

ECONOMIC COMMISSION FOR EUROPE

Regional Preparatory Meeting
for the 10-year review of Implementation of the Beijing Platform for Action
14-15 December 2004

(Item 7 of the provisional agenda)

**ECONOMIC CAUSES OF TRAFFICKING IN WOMEN
IN THE UNECE REGION**

Note by the Secretariat¹

SUMMARY

Over the past decade there was a dramatic increase in the number of women being trafficked from Eastern Europe and the Commonwealth of Independent States to North America and Western Europe. This surge is closely related to the erosion of these women's economic situation. At home they face a lack of income-generation opportunities in the formal sector, poverty, cuts in social benefits, discrimination and a rise in traditional views.

More demand for household help and other care along with a booming sex industry and inadequate anti-trafficking legislation have created an environment conducive to trafficking in receiving countries. Some have also tightened restrictions on formal migration, which has encouraged illegal channels for moving women across the border. Trafficking in women has been mostly addressed from the point of view of protecting human rights. However, criminalizing trafficking and launching awareness campaigns are not enough to stop organized crime from abusing women. The underlying causes of women's economic vulnerability should also be addressed through international action. It is argued that the introduction of legal measures against trafficking should be combined with efforts to boost women's incomes, such as job-creation schemes aimed at sending countries, especially their poorest regions, where young women are most likely to fall victim to traffickers.

CONTENTS

Introduction	2
I. THE SUPPLY SIDE: WOMEN'S VULNERABILITY TO CHANGE	3
A. Sending countries: changes in the status of women	3
B. Migration and business opportunities for crime groups	6
II. THE DEMAND SIDE: ECONOMIC GAINS FROM TRAFFICKING IN WOMEN	8
A. Internationalization of illicit activities	8
B. Institutional incentives for trafficking in women and sexual enslavement.....	10
C. Race for cost reduction	10
III. SOME AREAS FOR FURTHER ACTION.....	11
Annex	13
Table 1. Trafficking and economic indicators in selected sending countries (1989-2001).....	13
Table 2. The scale of the sex services market in Europe.....	14
Table 3. Punishing trafficking in peoples and sexual exploitation.....	14

Introduction

1. Trafficking in human beings and enslavement have become issues of great concern in the UNECE region. The rise in trafficking was an unexpected outcome of the events that brought about much enthusiasm and expectations– the dismantling of the ideological and systemic barriers that had divided Europe for almost a century.

2. The prevailing human rights approach to the problem, while of great importance, is not enough to eradicate trafficking in women. As history shows, all forms of human slavery have economic roots and should, therefore, be fought with economic weapons. This note focuses on the supply and demand for women's labour and sexual services. Its purpose is to contribute to the international debate on effective policies and policy measures to raise the "transaction costs" of trafficking and human enslavement so as to eradicate these activities in the region.

I. THE SUPPLY SIDE: WOMEN'S VULNERABILITY TO CHANGE

3. The 20th century was marked by a dramatic improvement in the status of women in practically all countries of the UNECE region. Their vulnerability diminished and their economic status in particular improved. However, the advancement of women in the region has not been smooth. Progress was usually reined in when countries faced development constraints or challenges requiring structural adjustment.

4. The dramatic rise in the trafficking in women during the past decade implies that women's exposure to economic and social hardship has increased. The factors that impel women to take the risk of illegal immigration are: increased economic insecurity; higher risks of unemployment and poverty; limited opportunities for legal immigration; resurgence of traditional discriminatory practices against women.

A. Sending countries: changes in the status of women

5. During the past two decades, most of the former socialist countries have been among the "sending" countries at some point in time. Whereas the Czech Republic and Poland were among the sending countries in the late 1980s and early 1990s, the Republic of Moldova, the Russian Federation and Ukraine have become the main supplying countries since the mid-1990s. Recently, they have been joined by Albania, Lithuania, Romania and Central Asian countries. Some of these countries, such as Poland, also became "receiving" countries in the late 1990s with inflows of trafficked women especially from Albania, Belarus and Ukraine. This dynamic, when considered against the economic performance of the countries listed, suggests a link between changes in women's situation and their trafficking (annex, table 1).

6. *Changes in gender parity.* Women suffered disproportionately from the systemic changes in Central and Eastern Europe and were largely unable to exploit new opportunities. Women's participation in the new democratic structures remained low in most countries and their economic situation deteriorated as social and economic reforms had no gender perspective.

7. *Less political participation.* In most of these countries prior to transition, "proportional" quotas ensured that women accounted for about one third of parliamentary representatives. Elimination of these quotas, as a legacy of a regime that had lost favour, resulted in a drastic drop of women's share in national parliaments. Although the situation improved in a number of countries in the late 1990s, the share of women parliamentarians is around 10% or less in more than half the countries with post-transition and transition economies (in 14 out of 26).² Women's political exclusion after democratic elections draws attention to a contradiction at play in these societies: on the one hand, the transition to a multi-party democracy establishes civil rights for women, but on the other, their interests, demands and specific problems are widely ignored because they are marginalized in democratic institutions. This has had serious economic implications.

8. Women's views on cuts in social expenditure, including child and family allowances, and welfare reforms, including health care and pension reforms, for example, were not taken into consideration. In many countries family benefits for couples with two children declined by half between 1990 and 1997, such as in Hungary, where they declined from 16 per cent to 8 per cent of the average wage; in Estonia from 10 per cent (1992) to less than 5 per cent and in the Russian Federation from 10 per cent (1992) to 6 per cent.³ So, even if some countries have extended

equal treatment to men and women with respect to childcare benefits, de facto cuts in family benefits have left women with considerably less support for efforts to balance family and professional responsibilities.

9. *Male-biased privatization.* The privatization of national assets had a strong male bias, with women receiving few privatized assets. This limited women's opportunities in the private sector development. Similarly, the trends towards privatization and individualization of entitlement within welfare reforms, such as health care and pension reforms, put women at a disadvantage due to career breaks for maternity and child care. Under the reformed pension system the benefits are determined by the employee's contributions over his or her working life. Consequently, women, whose work experience and wages are on average smaller than men's, suffer a significant erosion of their longer-term security.⁴

10. *Loss of job security.* The rise in competition in the labour market, unemployment and the loss of job security have undermined women's incomes and economic position.⁵ This is reflected in trends in women's employment, such as more sectoral and occupational segregation, and, in many countries, a widening gender wage gap as well as an increase in women's share in part-time and other atypical work arrangements and in the informal sector. While the gender wage gap has narrowed for female workers with a primary and lower education, it has widened for female workers with an upper secondary and tertiary education, so women's returns on education have declined. In the Russian Federation, the gender wage ratio for workers with a high education was 47-45 per cent on average in 2000.⁶ In most countries, the persistence or widening of the gender wage gap took place against falling real wages. In 2000 in some countries, the loss in the real value of wages amounted to as much as 50-80 per cent of the 1989 level (Russian Federation, Republic of Moldova, Ukraine, Armenia, Kazakhstan, Tajikistan, Uzbekistan).⁷

11. Although cuts in jobs also affected men, women's jobs in most countries were more affected than men's jobs, especially in the early 1990s. These cuts ranged from 2-5 percentage points in the former Yugoslav Republic of Macedonia and Estonia to 10-13 percentage points in Albania, Lithuania and the Russian Federation. They reflected the pattern of economic restructuring but also a widely accepted preference to keep men in jobs as the breadwinners. Some improvement in women's situation in the late 1990s may reflect, in addition to structural factors, which were less favourable for men's jobs, such as cuts in heavy industries, also a greater willingness of women to accept the worst jobs even if they are overqualified.

12. The worrisome trend of pushing women into less-paid jobs is also confirmed by sectoral changes in women's employment. Women's share in low-paid service jobs, including public health and education, is increasing and their share in market-related services, such as financial services, is declining (especially in managerial positions).⁸

13. *Long-term and hidden unemployment.* Though official data on unemployment by sex do not show a consistent pattern of gender asymmetry for all countries, women's unemployment is a serious problem. Some recent studies suggest that women suffer from various forms of hidden unemployment, such as low-paid part-time jobs or running micro-enterprises, while males prefer to search longer in order to find better jobs.⁹

14. *Discrimination.* Overt gender-based discrimination in recruitment has become common and women's integration into the private sector is slow. Women are perceived as "expensive" workers and are often asked to present a medical certificate proving that they are not pregnant. They are often offered jobs well below their qualifications. Many younger women encounter

intensive sexual harassment when entering the labour market and at the workplace. Many vacancy announcements imply that the secretary or office assistant will be expected to grant sexual favours. A recent survey of employers' gender preferences in hiring in the Russian Federation, for example, revealed growing gender-biased practices.

15. *Feminization of poverty.* Feminization of poverty is widely acknowledged although there are no consistent data. Recent surveys show that the incidence of poverty among households headed by working mothers is two or three times higher than among households headed by working fathers. In the Russian Federation, about one fourth of all female-headed households face poverty risks compared to about one sixth of male-headed households. In Georgia, Azerbaijan, Tajikistan, Ukraine and Bulgaria, the gender gap in poverty risk lies between 7 and 5 percentage points. Even in the Czech Republic, female family heads face an about two and a half times higher risk of falling into poverty than their male counterparts.¹⁰

16. Poverty estimates based on respondents' own perceptions of their financial and social situation show that almost half the women living in Eastern Europe and the Commonwealth of Independent States (CIS), and in the Republic of Moldova or Ukraine close to 70 per cent, consider that they are poor, compared to only 12 per cent of female respondents from members of the Organisation for Economic Co-operation and Development (OECD) (unweighted average).¹¹ The high percentage of male respondents who consider themselves poor is also worth noting. The fact that so many men feel that they are failing is very important in the context of the trafficking problem, as they could easily be drawn into illicit activities.

17. *Informalization of women's economic activities.* According to the International Labour Organization (ILO), the proportion of women working in the totally unregulated and illegal informal business sector is considerable (over 5 million in the Russian Federation, for example) and increasing. In Ukraine, the share of women employed in informal activities is higher than that of men, and their total number was estimated to be above 420,000 in the late 1990s. In the prevailing market environment women are often compelled to agree to terms and working conditions that are highly detrimental to both their rights and their health.¹²

18. Working in the informal economy is an important factor of women's vulnerability to trafficking. The women working in the so-called suitcase trade are a case in point. Since the late 1980s, many women in Bulgaria, Lithuania, Romania, the Russian Federation and Ukraine but also Kyrgyzstan or Uzbekistan have been engaged in such activities, which affect their security. The main trade routes for women from Eastern and Central Europe and the Western CIS countries have been Turkey, Greece, but also Germany and Italy, while for women from Central Asia, these have been mainly the Russian Federation, but also the Republic of Korea, India, China and Arab States.

Box 1. Cross-border trade

The suitcase trade took women across the border for days and sometimes months. They bought large amounts of consumer goods, mainly food, textile and apparel, and household goods which were not available or not affordable in their own countries. Back at home they sold these products from homes, streets or small shops. In 1996, when the "suitcase trade" peaked, the Turkish Ministry of Finance reported that revenues from the suitcase trade totalled US\$ 8.84 billion. This trade was not taxed until recently, although the Turkish authorities imposed value-added tax (VAT) on sales. The conditions for such trade deteriorated. In recent years, Bulgaria, Romania and the Russian Federation introduced an average 20 per cent of import duties and VAT on products that were

brought in, which resulted in a sharp drop in trade volume. In 1997, Turkey reported a decline in the value of such trade to US\$ 5.85 billion. The suitcase trade further declined in 1998 due to the liquidity difficulties in the Russian Federation and in other countries, and continues at lower levels. Women involved in the suitcase trade and other informal activities face a much higher risk of sexual harassment, violence and abuse. They are an easy target for corrupt officials, criminal groups, traffickers and thieves, as their activities are usually unlicensed.

Source: Simel Esim, *Women's Informal Employment in Transition Countries*, International Center for Research on Women, Washington, D.C., 2002

19. The political, economic and cultural dimensions of the gendered order always interact. Changes in gender political and economic parity inevitably affect cultural stereotypes, perceptions and attitudes, altering behaviour patterns and the way in which gender conflict is managed and/or solved. The resurgence of some traditional discriminatory practices shows that some segments of society would like to restore patriarchy in its pure form, while others will grasp any opportunity to get rich, including by exploiting the vulnerability of women (see box 2). Perhaps some women become victims of illicit migration and trafficking because they want to escape from unwanted marriages or from becoming one of several wives.

Box 2. Traditional gender discriminatory practices are back in some CIS countries

In Kyrgyzstan, the tradition of bride stealing is widespread, with an estimated 15-30 per cent of all girls kidnapped. There is a growing trend for girls to marry younger. Although girls cannot legally marry before 17, the actual number of unregistered marriages with younger girls is rising.

In the Russian Federation, the minimal marriage age was recently lowered from 18 to 14. However, in practice, in Bashkortan and in some other parts of the country with a strong Islamic influence, adults have started marrying girls who are even younger.

Polygamy is back in Tajikistan, Kyrgyzstan and some other CIS countries. At one recent political forum, the President of the republic of Kalmykia, with the support of some regional women's organizations, openly called for the restoration of polygamy. In Ingushetia, in 1999, the President issued a directive (fully supported by the Parliament) allowing citizens to have up to four wives.

Source: UNIFEM Newsletters; S.V. Polenina, *Women's Rights in the System of Human Rights: International and National Aspects*, Moscow, 2004; Alexei Milaschenko, *Islamic Guidelines of the Northern Caucasus*, Moscow Carnegie Centre; Vremya Novostei, online, 28 June 2004.

20. Institutional uncertainty coupled with a shortage of income-generation opportunities, barriers to market entry and the lack of decent jobs make for a traumatic environment for both sexes. For many males the fact that they are not able to meet their own expectations and fail to fulfil their families' aspirations drives them to find a way out, and is an incentive for either resorting to criminal activities or escaping from reality by using drugs or alcohol. Therefore, while all the above changes have been different from one country to another in terms of their scope and speed, "the general effect has been a crisis of economic security."¹³ These changes have affected women disproportionately and encourage women to migrate.

B. Migration and business opportunities for crime groups

21. Informalization of economic activities, criminalization and corruption are symptomatic of imperfect and/or malfunctioning markets and the lack of legitimate employment. These negative phenomena have increasingly become a part of day-to-day life in some countries in transition. Moreover, as corrective measures have been either postponed or ineffective, crime groups have effectively interlocked with corrupt officials in both sending and receiving countries.

22. Three major migration trends have been observed in countries in transition: internal migration from declining and/or impoverished regions towards metropolitan areas; cross-border migration between neighbouring countries; and emigration. Spontaneous internal migration has provided criminal groups with an opportunity to generate profits. Young women were the first to fall victim to crime groups, as many came from impoverished villages without adequate resources, skills and information about the real situation in the labour market in metropolitan areas. Moreover, the number of young women who went into prostitution voluntarily should not be underestimated. Few realized the risks involved and many were driven by a desire to obtain consumer goods which were either not available or not affordable back home. The overall atmosphere of glorified consumerism after decades of suppressed consumption against a rapid fall in incomes and polarization has played an important part in stimulating youth migration.

23. Cross-border migration, especially within CIS, has become another source of profit for crime groups. Since the collapse of the Soviet Union, almost 9 million people have moved throughout the territory for a variety of reasons (ethnic conflict, civil war, discrimination, economic depression, forced migration, etc.). Many left behind all their possessions and came without official permission. Without appropriate regulation and border-control, the response of local governments to these uncontrolled inflows of people was mainly ad hoc. In Moscow, for example, obligatory residential registration was restored. Only later were attempts made to establish some formal control over migration. However, this is not supported by any kind of migrant labour regulation, thus putting migrant workers, including women, at risk of exploitation and abuse. It is not surprising that the incidence of trade in people and enslavement has been on rise.

24. In the cross-border migration within and out of CIS and South European countries in transition, the number of rural youth among migrants has been growing since the late 1990s. Moreover, there has been an increase in trade and trafficking in children and young men and women in both sub-regions, especially in Central Asia and Albania. This implies that the capacity of the safety net of rural extended families has reached its limits and/or that poverty, especially rural, has further deepened.

25. Many CIS countries have registered a decline in total number of official emigrants (to Canada, the United States, Israel, Western Europe, Australia). However, illegal emigration to these destinations does not seem to be contracting. A closer look at the immigration regulations in many economically advanced countries and large receiving CIS countries reveals that over the past decade the terms of immigration have tightened despite an obvious shortage of labour and strong demand for cheap labour in some economic sectors. According to ILO, the overall effect of these restrictive measures was a rapid growth of smuggling and trafficking in people¹⁴

26. Moreover, as even declining sectors in developed countries of the region offer labour remuneration which is well above the national average wages in many countries in transition, this provides strong incentives for people from poor and depressed subregions to migrate towards these countries. Therefore, wage differentials between countries, on the one hand, and tighter immigration control, on the other, have contributed to creating conditions favourable to smuggling and trafficking in people.

27. Many researchers on migration note that women and children, especially girls, are more vulnerable to trafficking than men. While most smuggled migrants are male, most trafficked persons from CIS and other non-EU countries are young women and children. Traditional gender

segregation in the labour market tends to limit female migrant workers' opportunities for work to domestic work, entertainment, hotels and restaurants, sales, garment and textiles, and assembly work in manufacturing, over which traffickers have control in certain places.

II. THE DEMAND SIDE: ECONOMIC GAINS FROM TRAFFICKING IN WOMEN

28. On the demand side, various studies have identified a number of factors associated with the advent of trafficking in women for sexual exploitation and servitude: cost-reduction race in response to growing international competition; demand for cheap labour in some weak and declining sectors of the developed countries; weak and/or absent legislation on illegal immigration; internationalization of illicit activities and the growth of the sex industry internationally.¹⁵

A. Internationalization of illicit activities

29. Globalization and the opening of countries in transition to the world economy have created an opportunity for national criminal groups to extend their illicit economic activities by establishing links with foreign and international criminal networks and maximizing their profits by creating economies of scale.

30. One of the most rapidly growing illicit activities over the past two decades has been trafficking in women and girls mainly for the sex industry in Western Europe (Netherlands, Italy, Belgium, Germany and United Kingdom) and the United States. According to various estimates, up to 80 per cent of the women and girls trafficked from Central, Eastern European and CIS countries to Western Europe are destined for the sex services market. Total annual revenues of traffickers are estimated to range from US\$ 5 billion to US\$ 9 billion (see box 3).

Box 3. Trade in women: the scale of supply and demand in Europe

Conservative estimates put the number of women brought into the European Union (EU) and the more prosperous Central European countries each year at 300,000, although the figure could conceivably be double that. Not all of these women end up in the sex trade and not all are trafficked, but it is a very rough indication of the extent of the problem. The women's traffickers hope to obtain a share of Europe's \$9 billion a year sex industry.

A report by the Council of Europe reveals that thousands of domestic servants in Europe are subjected to long working hours (between 15 and 18 hours a day) with no holidays or adequate food and accommodation, which amounts to domestic slavery. It estimates that about 4 million women are trafficked into domestic slavery every year. Women who are trafficked for domestic labour can additionally be required to grant sexual favours to their employers.

Although the extent of the crime cannot be measured exactly, Jonas Widgren, in an oft-cited 1994 paper, has estimated that trafficker syndicates operating in Western Europe alone earned \$100 million to \$ 1.1 million in 1993. This means a worldwide income for trafficking groups of \$5-7 billion in that year.

31. Considering the illegal and secretive nature of trafficking in human beings, no hard data on supply and demand exist. However, according to the United States State Department's Trafficking in Persons Report of 2004, the annual supply of women from Eastern, Central European and CIS countries to the sex industry of Western Europe has been between 120,000

and 175,000 since 1989. Some European estimates suggest that, in 1990-1998, more than 253,000 women and girls were trafficked into the sex industry of the 12 EU countries. The overall number of women working as prostitutes in these countries has grown to more than half a million. In Vienna, almost 70 per cent of prostitutes come from Eastern Europe and CIS countries (table 2).

32. Migrant sex workers bring their own challenges to a receiving country. About 70-80 per cent of prostitutes in Austria, for example, are migrants, who fall under a tough combination of criminal, health, prostitution and immigration legislation. Ultimately it is up to a 'provincial officer' to decide the fate of prostitutes of foreign origin who break the law. "Migrant prostitutes are tolerated to that extent without implying their recognition; on the contrary, what is implied is their absolute vulnerability."¹⁶

33. The sex industry in the EU member States has become one of the most lucrative businesses. In the Netherlands, where prostitution is legal, the sex industry generates almost US\$ 1 billion a year. This shows how profitable it is for both traffickers and owners of adult entertainment establishments.¹⁷

34. With the stakes so high, organized crime has stepped in to take its share. There are about 15,000 Russian and Eastern European women working in Germany's red-light districts. Many work in brothels, sex clubs, massage parlours and saunas under the financial control of criminal groups from the Russian Federation, Turkey and the former Yugoslavia, according to a survey of the International Organization for Migration (IOM).

35. The globalization of trafficking in women and sexual enslavement in the new millennium is a disturbing phenomenon. It was born out of extreme disparities within and between countries. Its implications for both sending and receiving countries should be better understood, especially, in view of:

- The ageing population and falling fertility rates in Europe and CIS;
- The moral hazard and psychological damage to victims;
- The benefits it brings to criminal groups for strengthening their financial base and grip on vulnerable groups and States;
- The impact on security and public safety; and
- The impact on international peace and stability (see box 4).

Box 4. Global crime alliance – a growing threat to international security

Organized crime syndicates from the Russian Federation, Asia and Africa are forming alliances with traditional Italian and Latin American organizations, creating a formidable threat to international peace and stability.

There are over 12,000 crime groups in the Russian Federation – three times more than in 1992. These groups are getting stronger and using the Russian Federation as the base for their global activities. In the Russian Federation, it is reported that an estimated 80 per cent of private enterprises and commercial banks are forced to hand over 10 to 25 per cent of their profits to organized crime. Criminals use the banks to launder money and avoid paying the taxes so desperately needed by the government to pay salaries and debts. To further cripple the economy, these crime groups dominate some economic sectors, such as petroleum distribution, pharmaceuticals and consumer products distribution. According to the Interior Minister of the Russian Federation, crime groups control 40 per cent of the country's gross national product.

Apart from trafficking in drugs and weapons, Russian crime groups are actively involved in the trafficking in women and children in cooperation with foreign crime groups, including Chinese, Israeli,

Ukrainian, Turkish, American and various European crime organizations. The annual return on trafficking in people for Russian organized crime groups is estimated at US\$ 6 billion.

Source: Walter Zalisko, Russian Organized Crime, Trafficking in Women, and Government's Response, Clarksburg (New Jersey), July 2003 (www.policeconsultant.com).

B. Institutional incentives for trafficking in women and sexual enslavement

36. The laws and regulations in both groups of countries, sending and receiving, consider trafficking and sexual enslavement to be minor offences, which reduces the “transaction cost” of trafficking.

37. In most of the sending countries, the institutional system is still in its infancy with a mixture of new and old laws and regulations. This sends contradictory and confusing signals, allowing individual law officers, public servants and the population at large to interpret laws and regulations as they see fit. Furthermore, the existence of many loopholes (the absence of any law on trafficking and prostitution, for example) undermines the effectiveness of the efforts of the police and prosecutors to combat trafficking in people and sexual exploitation.

38. Moreover, severely underpaid law-enforcement officers in many sending countries are an easy target for criminals. Corruption of law and customs officers, as well as other government officials, allows criminal groups to operate at a relatively low risk. Until recently, the institutional system in many receiving countries penalized traffickers relatively softly (annex, table 3). In some, trafficking in people is not punishable at all under present legislation (Israel, for example). Considering the magnitude of the problem and some new disturbing trends (such as trafficking in children from Romania, Albania, the Republic of Moldova, Ukraine and the Russian Federation, and growing child sex tourism to these countries from Western Europe), decisive measures must be taken urgently to make legislation and law enforcement more effective.

C. Race for cost reduction

39. Globalization has intensified competition, especially in the labour-intensive sectors in which developing countries, with their abundant labour resources and favourable climate, have a comparative advantage. However, these sectors in developed countries do not intend to give up their markets so easily. They are desperate to reduce their costs of production. Irregular and illegal migrants have provided them with an opportunity to significantly save on labour cost, including on the cost of complying with health and safety standards (see box 5). Therefore, these production sectors have generated demand for cheap migrant labour and, hence, an incentive for smuggling and trafficking in people.

40. Some recent studies note with concern the emergence of unprotected labour markets in the construction, agriculture, textile and garment sectors of some developed UNECE countries and an overall trend towards informal employment through the deregulation of labour standards.

Box 5. Migrants in labour-intensive sectors in Western Europe

United Kingdom. Its labour market is highly attractive for migrants, smugglers and traffickers alike due to its deregulated nature. So-called gang masters have hired workers in agriculture since the 19th century. Over the past 20 years, gang masters have developed into big business. Farmers and pack houses recruit workers through gang masters, yet the latter are the official employers. Enforcing labour standards is therefore more difficult. The pressure to produce at low cost is passed on to the

gang master, who pays workers very low salaries.

It is estimated that one third of the British food industry relies on gang masters. Hence, gang labour has become essential for the survival of the food industry. Around 50 per cent of the workers are migrants, some of them undocumented or with forged documents. Some gang masters have established close links to Eastern European mafia networks, which provide them with undocumented migrant labour.

Netherlands. There are about 200,000 people working in agriculture and paying social contributions. At peak times, another 100,000 to 150,000 workers are hired by greenhouse farmers. Most of them are undocumented migrants. Recruitment is organized by temporary agencies, which can be set up without a licence. In addition, day labourers are hired at certain locations early in the morning. Abuses of migrant workers are widespread.

Spain. The municipality of El Ejido made headlines when riots with a racist undertone broke out in February 2000. According to the European Civic Forum, the riots were the consequence of a deliberate policy of segregation between the local population and immigrants. Cases are also known of local authorities and employers playing one immigrant group off against another.

Switzerland. With the abolition of the seasonal contract scheme, non-EU workers have been deprived of any possibility to enter the Swiss labour market legally. It is however estimated that there are 8,000 undocumented foreigners working in agriculture alone. Most of them come from Eastern Europe and the former Yugoslavia. Exploitation, primarily of illegal migrants, has become public through various scandals in recent years, which revealed inhuman housing conditions and very low wages. Some of these cases ended in court.

Source: Forced labour outcomes of irregular migration and human trafficking in Europe, Report of the Trade Union Consultation meeting, ILO, 8-9 January 2003.

41. There is also concern that the freedom of movement of goods and services within the European Union since 1992, together with a range of bilateral agreements in order to eliminate visa requirements, will fundamentally alter the established system of employment towards flexible labour arrangements, encouraging the employment of migrant workers, many of whom come undocumented. Undocumented migrants are clearly the most vulnerable members of this flexible labour force and are subject to abuse. They are exploited through very low pay, unreasonable deductions and unacceptable living conditions. Female workers are often paid less than men and are exposed to sexual harassment.

42. The prevalence of female migrant workers in some of the above sectors tends to further women's segregation in the labour markets of the receiving countries and, thus, undermine the international effort to eliminate the gender pay gap caused by segregation.

III. SOME AREAS FOR FURTHER ACTION

43. Trafficking in women and sexual enslavement are difficult to eradicate, but if all the social partners, such as governments, NGOs, the academic community and law-enforcement agencies, join forces substantive progress can be made.

44. In the medium term, the focus of international cooperation should be on removing the primary causes of illegal immigration and prostitution in the UNECE region. National programmes to alleviate poverty should be adjusted to target regions that are the poorest and

have become the main supply source for traffickers. The possibility of developing large-scale job-creation projects within the national poverty eradication programmes in Kyrgyzstan, Tajikistan, Albania, the Republic of Moldova and other poor sending countries should be investigated.

45. Most countries of CIS do not have an industrial development strategy that envisages job creation and income generation in declining regions, small cities and settlements. Successful experiences of countries like Ireland, Finland and Canada (with its programme to improve the survival rate of small and medium enterprises by setting up a mechanism of perpetual technological modernization for them) should be better studied to see if they are applicable to sending countries in transition.

46. It is important to improve women's political participation, as this is crucial if they are to recover and improve their economic status. Many women in the region may underestimate the redistributive role of politics. The losses that they suffered during the transition process could become institutionalized (in terms of rights and their enforcement) if they remain passive in the political affairs of their countries.

47. On a wider scale, the informalization of labour relations and its impact on female workers both in sending and in receiving countries should be further studied, as should other processes of globalization that could prevent women from achieving gender parity.

48. More efforts are also needed to improve legislation and law enforcement and to introduce other measures within a human rights approach. This may include measures to:

- Delink the international crime chain by establishing an international regime that raise the cost of trafficking in human beings. This is possible only if both sending and receiving countries are firm, and sincerely committed to criminalizing trafficking in people;
- Assist sending countries to draft legislation to undermine the activities of traffickers, to institutionalize migration through migrant labour relations, and to strengthen their law-enforcement mechanisms and agents;
- Strengthen border control in all the countries concerned using new technologies without restricting international trade and tourism;
- Improve the transparency and monitoring of the activities of tourist and recruitment agencies, including by setting up an intergovernmental interactive consumer awareness web site with information on recruiting, advertising and tourist agencies implicated in crime groups;
- Establish an international network of recruiting agencies by means of international licensing;
- Study the experience of countries like the Netherlands needs to evaluate the impact of its new regulation of the sex industry on the supply of trafficked women;
- More public awareness campaigns in sending countries and the poorest regions within these countries on the dangers and risks associated with trafficking combined with job-creation programmes.

Annex

Table 1. Trafficking and economic indicators in selected sending countries (1989-2001)

Major sending countries	Estimated number of trafficked women and receiving countries	GDP/NMP 2003 (1989=100)	Employment, 2002 (1989=100)	Real wages 2001 (1989=100)	Per cent living in poverty (\$4,30 PPP/day)	Gini coefficient of earnings 1989-2001 (1989 level in brackets)
Albania	Over 8 000. (of whom 30% are under 18) Italy, UK	123.6	63.9		58.6	
Kazakhstan	5 000 United Arab Emirates (IOM, 1999)	93.3	87.1	36	30.9	
Kyrgyzstan	4 000 (Northern part) Middle East, Turkey, Europe (IOM 1999,) 5 000 (Southern part) United Arab Emirates (IOM annually,)	78.4	104.3	26	84.1	0.512 (0.260)
Lithuania	Several thousands per year: The Balkans, Germany, Austria, UK	85.2	73.9	56	22.5	0.382 (0.260)
Republic of Moldova	50 000-100 000 The Balkans, Austria, Germany, Greece (IOM, 1990-1999)	41.3	72.0	32	84.6	0.391 (0.250)
Russian Federation	500 000 – 1 000 000 50 countries throughout the world, including Germany, Italy, Greece, Switzerland, Austria, Bosnia and Herzegovina, Kosovo, Serbia and Montenegro, Israel, Middle East, Turkey, USA (US Intelligence, 1990-2000)	77.0	86.5	52	50.3	0.521 (0.271)
Ukraine	400 000 Germany, Italy, Greece, Switzerland, Netherlands, Bosnia and Herzegovina, Kosovo, Serbia and Montenegro, Bulgaria, Switzerland, Israel, Middle East, Turkey, Canada and USA (Ukrainian Ministry of Interior, 1990-1998)	51.9	84.1	46	29.4	0.452 (0.244)

Source: various sources for trafficking of women; Economic Survey of Europe 2004 No1 UNECE, ch. 7 (poverty rates based on the World Bank estimates) and Appendix Tables B1 and B5.

Table 2. The scale of the sex services market in Europe

Country	Number of prostitutes	Of whom migrants	Of whom from Eastern Europe
Austria (Vienna)	(unknown)	(unknown)	70%
Belgium	12 000	5 500	(unknown)
Denmark	6 000	2 000	(unknown)
Finland	4 000	1 800	(unknown)
Germany	300 000	150 000	(unknown)
Greece	10 500 –15 000	6 000 –10 000	50%
Netherlands	25 000	17 000	18. 5%
Israel	(unknown)	(unknown)	90%
Italy	60 000	40 000	30%
Luxembourg	300	300	(unknown)
Norway	3 000	600	20-25%
Sweden	2 500	700	35%
United Kingdom	80 000	20 000	(unknown)
TOTAL	513 800	253 300	

Source: EUROPAP regional reports (<http://www.med.ic.ac.uk/divisions/60/europapnew/regional/index.htm>)

Table 3. Punishing trafficking in peoples and sexual exploitation.

EU member States	Specific trafficking law	Penalty for trafficking
Austria	Recruiting or bringing a person into prostitution in another country	6 months to 10 years
Belgium	Guilty of trafficking in women	1-15 years
Denmark	Abetting immorality	< 4 years
Finland	No specific law	
France	No specific law - trafficking is included in the prostitution law	20 years
Germany	Trafficking in women for sexual purposes	6 months to 10 years
Greece	Trafficking in female minors	1-5 years
Italy		
Ireland	Trafficking in children. Using Ireland as a transit point for trafficking	
Luxembourg	Trafficking is punishable under the law	
Netherlands	Trafficking in human beings for prostitution, related to all forms of violence	Fine or 6-8 years
Portugal	Trafficking equivalent to slavery-like practices	2-8 years
Spain	Abusing a position of power or forcing someone into prostitution	2-8 years
Sweden	Trafficking in human beings	1-2 years
United Kingdom	No specific law, related to law on illegal entry (under consideration)	

Source: EUROPAP regional reports (<http://www.med.ic.ac.uk/divisions/60/europapnew/regional/index.htm>)

¹ Larissa Kapitza, professor, Moscow State Institute of International Relations (University), former UNECE Director, was the consultant to the secretariat for this note.

² Inter-parliamentary Union database; UNECE database.

³ UNICEF/MONEE database.

⁴ Gender impact of welfare reforms is discussed in secretariat note ECE/AC.28/2004/8

⁵ For more discussion on Women's employability in these countries, see secretariat note on *Women's employability in Eastern Europe and CIS countries*. ECE/AC.28/2004/6

⁶ S. Y. Roshechin *Gender equality and extension of women's rights in the Russian Federation within Millennium Goals*, Moscow, 2003.

⁷ MONEE/UNICEF database and UNECE database.

⁸ For more discussion on women's employability in these countries, see: secretariat note on *Women's employability in Eastern Europe and CIS countries* ECE/AC.28/2004/6

⁹ See, for example: Paci, Pierella, *Gender in Transition*, World Bank, Washington, D.C., May 21, 2002.

¹⁰ Schnepf, Sylke Viola, *The Feminisation of Poverty in Transition Countries: Evidence from Subjective Data*, University of Hamburg, University of Southampton, August 2004, p. 3. Poverty line was established as the 50 per cent of the median (income) .

¹¹ Ibid.

¹² <http://www.ilo.org/public/english/region/ampro/cinterfor/temas/gender/doc/pacto/russia.htm>.

¹³ Stalker, Peter, *Workers without Frontiers*, International Labour Organization, Geneva, 2000, p. ix-x.

¹⁴ International Symposium. The UN Convention against Transnational Organized Crime: Requirements for Effective Implementation. Getting at the Roots: Stopping Exploitation of Migrant Workers by Organized Crime, International Labour Organization, Turin, 22-23 February, 2002, p. 2.

¹⁵ See, for example: Liz Kelly & Linda Regan, *Stopping Traffic: Exploring the extent of, and responses to, trafficking in women for sexual exploitation in the UK*, Police Research Series, Paper 125, London, 2000; *Trafficking in women and children from the Republic of Armenia: a study*, IOM, 2001; *Deceived Migrants from Tajikistan: A Study of Trafficking of Women and Children*, IOM, 2001.

¹⁶ *Sex Work and Sexual Exploitation in the European Union*.

(<http://www.med.ic.ac.uk/divisions/60/europapnew/regional/index.htm>).

¹⁷ Holland: Tempting the Tourist With Hookers and Hookahs (<http://www.europeforvisitors.com>).