

DOCUMENT #7

Profits and Poverty: The Economics of Forced Labor

Excerpted segments from a 2014 document produced by the International Labour Office.

***Read below, and then examine the charts on the next page.

In 2012, the ILO [International Labour Office] published new estimates indicating that about 21 million men, women and children are in forced labour...

In the 2012 survey, it was estimated that 22% of people in forced labour are victims of forced sexual exploitation, and 68% are victims of forced labour exploitation, for example in agriculture, construction, domestic work or manufacturing.

The Asia-Pacific region accounts for by far the largest number of forced labourers – almost 12 million (56 per cent) of the global total – whereas countries of Central, South-Eastern and Eastern Europe (non-EU) and the Commonwealth of Independent States (CIS – 9 former nations of Russia's Soviet Union) have the highest prevalence rate with 4.2 victims per 1,000 inhabitants...

It is [now] estimated [in 2012] that the total profits obtained from the use of forced labour in the private economy worldwide amount to \$150 billion per year. A majority of the profits are generated in Asia, with two-thirds in this region originating from forced sexual exploitation.

Annual profits per victim are highest in the developed economies (\$34,800 per capita), followed by countries in the Middle East (\$15,000 per capita), and lowest in the Asia-Pacific region (\$5,000 per capita) and in Africa (US\$3,900 per capita).

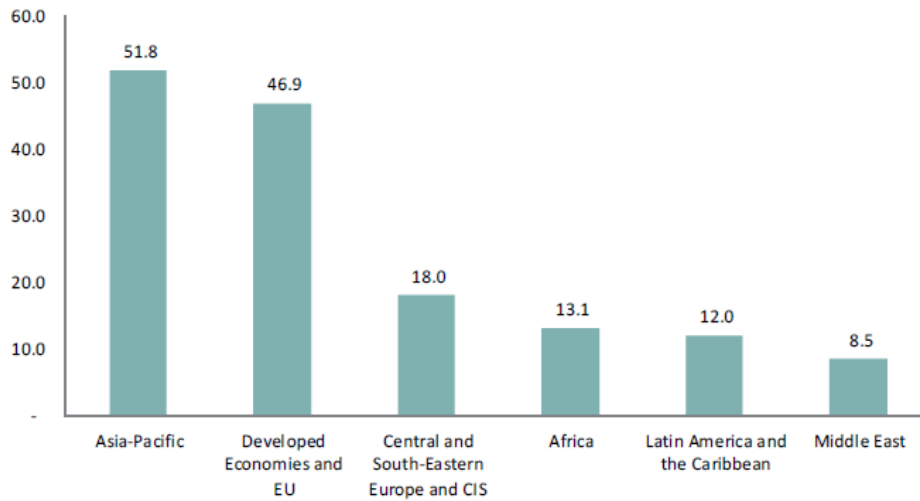
Globally, two-thirds of the profits from forced labour were generated by forced sexual exploitation, amounting to an estimated **\$99 billion per year**...

Victims of forced labour exploitation, including in domestic work, agriculture and other economic activities, generate an estimated **\$51 billion** in profits per year. Of those, the profits from forced labour in agriculture, including forestry and fishing, are estimated to be **\$9 billion per year**...

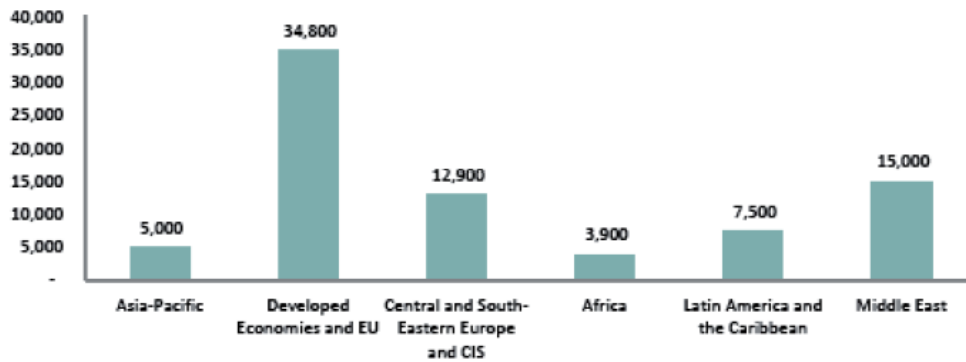
Profits for other economic activities are estimated at **\$34 billion per year**, encompassing construction, manufacturing, mining and utilities...

Finally, it is estimated that private households that employ domestic workers under conditions of forced labour save about **\$8 billion annually** by not paying or underpaying their workers... Based on information in the 2012 Global Database, it can be estimated that forced domestic workers are paid on average about 40 per cent of the wage they should receive.

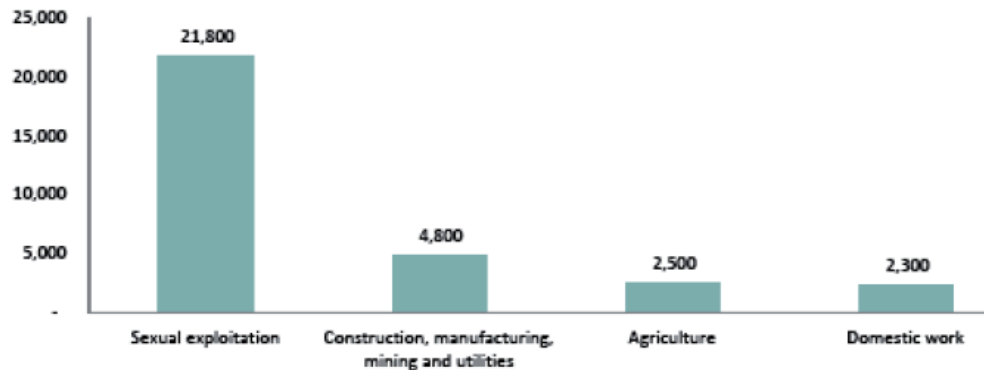
Annual profits of forced labour per region (US \$ billion)



Annual profits per victim of forced labour per region (US \$)



Annual profits per victim per sector of exploitation (US \$)



"Profits and Poverty: The Economics of Forced Labour." (n.d.): n. pag. *International Labour Force*. International Labour Force, May 2014. Web. 13 Sept. 2016.
http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243027.pdf