Adressing labour exploitation and trafficking: uncovering the complexities

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Our vision is to identify evidence-based criminal justice and crime prevention practices in Europe, and share these within Europe and beyond, in order to advance more effective, rational and humane criminal justice systems.

HEUNI functions under the auspices of the Finnish Ministry of Justice as an independent research and policy-making institute.

HEUNI) is the European regional institute in the United Nations Criminal Justice and Crime Prevention programme network.
FOCUS OF OUR WORK ON TACKLING LABOUR EXPLOITATION

**Exploitation**

An infringement of the rights of the individual – labour exploitation, extortionate work discrimination, ultimately trafficking.

**Corporate crime**

Exploitation as a structural problem, focus on restaurant and cleaning sectors.

**Corporate social responsibility**

Including the prevention of trafficking and exploitation into corporate social responsibility policies.
**TERMINOLOGY**

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<th>Labour exploitation</th>
<th>Forced labour</th>
<th>Labour trafficking</th>
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<td>a set of abusive conducts where the worker is subjected to poor terms of employment, long hours with wages below the national limits, in poor or even unsafe conditions.</td>
<td>any work or service which people are forced to do against their will, under threat of punishment.</td>
<td>exploitation of a person for economic gain, fulfilling the 3 elements of THB: the act, the means and the purpose = trafficking for forced labour</td>
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Continuum of exploitation

Less severe forms of labour exploitation can create breeding ground for more serious forms and thus must be addressed.
Underpayment

- No extra pay for overtime, shifts or weekend work
- Withholding pay
- Overlong working hours
- Pressure related to working conditions
- Sexual violence or the threat thereof

Forbidding social interaction

- Unreasonable or unlawful recruitment fees
- Confiscation of ID
- Restriction of movement
- Unreasonable transport fees
- Physical violence or the threat thereof
Managers accused of exploiting foreign cleaners
Executives of a candleized firm in Helsinki face charges including aggravated extortion.

Suspended sentences and compensation ordered in human trafficking case
The owners of the Kiivaa Kitchen restaurant in Kekkola have been handed seven-month suspended sentences and ordered to pay close to 36,000 euros to former employees who worked under conditions that the court said amounted to forced labour.

Exploitation of Foreign Workers on the Rise
Foreign workers are meeting with growing levels of exploitation in Finland. Particularly in the cleaning and household services sectors, many cases of exploitation have the hallmarks of human trafficking.

Aamulehti: Three Tampere restaurants suspected of human trafficking
FINLAND | 27 JANUARY 2012

Two people will appear before Pirkanmaan District Court this morning on suspicion of human trafficking, the regional paper Aamulehti reported today. The two suspects are restaurateurs of Vietnamese background, but both have Finnish nationality.

According to the paper, police closed three Golden Rose restaurants on Monday and Tuesday of this week. Two of the restaurants are in Tampere, in the Keskisokas shopping centre and on Hämeenkatu, and the third is in the Ideapark shopping centre in Lempäälä.

This is the second suspected case of human trafficking in the Pirkanmaan region within a year.

Decent work conditions are not self-evident in Finland – service sectors prone to exploitation
Nordic CSR project (2017-2018)

• HEUNI organised a series of workshops with businesses to tailor measures to address risk of labour exploitation

• Risks are higher if the company:
  – Uses non-skilled, temporary or seasonal workers e.g. in construction, cleaning or agriculture
  – Uses sub-contracting, esp. long chains
  – Outsources tasks to employees who are working outside the normal business hours are thus not directly visible to rest of the staff
Checklists for businesses and employers

01 Overall risk assessment
• Does the company use migrant workers who lack knowledge of labour rights in Finland?
• Does it use subcontracting; is it engaged in risk sectors?

02 Recruitment and payment practices
• Are all potential employees met in person and the terms of employment presented in a language that the employee can understand?
• Are there written employment contracts; ensuring the validity of personal documents?

03 The use of subcontractors
• Is the use of sub-contractors limited?
• Are the subcontractors vetted?
• Are there contractual clauses that foresee contract termination in case of detection of exploitation?

04 Indicators of exploitation
• Do employees know what constitutes exploitation and what are the red flags?
• Does your company have a mechanisms for reporting possible suspicions?
FLOW project (2018-2020)

EU-FUNDED, FOCUS ON LINKS BETWEEN LABOUR EXPLOITATION AND ECONOMIC CRIMES

Finland, Estonia, Latvia, Bulgaria + study trip in Brussels
RESULTS

• Improved capacity of law enforcement to investigate human trafficking and to identify victims
• Improved cooperation between police and labour inspectors
• Businesses understand risks of trafficking in supply chains
• Businesses include prevention of trafficking in CSR policies
• Better victim identification
Crimes related to labour exploitation

Based on our findings from Bulgaria, Estonia, Finland and Latvia, several types of related economic crimes and other offenses are commonly committed in connection with labour trafficking and human exploitation.

In many instances, only some of the related crimes and/or violations of the labour law are identified by authorities, and relevant cases might never be investigated or prosecuted. Involvement of such cases is often very labour intensive and requires specialized expertise in labour crimes, economic crimes as well as human trafficking and use of a minor.
Labour exploitation and trafficking are driven by the possibility to make profit on many levels.

Businesses benefiting from labour exploitation are not restricted to criminal organisations - fully legitimate businesses can be linked to exploitation.

The borderline between legal, grey and illegal forms of business activities is not always evident.

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FLOW

FLows of illicit funds and victims of labour trafficking: uncovering the complexities
Cost reduction

- Underpayment/withholding payments
- Longer hours for exploited workers
- Not providing legally required safe and healthy work environment
- Evasion of taxes
- Evasion of social and health contributions
Revenue generation

- Imposition of upfront fees for securing job placement / job trainings
- Inflation of costs
  - Transportation
  - Housing
  - Food
  - Clothes
  - Work equipment and tools
CONCLUSIONS

• Labour exploitation is a low-risk high gain form of corporate crime due to insufficient regulation, resources and monitoring

• Legal structures are used to hide grey and illegal activities

• Complexity of (local) subcontracting chains e.g. in construction and in public procurement facilitates exploitation at lower levels of the chain

• Tackling labour exploitation is hindered by different structural barriers e.g. need to outsource services and saving from labour rather than material costs

• There is a principle level reluctance of states to regulate businesses when economic growth is seen dependent on their success
Forthcoming FLOW-project reports in 2020

- Investigation aid for police and checklist for labour inspectors
- Risk management tool for businesses
For additional information

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