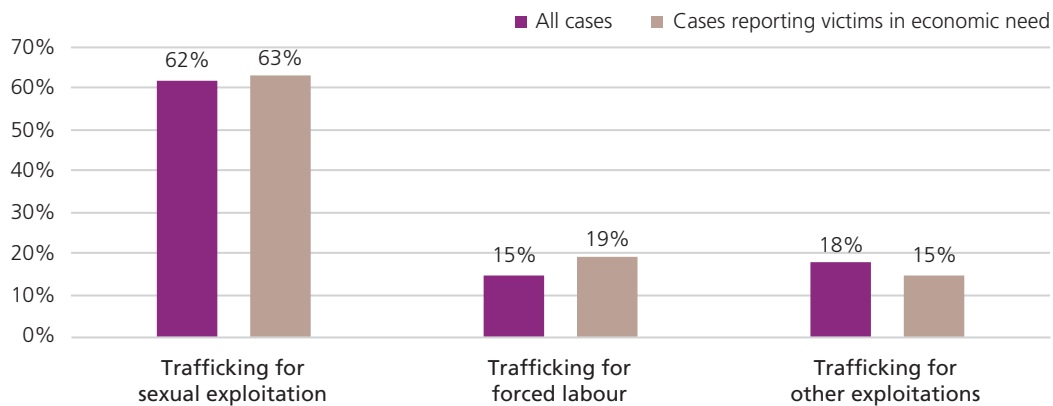
In the case of victims of sexual exploitation, it has been shown that debt bondage has acted as an effective means

115 Cancedda, A., De Micheli, B., Dimitrova, D., Slot, B., *European Commission, Directorate-General for Home Affairs, ECORYS, Fondazione Giacomo Brodolini, 2015. Study on high-risk groups for trafficking in human beings final report*. Publications Office, Luxembourg.

116 European Union Agency for Fundamental Rights (2019) *Protecting migrant workers from exploitation in the EU: workers' perspectives*; FRA, Vienna, 2019.

117 *Ibid*.

FIG. 44 Distribution of the forms of exploitation reported in court cases concerning victims in economic need, compared to those reported across all GLOTIP court cases



Source: GLOTIP collection of court case summaries.

of coercion,¹¹⁸ hampering the victims' capacity to seek help while increasing their profitability.¹¹⁹ In these cases, traffickers create a system of penalties and rewards, which lead to the progressive increase of the debt held by the victims. For example, traffickers may call the victims at different times of the day and night, overloading their schedule and adding penalties in any cases of no-show. This practice increases the severity of the exploitation, as the victim is forced to work more in order to bear these additional expenses. These debts act as a mean of psychological control over the victims, reducing their willingness to take risks and attempt to escape or leave the exploitative situation without a safe alternative for income generation. In these situations, victims are often set up so that their debts become impossible to repay, and their economic condition dramatically deteriorates over time.

Macro economic determinants of trafficking in persons

The analysis presented in the previous section indicates that people in economic need may be more exposed to trafficking in persons, both at the recruitment and exploitation phases and may be subject to specific coercive mechanisms. Neoclassical economic theory suggests that a deterioration in a country's economic outlook may re-

sult in an increased outflow of migrant workers.¹²⁰ As trafficking in persons flows overlap labour migration flows,¹²¹ the deterioration in a country's economic outlook may equally result in an increased outflow of victims of trafficking.

When looking at the macro level, recent research shows that a reduction in the Gross Domestic Product (GDP), an increase in the share of the population below the poverty line, or an increase in the unemployment rate may increase the cohort of people in economic need.¹²²

Rising unemployment rates lead to a higher risk of trafficking

When trying to predict how changes in a country's unemployment rate may affect trafficking, experts have looked to the Global Financial Crisis of 2007-2010 as a reference. During the Global Financial Crisis of 2007-2010 (hereinafter the "Financial Crisis"), trafficking victims from some countries particularly affected by prolonged high unemployment rates were increasingly detected in certain destination countries. Between 2007 and 2009, many economies around the world were seriously affected by the Financial Crisis and ensuing slump in economic activity. It is estimated that more than 60 countries went into recession. The global downturn first touched the major world economies in 2007, and severely im-

118 Article 1(a) of the United Nations' 1956 Supplementary Convention on the Abolition of Slavery defines debt bondage as "the status or condition arising from a pledge by a debtor of his personal services or of those of a person under his control as security for a debt, if the value of those services as reasonably assessed is not applied towards the liquidation of the debt or the length and nature of those services are not respectively limited and defined".

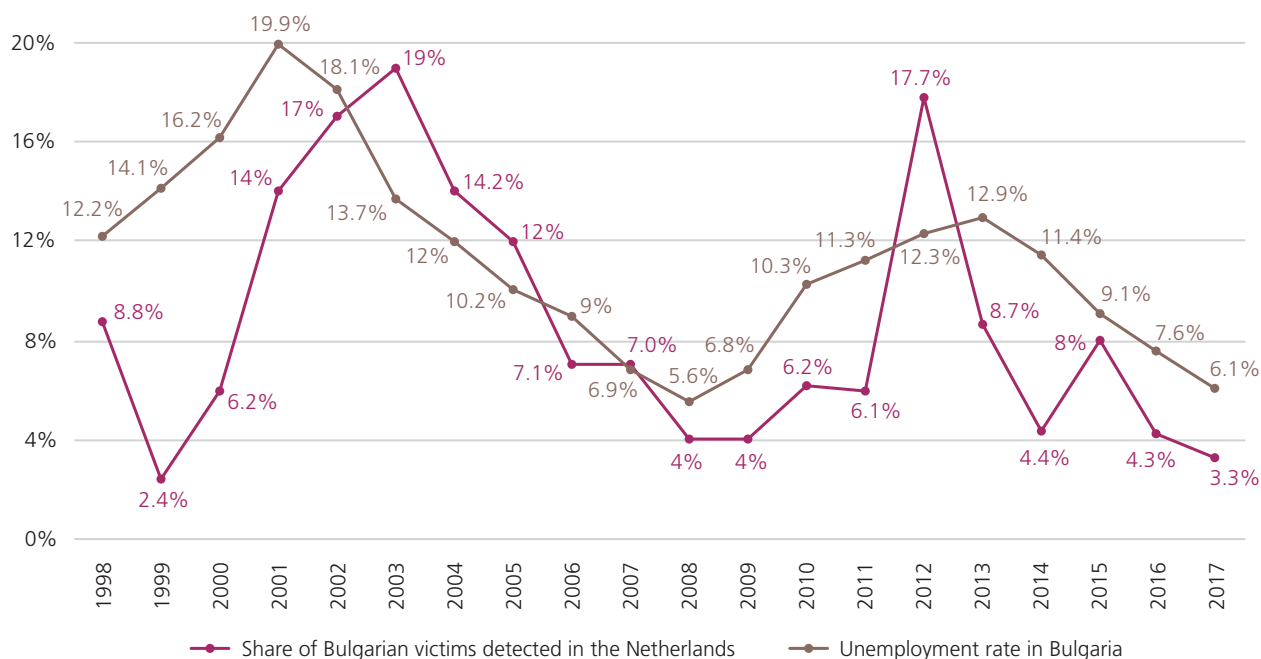
119 ECPAT (2017), *The Sexual Exploitation of Children in Southeast Asia*, ECPAT International.

120 Blanchard, Olivier (2017) *Macroeconomics*, 7th Edition, Pearson.

121 UNODC (2016), *The Global Report on Trafficking in Persons*.

122 UNODC/Global Migration Group (2009), *Fact-Sheet on the Economic Crisis, Trafficking in Persons and Smuggling of Migrants*. Online resource, available at: https://globalmigrationgroup.org/system/files/uploads/documents/UNODC_GMG_Factsheet_impact_economic_crisis_May10.pdf

FIG. 45 Relationship between unemployment rates in Bulgaria and Bulgarians as a share of potential trafficking victims detected in the Netherlands* (1998 – 2017)



Source: UNODC elaboration based on ILO Estimates (unemployment rates) and Dutch National Rapporteur (potential trafficking victims detected)

*Linear Regression, Bulgarian victims of trafficking as dependent share of total victims detected in the Netherlands, and independent variable Bulgarian unemployment rate recorded one year before victim detection. Results: R-sq .716, Sig : .000, standardized coeff. for independent variable 0.846, sig. 0.000.

pacted their outputs during the two subsequent years. High income economies experienced an average reduction of 7.5% in real GDP during the fourth quarter of 2008, and output continued to fall almost as fast during the first quarter of the following year.¹²³

The Financial Crisis quickly turned into a social crisis, with increasing unemployment rates both in richer and poorer countries.¹²⁴ Not all countries, however, were affected in the same way. The uneven rate of recovery seems to have affected trafficking in persons. As such, in countries that experienced a faster rate of recovery, an increased number of trafficking victims were detected from countries with high unemployment and stagnant economies.

As an example, the graph shows the parallel trends of the unemployment rate in Bulgaria and the number of Bulgarian victims of trafficking in persons identified in the Netherlands. A similar pattern can be shown for Hungary and Hungarian victims in the Netherlands during the years 1998-2016. In contrast, countries with a faster rate of recovery did not appear to experience a higher rate of trafficking. During the years of the financial crisis and its aftermath in 2008-2013, countries like Czechia, for example, saw lower unemployment rates and a shorter period of economic stagnation. Correspondingly, no increases in the identification of Czech victims of trafficking in the Netherlands were observed.¹²⁵

Moreover, it can be concluded that deteriorations in the economic and labour conditions in origin countries may increase the number of people at risk of being deceived by job opportunities or recruited into abusive working conditions. As observed in the analysis of court cases, traffickers take advantage of situations of economic need.

123 United Nations Office on Drugs and Crime, *How COVID-19 restrictions and the economic consequences are likely to impact migrant smuggling and cross-border trafficking in persons to Europe and North America*, UNODC, Research Brief, 2020.

124 United Nations Economic and Social Affairs, *The Global Social Crisis: Report on the World Social Situation 2011*, United Nations publication, Sales No. E.10.IV.12, New York, 2011, pp-27-32. Junankar, R. (2011) *The Global Economic Crisis: Long-Term Unemployment in the OECD*, Institute for Study of Labour, Discussion Paper No 6057, October 2011.

125 United Nations Office on Drugs and Crime, *How COVID-19 restrictions and the economic consequences are likely to impact migrant smuggling and cross-border trafficking in persons to Europe and North America*, UNODC, Research Brief, 2020.

This dynamic is reflected in the identification of victims originating from countries suffering from higher rates of poverty and unemployment than in richer destination countries.

This dynamic is especially relevant today, as the non-pharmaceutical interventions (NPI) and the patterns of behaviour prompted by the COVID-19 Pandemic have resulted in a global recession characterized by increasing levels of unemployment.¹²⁶ As already anticipated by UNODC,¹²⁷ the sharp increase in unemployment rates already seen in many parts of the world are likely to increase incidents of cross-border trafficking in persons from countries experiencing the fastest and most persistent decreases in employment. States whose economies are reliant on tourism, travel, hospitality and entertainment are experiencing particularly severe disruptions.¹²⁸

The Organisation for Economic Co-operation and Development (OECD) predicts that unemployment rates in Central and South-Eastern Europe will rise from 3-5 per cent recorded in 2019, to 6-8 per cent for the year 2020, and 5-6 in 2021.¹²⁹ Considering these economic predictions, and according to the statistical analysis presented, assuming all conditions remain constant, it can be expected that the number of victims trafficked from Central and South-Eastern Europe to Western Europe will increase substantially over the course of the next two years, after a decreasing trend reported over the last five years. Similar considerations can be drawn on the basis of the negative economic forecasts for other origin countries of trafficking.

Experts have noted that the two crises present comparable patterns in terms of the most affected employment sectors. The types of jobs which were less affected during the Financial Crisis were equally less affected during the

first six months of the Pandemic Recession.¹³⁰ In the United States, where the national unemployment rate sharply increased from 3.5 per cent in February 2020 to 14.7 per cent in April 2020, Hispanic and female workers, along with less educated and young workers have been more severely affected during the current Pandemic Recession in comparison to other groups.¹³¹ Low income earners have had a much higher chance of job loss than those at the top wage quantile. Thus, unemployment has been particularly concentrated at the bottom of the wage distribution in the United States, especially amongst the youngest and eldest members of the population.¹³² Furthermore, one of the first studies conducted on the impact of the COVID-19 Pandemic on migrants in Central America suggests that migrants may have been, and continue to be, disproportionately affected by the economic consequences of NPI, as half of respondents had reportedly lost their employment due to the Pandemic.¹³³ Lessons learned from the Financial Crisis and preliminary analysis of the Pandemic Recession reveal worrying similarities, which may have a severe impact on the magnitude and composition of global cross-border trafficking flows. An overall rise in unemployment rates in countries of origin may increase the number of people willing to take high risks for better economic opportunities. Furthermore, labour market disruption disproportionately affecting population groups who are already affected by structural disadvantages – such as Hispanic and female workers – may have a multiplier effect on the susceptibility of these groups to trafficking.

Gross Domestic Product (GDP) fluctuations and trafficking flows

The global data on identified trafficking victims offer striking examples of sudden increases of victims from countries that fall into drastic economic recessions. The recent developments in Venezuela are particularly illustrative of this phenomenon. Since 2014, Venezuela has experienced significant GDP contractions, with estimates suggesting that wide sections of the population may have fallen below the poverty line.¹³⁴ In parallel to the deterioration of

126 Gopinath, Gita (2020) *The Great Lockdown: Worst Economic Downturn Since the Great Depression*, IMF Blog, April 14, 2020.

127 United Nations Office on Drugs and Crime. (2020b). *How COVID-19 restrictions and the economic consequences are likely to impact migrant smuggling and cross-border trafficking in persons to Europe and North America* [Research Brief].

128 Gopinath, Gita (2020) *The Great Lockdown: Worst Economic Downturn Since the Great Depression*, IMF Blog, April 14, 2020.

129 The Organisation for Economic Co-operation and Development (OECD) *Hungary Economic Snapshot Economic Forecast Summary (June 2020)* accessible at <http://www.oecd.org/economy/hungary-economic-snapshot/> or *Bulgaria Economic Snapshot Economic Forecast Summary (June 2020)* accessible at <http://www.oecd.org/economy/bulgaria-economic-snapshot/>

130 Shibata, I. (2020). *The Distributional Impact of Recessions: The Global Financial Crisis and the Pandemic Recession*. IMF Working Papers, WP/20/96.

131 *Ibid.*

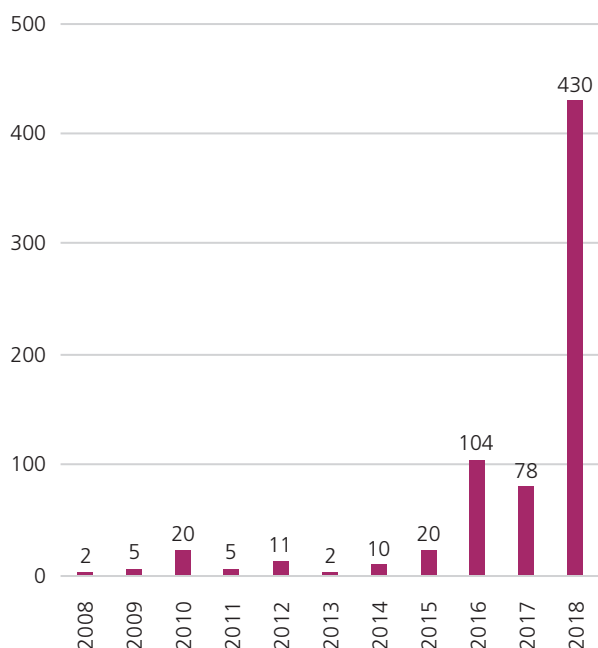
132 *Ibid.*

133 International Organization for Migration (2020), *Effects of COVID-19 on Migrants, Main Findings, Survey in Central America and Mexico*, June 2020.

134 According to the international poverty line set at less than 1.90 dollars per day. United Nations (2019) *Venezuela: Panorama de las Necesidades Humanitarias Prioritarias*.

economic indicators, the number of Venezuelan victims of trafficking identified abroad has continued to rise. In 2018, 430 Venezuelan victims of trafficking in persons were identified in 21 countries in South America, Central America, Western and Southern Europe, and Central and South-Eastern Europe. Furthermore, regression analysis confirms that there is a significant relationship between

FIG. 46 Detected Venezuelan victims of trafficking in persons reported by the country of detection (cross-border trafficking only), 2008–2018



Source: UNODC elaboration of national data.

GDP contraction and the magnitude of trafficking flows originating from Venezuela, making GDP fluctuations a relatively good predictor for the number of Venezuelan victims detected worldwide.

In contrast, in times of economic growth, it seems reasonable to expect that people in economic need can access a greater variety of support mechanisms, hence increasing their resilience to exploitative situations. Thus, socio-economic improvement in a country of origin is expected to reduce the number of trafficking victims reaching abroad destinations.

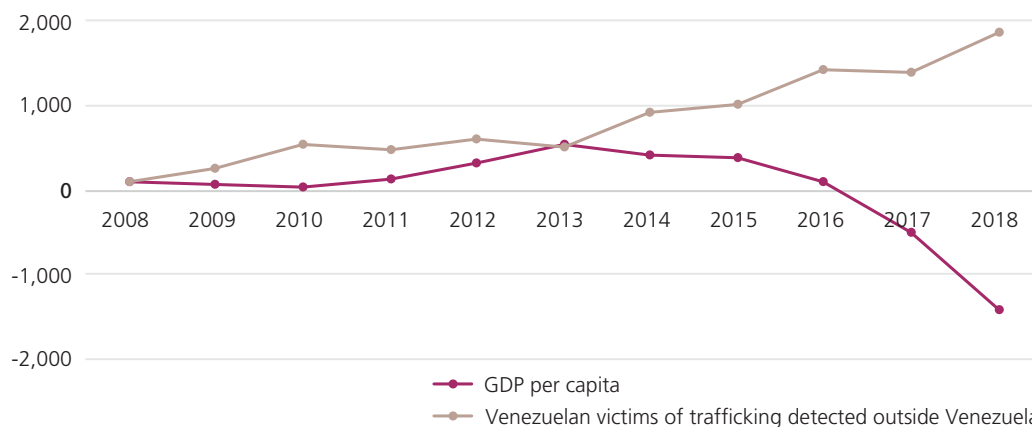
To demonstrate this idea, the case of Russian victims of trafficking detected in Germany and the Netherlands offers a relevant case of analysis. The increase in Russian GDP per capita registered between 1999 and 2015 matches a reduction in identified Russian victims in Germany and the Netherlands in the same time period.

These results are especially relevant in view of the current recession, suggesting that, in the forthcoming months, susceptibility to trafficking may increase in countries or regions that are experiencing the greatest GDP contractions in relative terms.

The World Bank, for instance, estimates that Growth GDP per capita will plummet to -8 per cent in Latin America, -5.3 in Sub-Saharan Africa and -4 in South Asia for the year 2020.¹³⁵ According to the analysis above, it is likely trafficking flows affecting these countries will increase substantially.

¹³⁵ World Bank. (2020). *Global Economic Prospects*, June 2020, page 17. The World Bank. <https://doi.org/10.1596/978-1-4648-1553-9>

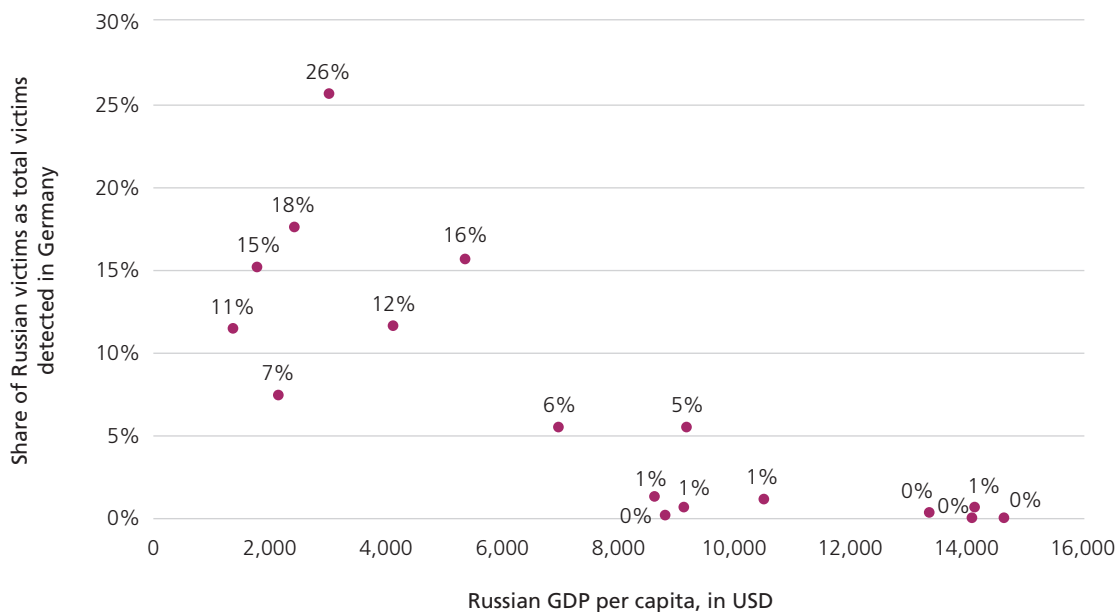
FIG. 47 Real GDP growth in Venezuela and number of identified Venezuelan victims of trafficking in persons reported by the country of detection (cross-border trafficking only), 2008–2018 (Index 2008 = 100)*



Source: UNODC elaboration on national data and IMF data.

*Linear Regression, Venezuelans victims of trafficking detected outside of Venezuela, and independent variable Venezuelan GDP recorded. Results: R-sq .734, Sig : .000, standardized coeff. for independent variable -.036, sig. 0.000.

FIG. 48 Relation between percentage of Russian victims out of the total population of victims of trafficking detected in Germany and the Russian GDP per capita (1999-2015)



Source: UNODC elaboration on national data and IMF data.

The predictive value of economic factors in understanding trafficking flows

Beyond GDP alone, it is the mix of macroeconomic determinants such as GDP, income levels, and unemployment in countries of origin of victims that seem to influence the level of trafficking flows to more affluent destinations.¹³⁶ But while data show a significant relationship between these indicators and trafficking flows, further research is needed to qualify the type of relationship between macroeconomic variables and trafficking flows, and quantify their incidence. Beyond correlation, causal relationships between the two phenomena should be investigated further in order to identify the potential direct or indirect determinants.

It should be recognized that, as trafficking in persons builds upon the structural conditions of disadvantages and oppression affecting selected population groups and economic determinants represent only one of several driving factors. Migration policy issues, gender and race-based discrimination, along with legislative framework

and law enforcement capacity, as well as policy and legal frameworks that encourage abusive and exploitative practices are some of the other key elements that should be further investigated when addressing the question of the key determinants of international flows of trafficking in persons.

The general deterioration of economic conditions resulting from the COVID-19 pandemic will likely increase the numbers of people at risk of being targeted by traffickers. The World Bank anticipates a drastic reduction in GDP per capita with a simultaneous increase in unemployment for most countries of the world.¹³⁷

Moreover, this will severely affect low-income countries as well, with the World Bank expecting a contraction by 1.6 per cent in 2020 for countries in this category.¹³⁸ As discussed in the next chapter, the population at-risk of trafficking in low-income countries mainly consists of children living in extremely poor households.

¹³⁶ Crime, economic migration patterns and income level have also been discussed in the literature as factors explaining human trafficking. Among others, see Cho, S. Y. (2015), *Modeling for determinants of human trafficking – An empirical analysis*. Social Inclusion, 3 (Special Issue, “Perspectives on Human Trafficking and Modern Forms of Slavery”), 2-21.

¹³⁷ World Bank. (2020). *Global Economic Prospects*, June 2020, page 5. The World Bank. <https://doi.org/10.1596/978-1-4648-1553-9>

¹³⁸ World Bank. (2020). *Global Economic Prospects*, June 2020, page 24. The World Bank. <https://doi.org/10.1596/978-1-4648-1553-9>