



Shady Business

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uncovering the business
model of labour exploitation



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Introduction

Labour exploitation and trafficking can be seen as direct consequences of global inequality. Poverty, a lack of social or economic opportunities, disparities in income and the standard of living, oppression, violence, conflicts, instability and various other factors are driving people, including within the EU, to find better opportunities and possibilities. The demand for low-skilled, short term labour is large in particular in low-paid sectors and in seasonal work.

1. Flows of illicit funds and victims of human trafficking: uncovering the complexities

This tool describes the business model of human trafficking and labour exploitation outlining how different legitimate business structures may be used to hide and implement labour exploitation, and highlighting the links between labour exploitation, trafficking and economic crimes.

The business model is presented in the form of a visual map and a series of visualisations demonstrating our findings by identifying the schemes used as well as weak points in the supply chain where the risk of trafficking and related crimes may increase. This tool also highlights the links between labour exploitation and trafficking and other economic crimes such as large-scale tax evasion, fraudulent bookkeeping, corruption, unfair competition as well as the complexities of the resulting illicit flows.

The model is developed based on data collected in Bulgaria, Estonia, Finland and Latvia in the context of the EU-funded FLOW-project in the spring of 2019 through a desk review of relevant literature, mapping of recent cases and media articles, interviews with stakeholders representing law enforcement, labour inspectorates, prosecutors, tax authorities, trade unions and NGOs as well criminal entrepreneurs. During the mapping process, special focus was paid to the vulnerabilities, including migration status and gender, of the victims of labour exploitation in different parts of the supply chain.

Aim and target group

The aim of the tool is to raise awareness on the business model of labour exploitation; i.e. a model of making business which utilises methods that are legal, grey and or illegal. Our attention focuses on various forms of exploitation of workers as well as associated economic crimes. The borderline between legal, grey and illegal forms of business activities is not always evident, but from the prevention perspective it is important to interrupt also less severe forms of labour exploitation and economic crimes, rather than just focus on evident cases of trafficking for forced labour or serious violations.

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

The target group includes:

- policy makers in EU Member States,
- authority representatives, including law enforcement, labour inspectorates and tax authority
- civil society, including trade unions and NGOs
- businesses

The following terms are used in this tool:

Labour exploitation refers to a set of abusive conducts where the worker is subjected to poor terms of employment, is working long hours with wages below the national limits (**underpayment**), in poor or even unsafe conditions and has little choice or possibility to change the situation. Depending on the national legislation, some of these conducts may be defined as (labour) crimes or as violations of the labour code.

Forced labour refers to any work or service which people are forced to do against their will, under threat of punishment. While some countries have criminalised forced labour as a separate crime, in most countries it is criminalised as a form of exploitation under the national human trafficking legislation.

Trafficking for forced labour or labour trafficking refers to exploitation of a person for economic gain. If the exploitation of a worker includes also restriction of their freedom, use of force, threats, debt bondage, misleading, false promises, psychological pressure or violence, it may fulfil the criteria of human trafficking. Human trafficking is criminalised in all European countries, but national definitions often vary slightly when it comes labour exploitation.

Victims of human trafficking or trafficked persons have the right to victim-centred and unconditional assistance which may be lacking from persons of (mere) labour exploitation, often referred to as **exploited migrant workers**.

Migrants or migrant workers in the context of this tool refer not only to third country nationals but also to EU-citizens who are working in a different country than their country of origin and whose lack of information on their (labour) rights is abused by **criminal** and/ or **unscrupulous employers, businesses or brokers** who take advantage of the situation and subject them to labour exploitation to maximise their own profits, including for the generation of illicit flows of money and goods as a result of said exploitation.

Setting the scene

A growing number of labour exploitation cases have been identified in Europe in agriculture, cleaning, catering, construction, hospitality, transportation and manufacturing sectors (e.g. Jokinen et al. 2011; FRA 2015). These sectors are also known for their often long and complex supply chains, which may be used to hide labour exploitation and illicit financial flows, in the lower parts of the chain (Davies 2018; Ollus 2016; Smit 2011; Crane et al. 2019). Within the EU victims of labour exploitation are often other EU-citizens or come from the neighbouring countries within Europe, but they may also come from Asian, African and Central and South American countries.

Based on the findings of the four-country mapping we argue that labour exploitation is a form of corporate crime motivated by economic profit. Companies engaging in labour exploitation and trafficking gain an unfair economic advantage and distort competition and the functioning of the free market (Ollus 2016; Davies & Ollus 2019). Hence, the profits accrued via labour exploitation and the resulting illicit flows distort competition and the business environment within the EU.

Labour exploitation and trafficking are driven by the possibility to make profit on many levels, and businesses benefiting from labour exploitation are not restricted to criminal organisations. In fact, it is often a chain of legitimate businesses that engage in labour exploitation, both knowingly and unknowingly.

It is equally evident that widespread impunity surrounds this phenomenon: many countries have problems in differentiating between less severe forms of labour exploitation, more serious exploitation and ultimately trafficking for forced labour. Exploiting one's workers is economically profitable and the risks of getting caught and sanctioned are low. The response of the criminal justice system to labour exploitation is often insufficient and authorities have problems constructing these incidents as crimes per se (Alvesalo et al. 2014). Therefore, while the elements of trafficking may not be identified, at the same time the priorities of the control authorities do not encourage the investigations of acts that are deemed as mere labour exploitation (Ibid).

Moreover, unscrupulous businesses and criminal entrepreneurs are utilising legitimate business structures and schemes to maximise their profits and hide the evidence from law enforcement and tax authorities. On

paper everything looks to be in order, while the reality is very different: these businesses take advantage of people who lack information on their rights in the labour market and who are used to and forced to accept lower wage-levels, poor terms of employment, zero hour contracts and lack options to claim their rights, including due wages.

To better capture a holistic view of the situation we have utilised the CATWOE Analysis method, which is usually used in the business world to identify and solve problems that often involve multiple and conflicting interests (Checkland & Poulter 2006). By considering the perspectives and standpoints of Customers – Actors – Transformation process – World view – Owners – and Environmental constraints, we highlight the complex challenges of addressing labour exploitation as well as the change – transformation – which is our ultimate goal: to make labour exploitation an unprofitable and high-risk venture. It is clear that to achieve that transformation all the different parts of the system must be addressed or taken into account in some way.

Our ultimate goal is to make labour exploitation an unprofitable and high-risk venture.

C	<p>"Customers" Those, who are affected by the current situation as victims or beneficiaries</p>	<p>Workers and employees Municipalities and public organisations Businesses Individual consumers</p>
A	<p>"Actors" Those involved directly and indirectly in the situation; those, who perform the activities that enable the transformation</p>	<p>Workers Employees Perpetrators Businesses</p>
T	<p>"Transformation" A purposeful activity as a transforming process based on world view</p>	<p>The current system enables labour exploitation both due to existing practices and due to a lack of adequate oversight, control and sanctions.</p>
W	<p>"World view" Worldview that defines the activity</p>	<p>Capitalist system focusing on maximizing profits and outsourcing of services</p>
O	<p>"Owner" Those, empowered to change the system</p>	<p>States, European Commission, European Union, authorities, ultimately the workers themselves</p>
E	<p>"Environmental constraints" Bigger global processes, drivers of the situation</p>	<p>Globalisation, Global inequality, Migration flows within the EU and beyond Legal systems and practises Polarisation and disenfranchisement</p>



Profit at any cost

Features of exploitation

The features of labour exploitation are mostly the same in different parts of Europe, while the specific sectors and victim profiles change according to geographical location of the destination country as well their economic and labour market situation. Migrant workers often work long hours and receive low wages, which are below national standards and are subjected to a number of different forms of exploitation described in picture 1. Often subtle, psychological methods are often used to control the victims rather than direct force.

While Finland is mainly a country of destination and transit Bulgaria, Estonia and Latvia have been seen mainly as countries of origin, and their citizens are exploited for labour in Western and Northern Europe. However, the findings of the four-country mapping show that at least Estonia and Latvia are also becoming countries of destination and transit e.g. for Ukrainian migrant workers who are exploited in the construction sector.

- Unreasonable or unlawful recruitment fees
- Pressure related to working conditions
- No extra pay for overtime, shifts or weekend work
- Confiscation of ID
- Restriction of movement
- Underpayment
- Sexual violence or the threat thereof
- Overlong working hours
- Physical violence or the threat thereof
- Unreasonable transportation fees
- Forbidding social interaction
- Withholding pay

Picture 1 | Forms of labour exploitation

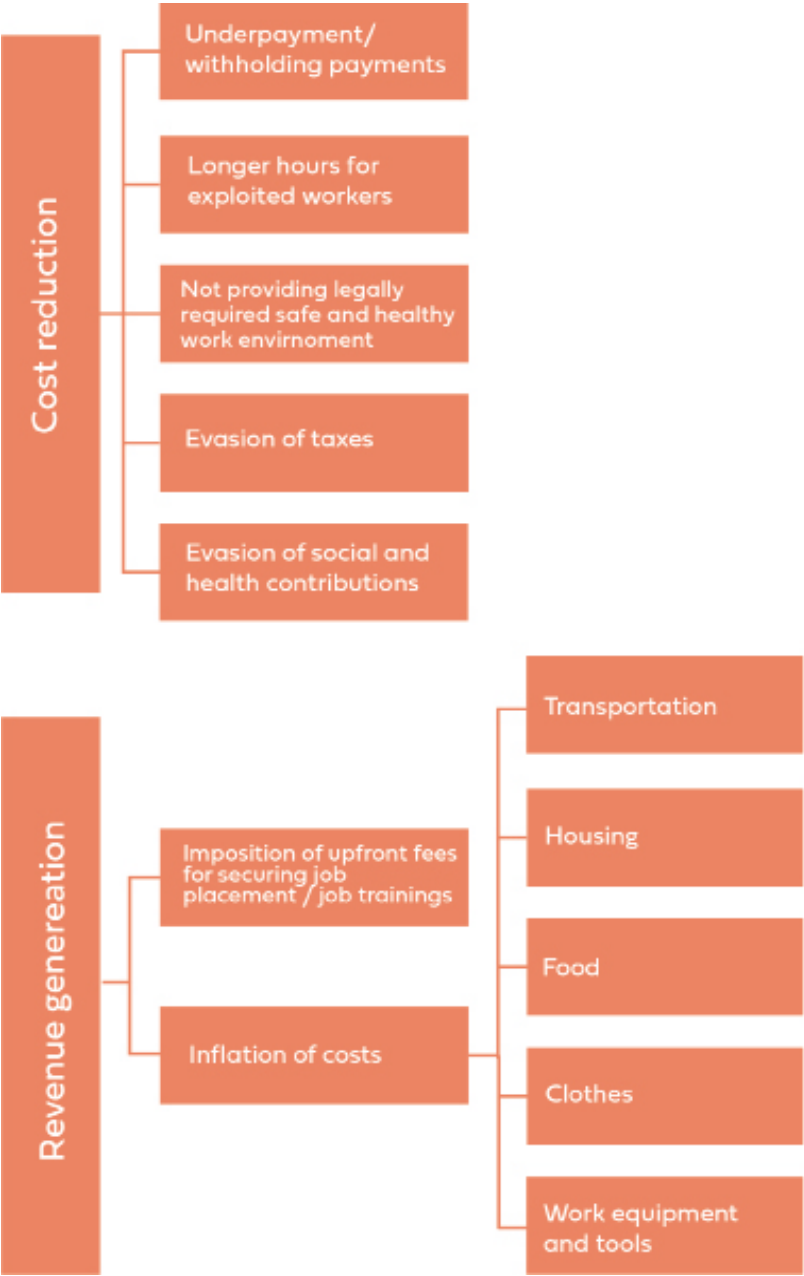
Business model of labour exploitation and trafficking

Generally, the business models of traffickers revolve around two main avenues for making profit: cost reduction and revenue generation by use of forced labour (Allain et al. 2013). However, it should be noted that in reality, perpetrators use a mix of these sources to maximize revenues, and that all labour exploitation does not necessarily constitute human trafficking.

The cost reduction strategy relies on the reduction of labour costs through underpayment or entirely withholding payments to victims, making victims work longer hours, not providing the legally required conditions for safe and healthy work environment and evasion of taxes, social and health contributions. The revenue generating strategy relies on imposition of upfront fees to the victims for securing a job placement abroad or job trainings, as well as inflation of costs for transportation, housing, food, clothes, necessary work equipment and tools (Allain et al. 2013; CSD 2019). These profit-making avenues are described in the following visualisation. Some or all aspects described may occur in one case.

Most often reduced costs of labour result in severe underpayment of wages, which include different forms of additional services deducted from the wages e.g. for accommodation, food or tools.

This may also result in debt and increased dependency of the workers on the employer/perpetrator. Ultimately, labour exploitation is legitimised through the existing precarious and poor labour practices that disadvantageously affect migrant workers (Ollus 2016). Labour exploitation is not necessarily only a question of crimes committed by organised criminals, but instead embedded and driven by common market factors and business processes, combined with inadequate regulatory oversight (Davies & Ollus 2019).

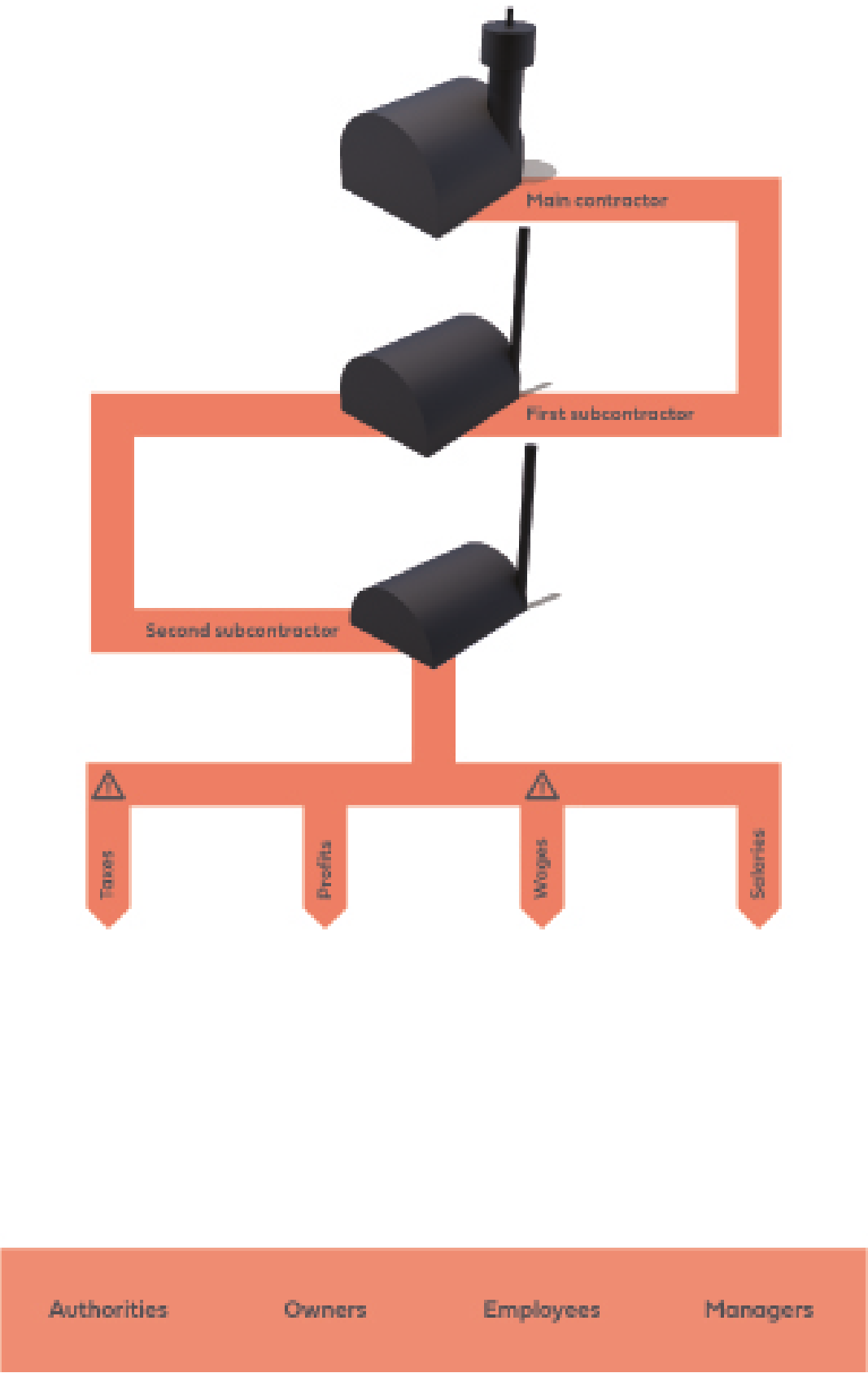


Picture 2 | Business model of labour exploitation: ways of profit-making

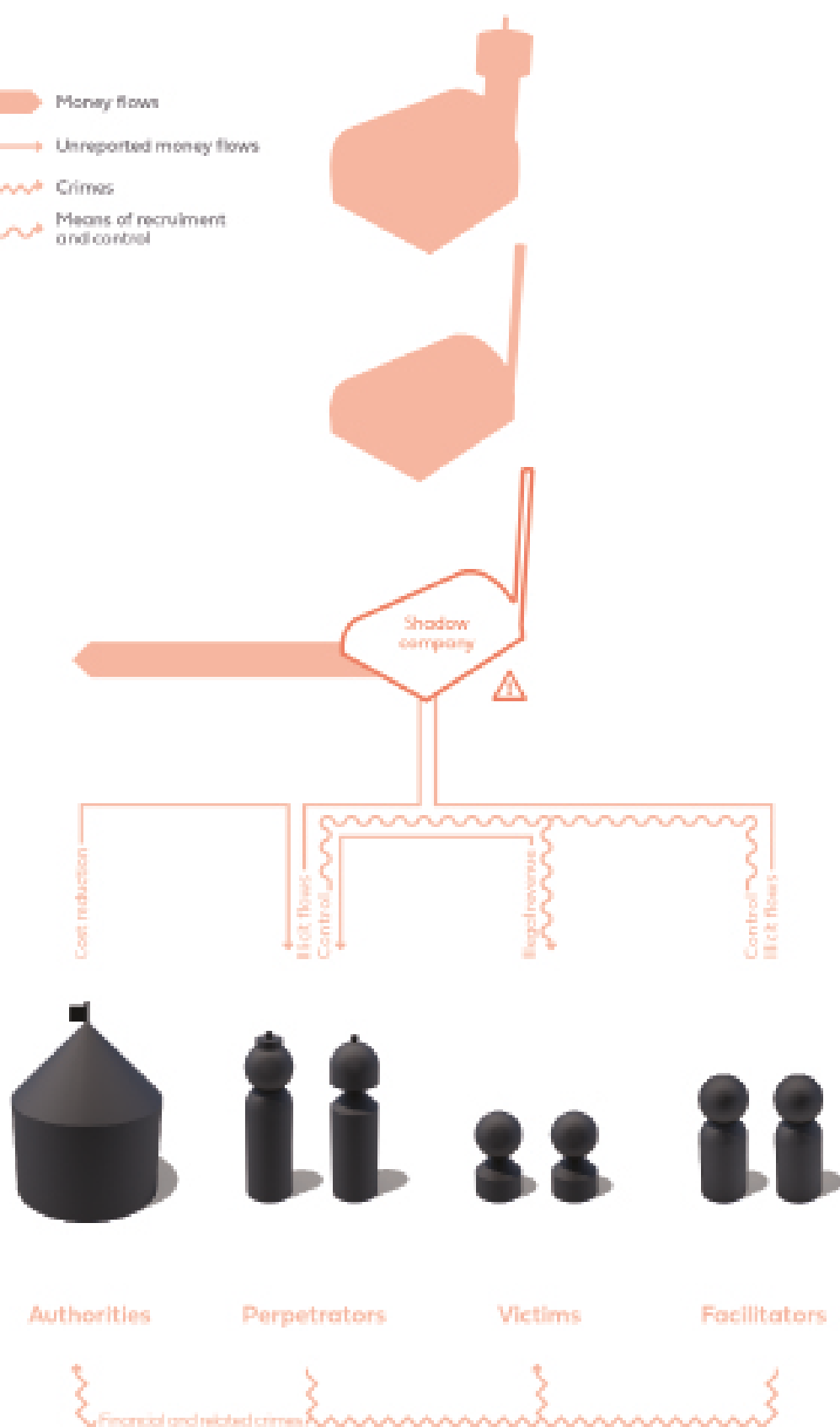
Visual Map

This visual map is a generalisation we have created based on an in-depth analysis of labour exploitation cases collected from Bulgaria, Estonia, Finland and Latvia. It draws a “big picture” of the logic and methods of labour exploitation beyond the four countries so as to present a more European model. In this model the free movement of workers, inequality and different labour market realities result in abuses in which perfectly legal structures and measures may be used to disguise and facilitate labour exploitation e.g. in long supply chains and to maximise profits gained. It also highlights the points at which different authorities and actors could identify and/or disrupt the exploitative scheme.

The details of these identified schemes associated with labour exploitation, related crimes and money flows depicted in the visualisation are described in more detail after the map.



- Money flows
- Unreported money flows
- Crimes
- Means of recruitment and control



Schemes associated with labour exploitation

In many cases labour exploitation and trafficking are intertwined with various schemes for tax and social contribution evasion to maximise profits made. Perpetrators use legitimate business structures and often employ a number of methods and schemes to avoid detection by authorities. The use of these schemes was identified in all four countries involved in the project. Sometimes several schemes described below are utilised at the same time by the unscrupulous businesses:

• Bogus self-employment

Bogus-self-employment schemes include misleading, deceiving, manipulating or forcing victims to register as self-employed persons in the destination country, while in reality they work under the subordination of an employer. A similar model is the fraud scheme, whereby instead of registering as self-employed the victims are made to register as shareholders of a limited liability company (Federal Public Service Social Security 2011). Thus, under both of these schemes the employer in practice reverses the burden for payment of taxes and social contributions to the workers and thus cuts labour costs.

Victims are furthermore usually made to sign contracts in a foreign language, which they do not understand, and without being informed about the relevant tax regulations and the obligation to pay tax and other statutory contributions. Eventually, they end up owing large amounts as unpaid income taxes, social and health contributions.

In Estonia a common scheme is the practice of setting up private limited companies for tax evasion. Such companies are willing to do a lot to avoid the payment of taxes altogether. Instead of employing workers, the companies are urging the employees to start their own companies and instead of employment agreement the parties contract an agreement between two companies. This means that the actual contents of the work to be performed does not change, but the legal relationship in which the work is carried out does. This helps the contractors to save around 40% of the regular labour costs. This practice is called "OÜ-tamine" in Estonia and it seen to be strongly linked to labour exploitation according to the findings of the Estonian mapping.

• Posted work scheme

Another common scheme, which is often employed in parallel with labour trafficking is the abuse of the posted work regulations. Under this scheme exploited workers both from less affluent EU countries such as Bulgaria and Romania as well as from neighbouring countries such as Ukraine, Moldova, Albania and Macedonia are contracted by front companies in EU countries and then posted to work abroad in another EU country. There are a growing number of cases of labour exploitation identified in Estonia and Latvia concerning Ukrainian posted workers in the construction sector who have been posted there via Polish or Lithuanian companies.

In these cases, the workers are paid below the minimum wage, work much more than the established working hours, and often live and work in substandard conditions in breach of the existing health and safety regulations.

Their employer not only pays them lower wages, but also evades paying the full amount of the due taxes and social contributions. This modus operandi usually involves establishing at least one company in the destination country (Latvia or Estonia) and one or more in the transit country (Poland or Lithuania). Often these companies in the transit countries are shell entities without any own assets. In many cases the companies posting the workers sign legitimate employment contracts with some of the workers, whereas the rest of the workers sent to work abroad are made to sign bogus or no contracts at all. In some cases, they may work under rental contracts i.e. as temporary agency workers. These forms of work and structures can be linked to labour exploitation according to the findings of the four-country mapping.

• Cascade sub-contracting • Letterbox companies

Cascade sub-contracting is often used by major companies especially in the construction and cleaning sectors. By including a series of companies in a chain of sub-contracting the direct responsibility for the work is evaded and it becomes harder e.g. for the labour authorities to distinguish who works for whom. Cascade sub-contracting is commonly used also for covering various labour law violations and evasion of due taxes and social contributions.

In order to lower the risks of inspections or criminal investigations so-called letterbox companies or companies without any employees or assets may be used to avoid contractor's liability obligations and to keep the company records clean. If detected, these shell entities are easily dumped and disposed of.

The subcontractor can either: (i) be a workforce rent company who deals with staffing; (ii) use a shadow company to hire migrant labour for low salaries and poor living and working conditions without being liable; (iii) use the chain of subcontracting through many companies where the last company in the chain pays out low salaries while the other companies in the chain get a larger share of the profit without being liable for misuses further down the supply chain; (iv) use private limited companies to create bogus invoices or transactions to explain the money flows from one actor to another, meanwhile hiring migrant workers without written contract or documentation, which would make it harder for the victims to later claim due wages or take any action against the employer since they must prove that there was a contract in place or at least that they have actually worked in the company in the first place.

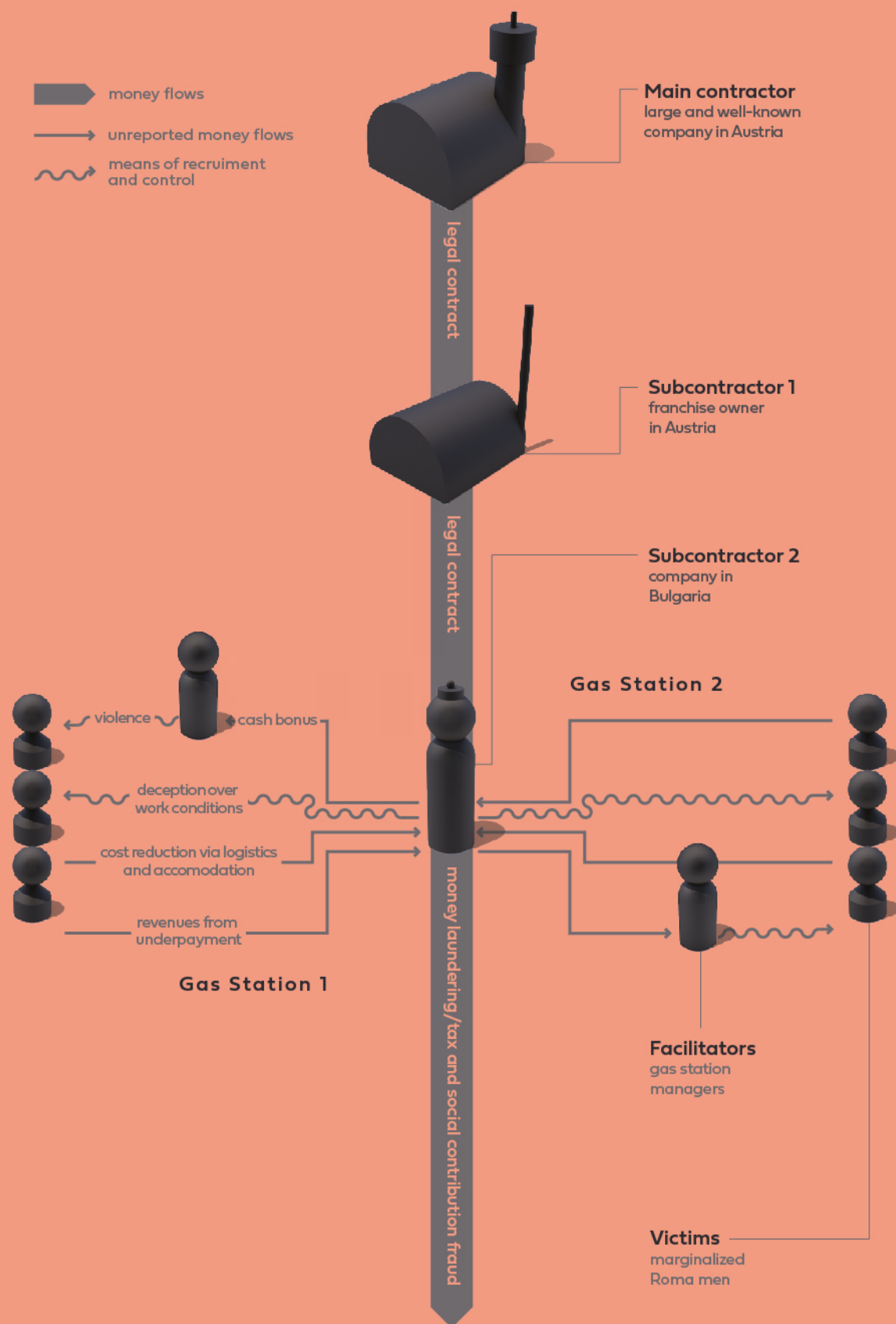
The following case example demonstrates some of the schemes described above. This is an intra-EU case where a fully legitimate business in Austria was caught for engaging in labour trafficking and exploitation perpetrated by a Bulgarian-based company.

The gas station case example (2017-2018)

In this case a Bulgarian national established a company in Bulgaria, which recruited general workers for jobs at British Petroleum (BP) gas-stations located in Austria. The Bulgarian company signed a contract for delivery of maintenance services with an Austrian based franchise-owner operating BP gas stations in Austria. The contract concerned the provision of maintenance services for 2-3 gas stations. The Bulgarian company distributed advertisements in local media recruiting mainly marginalized Roma men for the jobs.

The workers were sent to Austria and signed 6-month contracts. However, they stayed in Austria for no longer than 3 months, to avoid the need to register their residence. The contracts between the Austrian company and the Bulgarian company, as well as between the Bulgarian company and the workers were fully legitimate and compliant with the relevant Bulgarian and Austrian regulations. The Austrian company paid 2300 euros per month per worker directly to the Bulgarian company. The franchise owner had no knowledge of the labour exploitation that was taking place at his facilities.

There were about 3-4 victims per gas-station, and they were paid not more than 50 euros per week. The manager of one of the gas stations helped the organizer to control the victims at the gas-station. He and another assistance manager used aggression and violence to control the victims and seized their personal ID documents. Both the manager and the assistant manager received additional bonuses in cash from the Bulgarian organizer.



Crimes related to labour exploitation

Based on our findings from Bulgaria, Estonia, Finland and Latvia, several types of related economic crimes and other offences are commonly committed in connection with labour trafficking and labour 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 and/or qualified as trafficking. Investigation of such cases is often very labour intense and requires specialised expertise in labour crimes, economic crimes as well as human trafficking and use of interpreters.

Economic crime	Document offenses	Benefit fraud	Tax, social and health-care dues evasion
Money laundering	Online card fraud	Bribery	Extortion
Labour law violations	Work safety violations	Fraud	Charging illegal recruitment fees

Financial flows

Financial flows related to labour trafficking operations are predominantly in cash. However, there are differences between sectors, as some sectors are more cash-intensive (e.g. agriculture, car-washing, restaurants) while in others bank transfers are the norm – such as food-processing and construction (CSD 2019). The findings from the four-country mapping outline the difficulties in tracking the illicit flows especially when it comes to cash.

In most cases analysed, the existing evidence suggests illicit flows are rather direct, while the structure of the labour exploitation and related economic crimes are often quite elaborate to better hide or disguise the illicit activities behind a front of legality e.g. taking place in the lower levels of a supply chain.

Financial flows may be further simplified as different fees may be routinely subtracted from the workers' wages, whereby there is, de facto, no financial flow. A growing trend identified at least in Estonia is the use of cryptocurrencies which are often used to pay for intermediaries or to 'project managers' who in practice carry out the scheme of exploitation and economic crimes, particularly in cases where profits are bigger. When financial flows are moved into crypto markets, activities become obfuscated, and it is more difficult to detect and connect money with other activities (e.g. mediating labour for labour exploitation).

It also seems that labour trafficking operations appear to require less initial investment and lower running costs when compared to trafficking for sexual exploitation while at the same time they seem to generate comparable revenues especially when several victims are exploited (CSD 2019).

In Finland, evidence suggests that a sizeable grey economy surrounds restaurants that reap profits through exploiting workers. In addition to profits made by under- or non-payment of workers, the restaurants resort to grey sales by not reporting all of their sales to the tax authority. Cash and lunch voucher² purchases are not registered, or the till is later corrected so that previous sales are stricken out. Evidence suggest that this “black money” can amount to over a thousand euros on a good sales day and a few hundred even on a bad one.

² Voucher given to employees as a taxable employee benefit to allow them to eat lunch out. In 2019 the value of one Finnish lunch voucher is 10.50 EUR.

Nepalese restaurant case from Finland

Four perpetrators of Nepali origin run two Nepalese restaurants in Kuopio, located in Central Finland. The main perpetrator A was married to the second perpetrator B and perpetrator C was his brother. Perpetrator D had previously worked as a waitress for them. They recruited three Nepalese men from Nepal to work in the restaurants in Kuopio with promises of a bright future in Finland. They had to pay large illegal recruitment fees (15 000 EUR) in order to secure the job in Finland and were forced to work long hours with very small wages.

The perpetrators opened two sets of bank accounts (X and Y) for the victims. Their monthly salaries of 1800 EUR were paid to bank account X, but in reality, none of the workers had access to these bank accounts and instead these accounts were used by perpetrators A and B to launder money. Workers only received small “pocket money” which was paid to bank account Y. By not paying proper wages to their three chefs, the perpetrators made a profit of at least 150 000 EUR.

In addition, the perpetrators committed a number of economic crimes, mainly aggravated tax and bookkeeping fraud. During a house search, the police confiscated over 54.000 EUR in cash from the house of the main perpetrator. The economic crime investigation revealed that the company had failed to report restaurants sales (gross worth at least 129.530 EUR in 2015 (30.6.2014 -30.6.2015), 119.079 EUR in 2016 (1.7.2015-30.6.2016) and 36 337 EUR in 2017 (1.7. - 31.12.2016). A total of 284 946,33 EUR in sales was missing from the books according to calculations made by the police and the tax authority. This also resulted in non-reporting and payment of value added sales taxes worth of 58.000 EUR. In addition, the tax authority estimated that this resulted in lost/non-payment of income taxes worth of 48.000 EUR in 2015 and 35.000 EUR in 2016, totalling at least 83.000 EUR. The tax avoidance resulted in a profit of 141.000 EUR in total.

The economic investigation found that the company owners systematically manipulated their till by removing, correcting and/or deleting sales from the till, especially regarding cash sales, but also regarding card sales and they also deleted mandatory monthly reports which were printed from the till. This resulted in fraudulent bookkeeping. During research into the company computer, an excel sheet was found which systematically outlined the real bookkeeping,

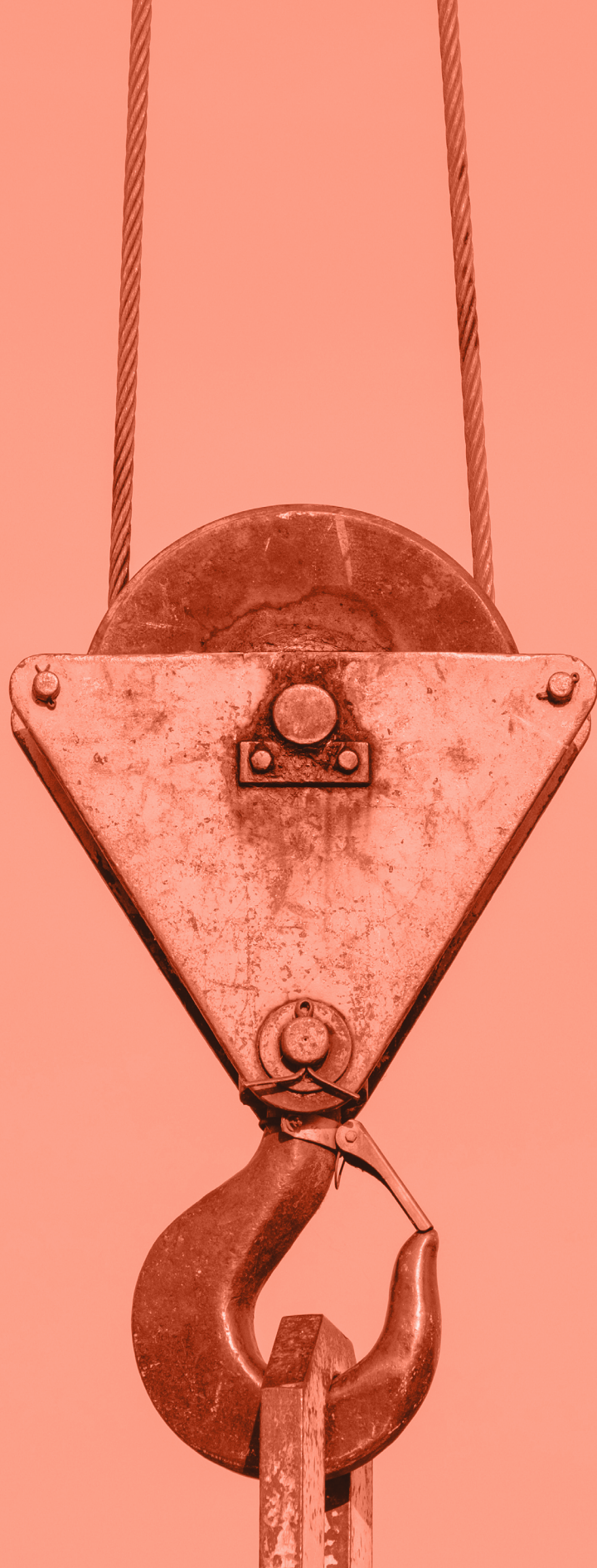
the real profits made and the money which was put aside. This was a major piece of evidence regarding the economic crimes committed. During the trial, the perpetrators confessed their crimes to avoid a business ban. Perpetrator A was sentenced for three accounts of trafficking in human beings, two accounts of accounting offence, and three accounts of aggravated tax fraud and sentenced to suspended imprisonment for 1 year and 8 months. B was sentenced for three accounts of extortionate work discrimination to suspended imprisonment for 6 months. C and D were each sentenced for three accounts of work discrimination to 25-day fines. A and the company were also sentenced to pay compensation for suffering to each of the three victims totalling in 50 000 EUR as well as to pay back due wages totalling in approximately 150 000 EUR and compensation to tax authority for 53 934 EUR.

However, according to the newspaper article (17.4.2019), the interviewed victim has not gotten back his stolen/unpaid wages. Even though the police had confiscated assets worth over 200 000 EUR from the restaurant's owners, the tax authority took its own share before the victims could receive theirs. Therefore, the victims will receive their compensation only in small payments made each month. The victim stated that he is bitter at the restaurant owners and at the Finnish justice system. (HS 17.4.2019) However, the restaurant had to close in the fall of 2019 due to lack of customers as a result of ruined reputation and a consumer boycott.

A recent article by an investigative journalist on labour exploitation in Nepalese restaurants outlined how the cash is taken from the restaurant to the owner's or other relative's home from where it is sent to Nepal, so that every time someone travels there, they take a stack of cash with them. (HS 17.4.2019.)

“Almost all of the money goes back. XX [one of the well-known restaurant owners] has brought in hundreds of people to Finland, and when one of them flies to Nepal, he has to take money with him”, Interviewed migrant worker. (HS 17.4.2019)

Overall, it is clear that the level of the generated revenues to a large extent depends on the level of vulnerability of the exploited workers. The more vulnerable the victim, the lower the risk that s/he will report to law enforcement or other relevant authorities and thus the longer the period of exploitation may last. Findings from the four countries suggest that ultimately the methods used to launder proceeds from labour trafficking and labour exploitation range from simple lifestyle enhancements to investment in real estate development and sophisticated schemes involving bitcoin and cross-border transactions.



From Wrongs to Rights

Access to justice and victims' rights

A challenge for prevention and intervention is that victims of labour exploitation do not very often come forward and disclose their experiences to authorities. Representatives of civil society but also law enforcement and other public authorities note that they understand why victims are hesitant to disclose their experiences, as they fear losing their jobs and/or ultimately their work permit should they complain about their terms of employment. Victims might not even know they are being exploited because of lack of information on their rights in the country of destination, including the minimum wage levels and other regulations in place to protect employees.

Interview quote: Many are sent here only for 3 months to work and then they leave. It's less risky for the employer, and in worst case they only have to pay the wages for that period. If you get caught, they're only used for a short time, and then the guy goes back, or the company changes, and new papers are made. So, it only looks like a short-term. If we find such cases, often the guys just disappear. It's difficult to tackle this. They [workers] do not report these cases, they don't know the system. When does the worker even think it is exploitation if they feel like they're making more [money] here than in the home country? (Finland, civil society)

It is evident that exploited migrant workers face real and acute problems in accessing justice and/or claiming their unpaid wages. In many EU Member States victims of trafficking are entitled to specialised services.

However, unless defined as victims of trafficking, exploited migrant workers do not get access to services provided to trafficked persons, and at the same time lack other options to pursue a case against their abusive employer.

It is therefore important that all actors from public authorities to civil society keep in mind that a victim-centred approach calls for informing victims about their rights. By providing accurate and helpful information, potential victims and exploited workers may be empowered to decide how they should best claim their rights.

All (migrant) workers should have the following rights (Sorrentino & Jokinen 2014):

- Right to information
- Right to understand and be understood
- Right to just terms of employment and safe conditions of work
- Right to freedom of association and to collective bargaining
- Right to remedy, including legal aid to claim due wages and get compensation

Trafficked persons also have access to rights-based and unconditional assistance whether or not they cooperate with the law enforcement. Several promising practices exist in the four countries mapped. Different trade unions, NGOs and public authorities provide low-threshold services such as information hotlines and legal consultations to migrants in multiple languages. For example, in Estonia, the Social Insurance Board maintains a Human Trafficking Counselling Service Hotline³ which provides information to hundreds of exploited workers annually. In Finland, the NGO Victim Support Finland (RIKU)⁴ provides hands-on assistance and support to victims of labour trafficking and exploitation and has developed short videos in nine languages about employee's rights⁵. Trafficked persons can receive assistance via National Assistance System for Victims of Trafficking⁶. The Central Organisation of Finnish Trade Unions (SAK) provides employee rights advisory services, including consultations with lawyers for migrants free of charge and without a trade union membership⁷. In Bulgaria The National Commission for Combating Trafficking in Human Beings⁸ provides assistance to trafficking victims while in Latvia two mandated service providers⁹ – NGOs Shelter Safe House and Centre Marta – provide formal identification of the victims of human trafficking as well as provision of the State funded social rehabilitation to all identified victims regardless their willingness to cooperate with police.

³ +372 6607 320

⁴ <https://www.riku.fi/en/various+crimes/labor+exploitation/>

⁵ <https://www.youtube.com/watch?v=rX9lleGlzg0&feature=youtu.be>

⁶ <http://www.ihmiskauppa.fi/en/+358+295+463+177>

⁷ <https://www.sak.fi/en/working-life/immigrants>

⁸ <https://antitrafficking.government.bg>

⁹ Shelter Safe House Ph: (+371) 28612120 (24/7) and Marta Centre Ph: 80002012 (working days 10 AM – 6 PM), www.cilvektirdznieciba.lv, www.trafficking.lv

Action points for different actors

Who?	What is needed?	Desired result
EU Member States	<ul style="list-style-type: none"> • Ensure sufficient legislative measures are in place to tackle labour exploitation that does not amount to trafficking • Ensure their own service supply chains are free of labour exploitation • Ensure sufficient resources for operational work for public authorities as well as NGOs 	<ul style="list-style-type: none"> • End impunity and ensure labour exploitation is not a low-risk high-profit venture • Ensure that public authorities have sufficient resources for identification and investigation of relevant cases and that NGOs have resources to provide assistance and advice to exploited workers
Law enforcement, labour inspectors, tax authority	<ul style="list-style-type: none"> • Increase focus on proactive work • Target inspections towards high-risk sectors and based on local analysis and tips • Increase cooperation between the public actors by sharing information and conducting joint inspections • Increase awareness among their staff on labour exploitation and its links to trafficking and economic crimes 	<ul style="list-style-type: none"> • Less severe forms of labour exploitation are detected early-on before the situation turns into trafficking • Exploited workers have access to justice, perpetrators are properly sanctioned and victims are referred to service providers and legal assistance
Civil society, including trade unions	<ul style="list-style-type: none"> • Increase efforts to provide information, legal advice and services to migrant workers and victims in different languages 	<ul style="list-style-type: none"> • Migrant workers know their rights and are empowered to claim them
Businesses	<ul style="list-style-type: none"> • Ensure they have taken sufficient measures against labour exploitation within their own organisation as well as within their own supply chains • Have in place proper channels to report possible problems without repercussions 	<ul style="list-style-type: none"> • Businesses have policies against labour exploitation and take measures to ensure transparency in supply chains • Fair competition is not distorted by businesses which make profit by exploiting workers

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