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The New Face of Slavery in the Balkans





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## *About*

Shortly after the end of the Kosovo war, the last of the Yugoslav dissolution wars, the Balkan Reconstruction Observatory was set up jointly by the Hellenic Observatory, the Centre for the Study of Global Governance, both institutes at the London School of Economics (LSE), and the Vienna Institute for International Economic Studies (wiiw). A brainstorming meeting on Reconstruction and Regional Co-operation in the Balkans was held in Vouliagmeni on 8-10 July 1999, covering the issues of security, democratisation, economic reconstruction and the role of civil society. It was attended by academics and policy makers from all the countries in the region, from a number of EU countries, from the European Commission, the USA and Russia. Based on ideas and discussions generated at this meeting, a policy paper on Balkan Reconstruction and European Integration was the product of a collaborative effort by the two LSE institutes and the wiiw. The paper was presented at a follow-up meeting on Reconstruction and Integration in Southeast Europe in Vienna on 12-13 November 1999, which focused on the economic aspects of the process of reconstruction in the Balkans. It is this policy paper that became the very first Working Paper of the wiiw Balkan Observatory Working Papers series. The Working Papers are published online at [www.balkan-observatory.net](http://www.balkan-observatory.net), the internet portal of the wiiw Balkan Observatory. It is a portal for research and communication in relation to economic developments in Southeast Europe maintained by the wiiw since 1999. Since 2000 it also serves as a forum for the Global Development Network Southeast Europe (GDN-SEE) project, which is based on an initiative by The World Bank with financial support from the Austrian Ministry of Finance and the Oesterreichische Nationalbank. The purpose of the GDN-SEE project is the creation of research networks throughout Southeast Europe in order to enhance the economic research capacity in Southeast Europe, to build new research capacities by mobilising young researchers, to promote knowledge transfer into the region, to facilitate networking between researchers within the region, and to assist in securing knowledge transfer from researchers to policy makers. The wiiw Balkan Observatory Working Papers series is one way to achieve these objectives.



# The wiiw Balkan Observatory

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*This study has been developed in the framework of research networks initiated and monitored by wiiw under the premises of the GDN–SEE partnership.*

The Global Development Network, initiated by The World Bank, is a global network of research and policy institutes working together to address the problems of national and regional development. It promotes the generation of local knowledge in developing and transition countries and aims at building research capacities in the different regions.

The Vienna Institute for International Economic Studies is a GDN Partner Institute and acts as a hub for Southeast Europe. The GDN–wiiw partnership aims to support the enhancement of economic research capacity in Southeast Europe, to promote knowledge transfer to SEE, to facilitate networking among researchers within SEE and to assist in securing knowledge transfer from researchers to policy makers.

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For additional information see [www.balkan-observatory.net](http://www.balkan-observatory.net), [www.wiiw.ac.at](http://www.wiiw.ac.at) and [www.gdnet.org](http://www.gdnet.org)

# THE NEW FACE OF SLAVERY IN THE BALKANS

Isilda Shima <sup>1</sup>

## Abstract

The paper studies the individuals from the Balkans, who attempted to migrate illegally and fell victims of trafficking and exploitation at the destination country. The paper aims to analyse and explore the relationship between personal characteristics, previous economic status of the victims and the implications of being trafficked and sexually exploited, in well-being terms. In order to examine the deprivation of the victims of trafficking and exploitation we use Sen's capability approach whereas to estimate the latent state of well-being we make use of MIMIC approach (Multiple Indicators Multiple Causes). The probability of being trafficked and exploited out of the region and its main determinants are analysed by counting for demographic, social, economic and political factors. We find that improving the political and economic situation in the origin country, concurrently with law enforcement intervention in the destination country, reduces the victims' deprivation by the trafficking and exploitation.

**Keywords:** human trafficking, illegal migration, capability approach, well-being.

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## 1- Introduction and background information

The Balkan area has a long tradition in migration. While in former Yugoslavia<sup>2</sup>, the phenomenon of emigration started since the 1960s with the intention of alleviating labour market imbalances, Albania, Romania and Bulgaria came across the emigration epoch after 1989. The migration in Southern and Eastern Europe has been a significant and very complex phenomenon not only because of economic causes but also due to wars and nationalistic hostilities. Large flows of migrants threatened the western part of Europe, which reinforced restrictions on migration flows from Central East Europe. Regardless of restrictions on migration, individuals don't cease looking for a better future, by means of legal and illegal channels, and taking an enormous risk for their economic and social future with atrocious consequences for their well-being. Mostly the literature has dealt with legal migrants who are more likely to do well socially and economically. But migration is costly. Thus the poor, a priori, being excluded from the legal migration channels, become potential victims of illegal channels. The illegal movement and trafficking is an abusive form of migration, which by deceptive employment opportunities abroad, leads into sexual and labour exploitation, physical and psychological abuse.

The lack of legal channels of migration induces migrants to approach traffickers (Surtees, 2008) and to ask the assistance of recruiters/traffickers to move illegally to the destination country. This risky adventure involves high costs that migrants can't afford. The traffickers and recruiters have the monetary means to organise the illegal migration and they can support the migrants to move abroad under the condition that the debt will be paid back through work. According to International Organisation of Migration (IOM) statistics more than 10 percent of the trafficked and exploited victims knew that they were sold implying the agreement of debt contracts with the purpose of being send abroad (See Annex A, Table A.5). Consequently migrants enter into a vicious circle, a type of slavery and exploitation, with dramatic consequences for their well-being. Even though they might have some expectations about the consequences of illegal migration they ignore the exploitation and mistreatment by the traffickers in the destination country.<sup>3</sup>

Studies that analyse the differences among trafficked and non-trafficked migrants have shown that the victims of trafficking are mainly unmarried, less often have children,

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<sup>2</sup> The countries of former Yugoslavia included in this study are Serbia and Bosnia-Herzegovina.

<sup>3</sup> For more details see Surtees R. "Traffickers and Trafficking in Southern and Eastern Europe". *European Journal of Criminology*, Vol. 5, No. 1, 39-68 (2008)

unemployed and with a relatively poor family economic status.<sup>4</sup> Scarce social economic conditions along with the promise of a job abroad appear determinant to undertake risky options such as illegal migration.<sup>5</sup>

At international level, Chin (1999) sustain that the fight against this phenomenon should be oriented toward traffickers and high profits from this modern form of slavery; others, Epstein (2001) sustain elevated severity of policy interventions. The study of Friebel & Guriev (2004) showed that restrictions on migration, in spite of reducing the trafficking and illegal migration, may have opposite effects such that increases in the enforceability of slavery contracts as an option to move abroad. Nevertheless, regularisation and legalization opportunities, amnesties, reintegration of irregular migrants in the destination country have proven to be rather effective in decreasing the flow of irregular migrants compared to costly and inhumane expatriation to the origin country. Such measures decrease the incentive of migrants to look for illegal and risky alternatives and undergo debt contracts with the traffickers.<sup>6</sup> During 1990s, the pool of potential victims of trafficking has been considerable due to the widespread of inequalities, lack of employment opportunities, poverty, violence and gender discrimination. Moreover, the phenomenon of trafficking and exploitation provokes the deepening of inequality as well as the expansion of a new form of slavery, which has overwhelming consequences to the social-economic and well-being of individuals. Trafficking to the Balkans is viewed as particularly brutal with trafficked victims being resold repeatedly, raped by the traffickers, bar owners, or their relatives, denied food periodically, and compelled to have unprotected sex, Richard (2001).

Studies at micro level, dealing with these aspects of the illegal migration are negligible. Most of the irregular migrants are often unrecorded in the destination country, ghosts that don't appear in national and international statistics. Their existence and their social economic context are almost ignored in the literature but not in the channels of the trafficking of human beings. Within economic, theoretical and empirical research on trafficking of migrants and their exploitation, the lack of suitable data is a credible but not-entirely legitimate justification. Given the paucity of the research in this field, this study intends to address the phenomenon of illegal migration and the victims of trafficking in the Balkans by analysing firstly the probability of being trafficked and exploited inside this region compared to the probability of being trafficked at international level and secondly assess the well-being deprivation from trafficking and exploitation.

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4 See Stephens.S & Van der Linden M. "Trafficking of migrant workers from Albania: Issues of labour and sexual exploitation. DECLARATION/WP/37/2004.

5 *ibid*

5 See Surtees R. "Traffickers and Trafficking in Southern and Eastern Europe". *European Journal of Criminology*, Vol. 5, No. 1, 39-68 (2008)

The dataset used in this study is based on the information collected through Assistance Interview Form of IOM Counter Trafficking Module (CTM). CTM is a tool implemented with the purpose to prevent trafficking of persons, protect the migrant's rights, and manage the process of rehabilitation of the victims and all other activities concerning the well-being of the trafficked and exploited victims. The questionnaire contains information about the victims that were trafficked and exploited at national and international level. However, this research explores VoT (Victims of Trafficking) data on social economic background, relationship with the recruiters, abuse and the nature of abuse, other evidences that help to identify the vulnerability factors of VoT. In spite of the rich individual information from the VoT, the limitation of this dataset consists in the fact that any analysis and conclusion drawn refers to those VoT identified and referred to IOM for assistance. Thus the statistical results have to be read with caution and representation at national or international level is somehow limited.<sup>7</sup>

According to IOM-CTM data, the majority of the individuals coming from the region and assisted by the IOM programme were VoT and sexual exploitation (IOM 2007).<sup>8</sup> Nevertheless recently, assistance is also provided to persons trafficked and exploited through forced labour, low level of criminal activity and other forms of exploitation such as child care, agricultural work, construction, fishing, marriage etc.<sup>9</sup>

The rich information provided by these questionnaire makes it unique and a very useful tool to study the well being deprivation of VoT.<sup>10</sup> This paper is organised as following: the section 2 provides descriptive statistics of victims and recruiters profile. The section 3 shows the theoretical framework used to analyse the socio-economic status and the deprivation of irregular migrants who are trafficked and sexually exploited at the destination country. Section 4 provides the results and conclusions.

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7 The external analysis of monetary variables is limited to the period May 2005-December 2006. Also, age of the VoT corresponds to the interview year and not the trafficking period. Thus an individual aged 18 or over at the time of interview could have actually been trafficked as minor.

8 With regard to Southern East European (SEE) region, the IOM Counter Trafficking Module (CTM) provides data of victims having as country of origin Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Romania, Russia, Serbia & Montenegro, Ukraine, Yugoslavia(including Kosovo). For our analysis, the Balkan region include countries such as Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Romania, Serbia & Montenegro and Kosovo. In total, the dataset covers approximately 80 source and 100 destination countries.

9 See Annex A. Figure A.1.

10 The IOM Counter Trafficking Module (CTM) provides data concerning victims of trafficking that were mainly sexually exploited, forced to labour activities, low level of criminal activities and other forms of exploitation. Considering that more than 89% of the sample is composed by victims of sexual exploitation our empirical analysis of well-being deprivation will be based on those victims of trafficking and exploitation.

## 2- Depicting the process of trafficking, profile of the traffickers and the victims

### 2.1 Definition of trafficking and exploitation

The regulation of the flows of legal immigrants is restrictive and illegality has become the principal recourse for migrants seeking to enter the EU especially for those originating from the Balkan countries. The high levels of refugee and illegal flows, together with the migratory consequences of EU enlargement, have provided a focus for popular concern and policy analysis. The illegal immigration is conditioned by the risk of being apprehended and thereby the real outcome is the opposite of the expectations, Surtess (2008).

Economics has dealt with the illegal migration by considering mainly the motives of emigration and the effects of the presence of immigrants in the host country. Migration models are usually built around a key comparison that drives people's choice and may involve wage differentials, employment differentials or, more broadly, living standard differentials between origin and destination countries. The above theories imply that the individual is maximizing the utility by making a choice between origin and destination countries, Borjas (1994). The trafficking process underlines that an individual can be defined as a victim if he has been exploited. Under these forcing conditions, models implying choices cannot be underlined as long as the choice is inappropriate.

According to IOM:

*Trafficking in persons shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs. IOM (2001).<sup>11</sup>*

The information collected by IOM field missions, during the period 1999-2006, is based on two standardized questionnaires. It concerns demographic characteristics, socio-

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<sup>11</sup> There is no clear consensus in the literature and the main reference is the Palermo Protocol signed by 80 countries in December 2000 after two years of negotiation: "Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children" and "Protocol Against the Smuggling of Migrants by Land, Sea and Air", supplementing the "Convention Against Transnational Organized Crime," United Nations, December 2000.



economic and family background, recruitment and trafficking process, type of exploitation in the destination country, work and pay conditions while trafficked, and current health conditions. They contain also a detailed dataset for South-Eastern European countries and therefore consent the analysis of the Balkan region. The dataset includes information about personal characteristics and the social economic profile of the victims like gender, age, number of children, marital status, and level of education. Also the data set reports the family economic status of the victims and their occupational status prior of being trafficked, their occupation at home, monthly earnings and amount sold to the traffickers. In addition, there is also information about the recruitment and the trafficking process, how were recruited, what was offered by the recruiters, what kind of job was promised and what was the type of exploitation at the destination country, hours of work, daily earnings exploited by the traffickers. Often, the vast majority of the victims reported being denied basic needs and human rights by their traffickers. The overwhelming majority was denied any freedom of choice, freedom of movement and medical care.

## **2.2 The profile of the traffickers and their motive to recruit**

The process of recruitment and trafficking is a puzzle in itself but with very clear push and pull factors. The role of the recruiters such as providers of a better future is reinforced by the lack of official migration channels. The recruiter's assistance to reach the Promised Land and the promised job, prior to departure, plays a determinant role in this process. More than 49 percent of the victims were recruited by personal contact and more than 47 percent of sexually exploited victims stated having agreed to work in Italy, 11 percent in BiH, 8 percent Serbia and Montenegro, 4 percent in Greece, 3 percent in Spain and the rest in EU countries and other continents.<sup>12</sup>

Trafficking is claimed to be the third largest source of profit for crime organizations, following the guns and drug smuggling sale, e.g. drugs generating US\$7 billion per year (Abolish, 2007). According to the United Nations traffickers have high facility in pinpointing victims since these are usually individuals looking for a chance to go abroad, vulnerable and willing to trust the traffickers.

Different criminal activity models based on a maximization of the utility function of traffickers have concluded that traffickers obtain positive net utility from trafficking which can be attributed to the low probability of being caught and the huge monetary gains (See

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<sup>12</sup> See Table A.2-6 in the Annex A.1.

Ehrlich, 1973). The utility maximization model is based on the assumption that traffickers are rational agents that maximize their utility. This assumption is not realistic considering that traffickers are mainly risk and profit lovers and lacking the wisdom of utility maximization. Such deficiency may result in irrational actions that do not bring to an utility's maximization. Nevertheless, the low risk of being arrested, weak law enforcement interventions, high level of corruption in the Balkan countries and reluctance of victims to demand for help encourage many traffickers to make a lot of profits out of this process and persist in their criminal activity.

According to Ehrlich (1973), punishment rules are insufficient actions to deter the trafficking and exploitation of the victims. Appropriate laws and penalties are necessary to attain greater efficiency in punishing and deterring traffickers/recruiters and consequently bringing to positive results in combating trafficking. Like in other criminal models, the prediction is that an increasing probability of being caught and more rigid punishment rules imply higher erosion of expected utility from criminal activities therefore less incentives to undertake less profitable activities. However other studies sustain that punishment reduces crime rate only in the short run. The establishment of more legitimate opportunities is a longer-term solution to deter crime while punishment not always is an effective crime deterrent measure.<sup>13</sup>

Concerning the profiles of the traffickers, they are very diverse and operate in complex clandestine networks. Trafficking activities, despite the criminalization of trafficking in many countries and hard penalties involved, persist because they are still uncontrolled and is very likely that traffickers derive positive net utility from these activities.

The IOM data (Table A.5-6) disaggregated by type of exploitation indicate that more than 50 percent of the victims had no relationship with recruiters and most of them were "Strangers"; in 33 percent of the cases traffickers were ordinary people whom the victims knew personally, such as friends and relatives, and the rest of 17 percent were entrapped through business contact, partners or boyfriends, pimps and other. Moreover, female traffickers are a growing phenomenon. More than 40 percent of the recruiters were women. For example, we observe that VoT sexually exploited, more than 53 percent of the recruiters are males, 41 percent are females and the rest pertain to both sexes, while for low level of criminal activities the share of female recruiters is more than double of male recruiters.<sup>14</sup> The study of Surtees (2008) on trafficking and exploitation of the victims from South Eastern Europe has shown that there is a new phenomenon of increasing trend of female recruiters

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<sup>13</sup> Source: <http://www.jyi.org/research/re.php?id=1472>

<sup>14</sup> The recruiters for low level criminal activities were respectively 46 percent and 21 percent while more than 33 percent fit into category of both sexes.

especially among those involved in trafficking and sexual exploitation. An interpretation is that these females are usually women who were previously victims of trafficking and sexual exploitation. The alternative of being transformed from a “prey to a hunter” is an option of escaping from being treated brutally and sexually exploited by pimps, clients, recruiters and traffickers. These scenarios have occurred quite frequently in Central Eastern Europe, (Hughes, 2000).<sup>15</sup>

Being short of legal migration option and the high cost of illegal migration are the traps that make the victims prey of traffickers. Traffickers are the intermediaries who provide the irregular migrants with access to the destination country that was agreed to work in. An agreement or an informal contract can be stipulated between the traffickers and the potential victims to render possible their move to the destination country. This agreement is conditioned by the debt reimbursement to the traffickers with income generated by the promised job upon the arrival in the targeted country. According to the statistics, the rate of the exploited victims which knew that they were sold to other traffickers at any stage of the process ranges from 14 percent, for those exploited in criminal activities of low level, to 56 percent for those sexually exploited.<sup>16</sup> The victim enters in such agreement assuming that after the payment of the debt he or she will be released, which not always is the case, especially for the victims of sexual exploitation. Jobs like waitress, domestic work, dancer, baby-sitter and service sector were promised but despite the promises made by the traffickers, the irregular migrants were transformed into slaves in the destination country. The conditions of illegal migration and debt obligations create favourable grounds for the traffickers to exploit and generate high incomes out of the slavery of the victims, which are inexistent and unprotected by the law.

Monetary indicators about the victims of sexual and forced labour exploitation show that while the monthly labour income of the victims in the origin country didn't exceed respectively US\$ 48 and 57, the amount of being sold was US\$ 1162 and 1700. In order to pay back to the recruiters/traffickers the amount of illegal migration they were exploited and did forced labour in the destination country by working 7 days per week and 14 hours per day. While the victims of sexual exploitation worked 7 days per week, for more than 12 hours, the charging amount per client was at US\$ 60, higher than the monthly labour income at the origin country.<sup>17</sup> This means that, approximately 1 week of sexual exploitation reimburse the

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15 See Hughes, 2000. [http://www.uri.edu/artsci/wms/hughes/natasha\\_nij.pdf](http://www.uri.edu/artsci/wms/hughes/natasha_nij.pdf).

16 Among the victims sexually exploited 56 percent knew they were sold, whereas among those exploited by forced labour and in criminal activities, respectively 36.36 and 14.29 knew that were sold.

17 See Table 4 in the Annex. A1. The monetary variables are provided only from 1999-May 2005.

traffickers for trafficking the victims abroad and bearing the cost of illegal migration. The rest of earned income by exploiting the victims consists in a huge profit at a probably low risk for the traffickers. Such figures should be interpreted with caution and their scope for analysis is to a certain degree partial. Nevertheless, the data described above provide an important insight about the phenomenon.

### **2.3 The profile of the victims and the motives of recruitment**

Trafficking has reached a worrying level in the Balkan region. According to IOM, the precise dimensions are unknown and most of the statistics are available data exceptionally on rehabilitated victims and their trafficking experiences (IOM, 2005). Also according to a study of Bales (2004) about the modern slavery and forced labour, the level of contemporary slavery ranges from 26.000 up to 39.000 individuals in the Balkan countries.<sup>18</sup>

In spite of the insufficiency of the evidences to apprehend the magnitude of trafficking at national and regional level, the IOM-CTM provide the background to analyse the roots of trafficking, the well-being deprivation and the degree of exposure to risk and slavery in the era of our days. The Balkan countries analysed in this paper are Albania, Romania, Moldova, BiH, Bulgaria, Croatia, Kosovo, Serbia and Montenegro and Macedonia. Between 1999 and 2006 more than 3536 victims have been assisted by IOM and the information entered into the CTM. Those sexually exploited account for more than 92 percent, forced labour exploited victims account more than 4.4 percent and the rest are victims of low-level criminal activities, namely begging, and other forms of exploitation.<sup>19</sup>

Even though 47 percent of the sexually exploited victims agreed to go to Italy, their real destination country was in 26 percent of the cases Albania, BiH in more than 20 percent, Kosovo in more than 17 percent and their nationality was in most of cases Moldavian and Romanian. These figures (Table A.3.) indicate how relevant has been in the process of trafficking the target country of migration compared to the final destination. It shows that while victims are usually looking for a chance to move to one of the EU countries, they end up being exploited to another destination country.<sup>20</sup> The nationality of the recruiters is dominated by Moldavians (44 percent), followed by Romanians (33 percent), Albanians (8 percent), Serbian (5 percent) and other nationalities such as Bulgarian, BiH and other CEE countries less than 1 percent (Table A.6).

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18 Source: [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=591224](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=591224)

19 It is crucial to make a distinction among different types of exploitation in order to analyse the patterns, roots and the impact to the victims with the purpose to identify effective prevention and protection solutions.

20 See table A.2-A.3

Similarly, we find the same trend for other types of exploitation where the dominance of the nationality of the recruiters is Moldavian and Romanian. These data indicate that the majority of the victims has the same nationality of the recruiters implying that the trafficking and exploitation of the victims is mainly organized and managed by the co-nationals rather than international criminal organizations and thus remains a phenomenon that is mainly dominated within this region.<sup>21</sup> These findings are strengthened by the level of victims trafficked and exploited at internal level versus the international level, respectively 31 and 69 percent among sexually exploited victims, 14 and 86 percent among forced labour exploitation and 45 and 55 percent among the victims of low-level criminal activities. The segregation of the victims by gender and type of exploitation showed that more than 98 percent of the sexually exploited victims were women and only 2 percent men; those exploited by forced labour 91 percent were women and 9 percent men and lastly those exploited through criminal activity of low level were 88 women and 12 percent men.

The statistics in Table A.5 show the socio-economic characteristics of the victims prior to the departure. Those sexually exploited were more than 68 percent single, 66 percent without children, 22 years old on average, and 81 percent living with their family. For most of them the perception of the family economic status was respectively poor (53 percent) and very poor (24 percent) and more than 55 percent were unemployed. This indicates that most of the victims originate from “poor” and “very poor” economic setting. The level of education ranges from 23 percent up to 32 percent in primary education while more than 7 percent of forced labour victims have university and higher education. Concerning the previous work experience and occupation of the victims, more than 60 percent had previously a job mainly in private or public sector while among those sexually exploited only 2 percent were employed in sex industry before being trafficked. Nevertheless, prior to the departure, more than 55 percent of the victims were unemployed and for more than 79 percent of them a job abroad was promised. The most common approach of getting in touch with the recruiters was through personal contacts for more than 85 percent (ranging from 4 percent of those involved in criminal activities up to 7 percent of forced labour victims).

The above factors indicate the degree of victims’ vulnerability considering their social economic status and their demographic characteristics.<sup>22</sup> The data show that for more than 82

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21 The limitation of the system has been that it only collected information on the nationality of one actor involved in the trafficking process (unless the nationality was in all cases the same) while different persons involved in trafficking can have different nationalities. The 2008 version of the system, and the accompanying screening and assistance forms, has this limitation.

22 Caution should be exercised with the socio-economic variable as the information is self-stated by the VoT.

percent of sexually exploited, abuse was exercised to keep them under control and for more than 46 percent of them access to medical care was denied.<sup>23</sup>

### **3- Methodology**

#### **Specification1: the MIMIC model and well being deprivation of sexually exploited victims**

In order to analyse the well-being deprivation of sexually exploited women we apply a modelling approach, which allows defining the well-being as a latent variable, thus not an exact measure, which depends on several observable dimensions. This approach is constructed using the Sen's Capability approach. According to Di Tommaso et al (2008), this approach is theoretically relevant because the well-being of individuals is attained not only in terms of achieved functioning but also in the freedom to choose.

With reference to Sen Capability approach, examples of functioning are being alive, being in good health, having freedom of movement, and taking part in the community life, being employed, or educated and other ones. The capability approach operates at the level of realized welfare which is measured by functioning and the level of potential welfare which is measured by capabilities. For those individuals, which have been trafficked and exploited, physical health, integrity and freedom of choice are those capabilities that have been put at risk. The measurement of well being requires looking at some personal characteristics of the victims (their previous work experience, family economic status, education level, and their background characteristics) and some characteristics of the job (work location, intensity of work). Di Tommaso et al (2008) uses the MIMIC (Multiple Indicators Multiple Causes) modelling which allows considering the well being as a latent construct of which we observe only few dimensions. The fundamental advantage of this approach is that it does not rely on exact measurement of well-being. Each indicator represents a noisy signalling of well-being. The MIMIC modelling is established upon the specification of a system of equations, which specify the relationship between an unobservable latent variable (well being), a set of observable endogenous indicators and a set of observable exogenous variables, supposed to be

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<sup>23</sup> As stated by Second Annual Report on Victims of Trafficking in South-Eastern Europe 2005 victims trafficked to the Balkans were exploited in bars and nightclubs as well as kept in private apartments and transported to the clients. In a number of destinations in the Balkans, sexual exploitation was increasingly located in private apartments and homes. This was a tactic to avoid detection. Further, some women were kept in private homes to provide sexual and often domestic services to their "boyfriends"/"owners".

the causes of well being.<sup>24</sup> For each of the indicators chosen to represent the latent variable “well being”, a weight (a factor loading) will be estimated. The weight represents how much that specific functioning count in explaining “well being” with respect to other functioning. The capability approach is theoretically relevant and sufficiently flexible to overcome the limitations in the data. In fact, this framework allows analyzing the status of individuals in terms of not only income losses but also in terms of some basic aspects of life, relevant for the victims of trafficking such as: freedom of movement, access to medical care, security from violent assault.

This modelling strategy has been extensively used in psychometrics and more recently in econometrics (Di Tommaso, M.L, Raiser, M., and Weeks M. 2006). In addition, MIMIC models have been extensively used to estimate shadow economies, Breusch (2006), Schneider (2005). This modeling structure is based on the specification of a system of equations which determines the relationship between a latent variable which is in this case the well-being, the observable endogenous indicators (freedom of movement, access to medical care, abuse, intensity of work) and a set of observable exogenous considered as the causes of well-being.

The Counter-Trafficking Module Database of IOM enables to reconstruct the trafficking scenario by analysing the situation of the victims before and during the exploitation. We used this rich data set to analyse the latent construct of the well-being deprivation of women, victims of sexual exploitation. The CTM information shows that there has been a bias towards the number of victims of trafficking for sexual exploitation compared to the number of victims identified after having been trafficked for labour exploitation. The data has predominantly focused on trafficking for the sexual exploitation of women and only recently some attention has been addressed to trafficking for other forms of exploitation. One explanation is that trafficking for sexual exploitation has been easier to be judicially demonstrated compared to trafficking for labour exploitation. Hence, our analysis focuses on well-being deprivation of sexually exploited victims and uses IOM data only for this category of victims.<sup>25</sup>

The MIMIC approach allows us to think of this model as comprising two parts: a structural equation for well-being (which relates the latent variable well-being to the exogenous variables) and a measurement equation that takes into account that there is no single variable called well-being (Di Tommaso et al 2008). The structure of the model is as follows:

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<sup>24</sup> About the model specification see Di Tommaso et al ( 2008).

<sup>25</sup> Source: e-mail communication with the Counter-Trafficking Division of International Organization for Migration in Geneva. 30 July 2007.

$$(1) \quad Y^O = \Lambda^Y y^* + \varepsilon \quad \text{where} \quad Y^O = \{y_i^O\} \text{ is a } m \times 1 \text{ vector}$$

with each  $i^{\text{th}}$  element representing an indicator of well-being, denoted  $y^*$ .

$\Lambda^Y = \{\Lambda_{ij}^Y\}$  denotes a  $m \times 1$  parameter vector of factor loadings and represents the expected change in the respective indicators by a one unit change in the latent variable

$\varepsilon$  is a  $m \times 1$  vector of measurement errors, with  $\Theta \varepsilon$  denoting the covariance matrix.

The well-being of trafficked and exploited women is linearly determined by a vector of observable exogenous variables ( $x$ ) and a stochastic error  $\zeta$  giving:

$$(2) \quad y^* = x' \gamma + \zeta \quad \text{where} \quad \gamma \text{ is a } s \times 1 \text{ vector of parameters.}$$

The model is comprised of two parts: (1) the measurement equation reflecting the observed indicators and (2) the structural equation. This structural approach allows modeling and interlinking of the information across the multiple indicators of well-being and facilitates inference on the effect of determinants of well-being. The structural equation specifies the causal relationship between the observed exogenous causes and the well-being. Since  $y^*$  is unobserved, it is not possible to recover direct estimates of the structural parameters  $\gamma$ . The combination of the measurement equation and the structural one provides the reduced form representation such as follows:

$$(3) \quad Y^O = \pi x + v$$

where  $\pi = \Lambda^Y \gamma'$  is the  $m \times s$  reduced form coefficient matrix and  $v = \Lambda^Y \zeta + \varepsilon$  is the reduced form disturbance.<sup>26</sup> Differently from Di Tommaso et al (2008) that include only three variables (abuse, freedom of movement and access to medical care) in the vector  $Y^O$ , in this paper we allow  $Y^O$  to include 4 observed variables: abuse, freedom of movement, access to medical care and intensity of work. In addition, the vector  $x$  contains individual-specific observed variables that may have an impact on choices sets as well as on preferences (well-being) for women who have fallen into trafficking and being exploited.

We choose these four observed variables (abuse, freedom of movement, access to medical care and intensity of work) because they are fundamental indicators to determine the

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<sup>26</sup> The argumentation of this structural form compared to other models such as regression – based approaches, multivariate probits is provided at Di Tommaso et al (2008).



well-being following the Sen's approach. The factors loading for each of the components of well being measurement is captured by four indicators which are the physiological or physical abuse, the access to the medical care, degree of freedom, and the intensity of work, (whether the victims was forced to work seven day per week).<sup>27</sup> The adding of variable intensity of work, in addition to those indicated by Di Tommaso et al (2008) is justified by the concept of the arduousness of labour, which is determined by work intensity other psycho-social characteristics of work. This is an essential tool for understanding well-being. Palmers-Jones (1997) found that there is a direct connection of work intensity and well-being as they affect the physical health of individuals. Therefore it would be interesting to analyse whether different levels of work intensity could have a negative impact on the well-being deprivation of the victims. They also argue that high work intensity, indicated by peaks of energy expenditure, and other forms of arduous labour, can be damaging to the well-being.<sup>28</sup>

In order to determine the impact of causes on the well being of trafficked and exploited women, we use the observed exogenous variables such as socio-demographic and political ones which influence the well-being of the victims. The motivation to migrate illegally is not only pushed by economic factors but also by political ones. The political and economic situation in the Balkans during the last decade has been quite tense and the decision to migrate illegally is also motivated by the low confidence in the political system of origin country and the liberty rights. Therefore the degree of political right, civil liberties, and the perception of higher freedom in destination country compared to low score of democracy in the origin country has an impact in the well-being of citizens and how do they perceive their future. This is an important driving engine that pushes individuals to undertake risky initiatives such as illegal migration. Thus, the impact of explanatory variables such as family economic status, previous work experience, education, country of origin, law enforcement intervention, degree of freedom in the origin country, work location of sexually exploited is explored.

In addition to Di Tommaso et al (2008), in order to capture the effects of political situation in the origin country Freedom Index (FI), an indicator of freedom in the origin country, is included in the analysis. FI is an indicator published by Freedom House and is monitored on an annual basis. The purpose of FI is to capture the impact and the role of state

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<sup>27</sup> In Table 6 it is shown that on average, sexually exploited women were forced to work 7 day per week approximately 12 hours per day

<sup>28</sup> We need to consider the crude use of time inputs alone as a measure of work burden, since an individual engaged in work producing fatigue needs time to recover, which should be factored into measures of work contribution Palmer-Jones (1997).

and non-governmental factors on the socio-political environment of each nation surveyed.<sup>29</sup> For the reason that the probability of being recruited and trafficked within and out of the region depends also on political freedom we will make use of FI as an indicator of political freedom and civil liberty.<sup>30</sup>

However the consequences of trafficking and exploitation of the victims is tangible more in the destination country. Therefore, in order to address the impact of different intervention measures against trafficking and exploitation of the victims we will use the variable “law enforcement intervention” as another cause of well-being. Marital status, previous work experience, education, having children, family economic status are the personal characteristics which are used as dichotomous variables, taking value one in case of an affirmative reply and zero otherwise. Women sexually exploited had different working locations and the exogenous variable working location of trafficked sex workers is represented by four dichotomous variables of work location: working in bars, street, hotels and apartments. Moreover, information about the use and frequency of condom by sexually exploited women was included in the causes of well-being considering its relevance on health and the possibility to make a choice.

## **Specification 2: The probability of being trafficked out of the Balkan Region**

Table B.1 provides the descriptive statistics of the variables used to estimate the probability of being trafficked and exploited out of the Balkan region compared to the probability of being trafficked at international level. While the IOM data indicated that even though the country agreed to work in most of the cases was an EU country (in more than 47 percent of the cases was Italy) the victims had another final destination where they were trafficked and exploited (see Table A2.1). Motivated by the high share of victims trafficked and exploited within the region the purpose is to analyse the social, economic and political determinants of being trafficked within the region. We apply a probit model to estimate the probability of being trafficked and exploited internally depending on family economic status, country of origin, marital status, level of education, degree of civil rights and political freedom in the country of origin, type of exploitation in the destination country, relationship

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29 Political rights and civil liberties are measured using a ranking scale from 1 to 7 which may reflect annual fluctuations in freedom within a nation and allowing the scores of different regimes, democratic or not, to oscillate between 7 ranges. Political rights includes subjects such possibility of free elections, participation in the decision-making processes etc while civil liberties consists of media independence, freedom of religion etc.

30 See Annex 1. Source: Freedom in the World Country Ratings. <http://www.freedomhouse.org>

Political rights and civil liberties are measured on a one-to-seven scale, with one representing the highest degree of freedom and seven the lowest. Until 2003, countries whose combined average ratings for political rights and for civil liberties fell between 1.0 and 2.5 were designated “free”; between 3.0 and 5.5 “partly free,” and between 5.5 and 7.0 “not free.”

with the recruiters and what was offered by the recruiters. The probability of being recruited and trafficked within and out of the region depends also on political freedom. Therefore, in order to capture the effects of political situation in the origin country we will make use of FI as an indicator of political and civil liberty.<sup>31</sup>

## **4- Estimation results**

### **4.1. Estimation results of probit model**

The probit estimates, Table B.2, show that victims of trafficking and exploitation originating from Balkan have higher probabilities of being exploited within the region compared to other CEE countries. Also Surtees (2005) shows that even though most of the victims were not aware of being exploited while in transit, they were victims of sexual exploitation, e.g. 22 percent of the foreign victims assisted in Macedonia were exploited while in transit. While being married, unemployed, having no relationship with the recruiter and coming from an originate country with high degree of freedom is positively related with the probability of being trafficked at international level. Often the victims, being without the support of the family or being unmarried, are placed in a weak position and powerless to report the traffickers to the police and government authorities.

The positive sign of FI indicates that more freedom in the country of origin implies less probability of being trafficked and exploited within the region. The above finding together with the evidence that in most of the cases the nationality of the victims coincide with the nationality of the recruiters induce us to contemplate that the trafficking and exploitation in the Balkan region is not managed and organised by international criminal organization rather than co-nationals looking for high profits at low risk. Therefore the lack of law intervention in the destination country augment the vulnerability of the victim's and encourages the international trafficking. For those victims from the Balkan region, compared to other CEE countries, there is a higher probability of being trafficked within the region especially for those sexually exploited where the FI is still relatively low. Nevertheless, in these countries the governments have started to introduce new laws to protect the victims of exploitation and punish the recruiters but the law enforcement intervention is still negligible. This finding is in line with the study of Ehrlich (1973), which claimed that punishment rules are insufficient actions to deter the trafficking and exploitation of the victims. For example in

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<sup>31</sup> See Annex 1. Source: Freedom in the World Country Ratings. <http://www.freedomhouse.org>

Political rights and civil liberties are measured on a one-to-seven scale, with one representing the highest degree of freedom and seven the lowest. Until 2003, countries whose combined average ratings for political rights and for civil liberties fell between 1.0 and 2.5 were designated "free"; between 3.0 and 5.5 "partly free," and between 5.5 and 7.0 "not free."

Albania, under Law No. 9284, “On the Prevention and Fight against Organized Crime”, police have the power to detect, identify, investigate, and sequester assets belonging to those who are suspected as potential recruiters and are involved in trafficking of persons. The court, by law, can confiscate their assets and use them to assist the victims of trafficking. However, there are no such cases applied by the authorities.<sup>32</sup> Moreover, in case of Albania, in January 2001 the Albanian Parliament introduced the punishment of 5 up to 15 years for trafficking and sexual exploitation but the high level of corruption and lack of government protection for the victims have prevented the prosecution of the traffickers.<sup>33</sup>

#### **4.2. Estimation results of MIMIC model**

The theoretical framework of the capability approach is used to conceptualize the well-being deprivation of victims of trafficking, which is fundamentally a latent variable. This latent construct is estimated by using a MIMIC (Multiple Indicators Multiple Causes) model which brings to important results concerning the causes and indicators of well being of victims of trafficking. The estimation of the well-being of trafficked and sexually exploited victims is presented in Table B.3-B.4. The estimates in Table B.4 present the factor loadings for each of the components of well being and the R-square statistics, separately for each sub-component. The R-square statistics show the goodness of fit for each of the indicators. Analysing the estimates of the loadings for each the components of well being in Table B.3 is observed that intensity of work, in this case of exploitation, is the variable which has the most important impact in the well-being, followed by the abuse and access to medical care. The results show that originating from Balkan region, being unemployed; having the perception of a poor family economic status and being trafficked at international level has a negative impact and deteriorates significantly the well being of the victims. FI (high degree of freedom) in the origin country indicate a positive effect on the well being of the victims. As it concerns the level of education, starting from the base category, low education, even though we find that with the increase of the level of education the impact on the well-being improves, the effect is not statistically significant. Along these lines we can't conclude that those individuals with a higher level of education are better off. As it concerns the working location of sexually exploited victims it is shown that, using as the base category “working in the street”, the effect is positive, increasing and significant for the categories bars, hotels, and apartments. Law enforcement intervention has a positive and significant effect on the well-being of the

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<sup>32</sup> See OSCE Report 2008. [http://www.osce.org/publications/odihr/2008/05/31284\\_1145\\_en.pdf](http://www.osce.org/publications/odihr/2008/05/31284_1145_en.pdf)

<sup>33</sup> Trafficking worldwide and in Albania. Anti-Slavery: Today's Fight for Tomorrow's Freedom (<http://www.antislavery.org.uk/homepage/antislavery/award/albaniabackground2003.htm>)

victims. The significant impact on the well-being of variables such as degree of freedom and civil rights liberty in the origin country together with law enforcement intervention in the destination country addresses very important policy implications which would contribute to combat trafficking and exploitation of the victims. It shows that improving the economic and political environment at the origin country gives a crucial contribution in preventing trafficking/exploitation and reducing his negative consequences. These factors, in complementary to the law enforcement interventions at the destination country, would assist to change the face of this modern form of slavery in the Balkans and avoid deprivation of individuals who fell victim of trafficking and exploitation. Also, this finding is in accordance with the study of Ehrich (1973) which showed that coordinated appropriate laws, penalties and legitimate opportunities are indispensable to deter crime.

## **5- Conclusions**

The purpose of this study was to investigate the roots of trafficking, the deprivation of the victims of sexual exploitation and identify those factors that would contribute to the prevention of its occurrence. In specific, this study attempted to address the phenomenon of illegal migration and trafficking of the victims from the Balkans by first analysing the probability of being trafficked at international level and secondly by assessing the well-being deprivation from this crime. This study explore evidences about social and economic background of the victims, recruiters, abuse and nature of abuse, and other factors that assist to capture the degree of vulnerability of the victims. As indicated by IOM-CTM, the majority of the victims assisted by the IOM programme were victims of sexual exploitation.

First, we analyse the well-being deprivation of sexually exploited women by applying a modelling approach, which allows defining the well-being as a latent variable, which depends on several observable dimensions. This approach is constructed using the Sen's capability approach which operates at the level of realized welfare, measured by functioning, and the level of potential welfare, measured by capabilities. For those individuals, which have been trafficked and exploited, physical health, integrity and freedom of choice are those capabilities that have been put at risk.

Secondly, we apply a probit model to estimate the probability of being trafficked and exploited internally depending on family economic status, country of origin, marital status, and level of education, degree of civil rights and political freedom in the country of origin, type of exploitation in the destination country, relationship with the recruiters and what was offered to the recruiters.

The study showed that the victims of trafficking and exploitation originating from the Balkans have higher probabilities of being exploited within the region compared to other victims originating from CEE countries. Whereas being married, unemployed, having no relationship with the recruiters and originating from a country with high degree of freedom is positively related with the probability of being trafficked at international level. Often, the victims, being without the support of the family or being unmarried are placed in a weak position and are powerless to report the traffickers to the police and government authorities. Additionally, more freedom in the country of origin would induce to lower probability of being trafficked and exploited within the region.

The study found results similar to findings of Stephens (2004) that originating from the Balkan region and having a poor family economic status, being trafficked at international level has a negative impact and deteriorates significantly the well-being of the victims. Higher degree of freedom in the origin country indicates a positive effect on the well-being of the victims. As it concerns the level of education it plays no role to make the victims be better off. Under the slavery conditions the role of education is insignificant. Whereas the working location of sexually exploited victims effects positively and increasing respectively for the categories bars, hotels and apartments compared to those exploited in the street. The positive and significant effect, on the well-being of the trafficked and exploited victims, of the variables such as degree of freedom and civil rights liberty in the origin country along with law interventions at the destination country elevate crucial policy indications which would contribute to combat the trafficking and exploitation of the victims. The argument is sustained also by the study of Epstein (2001).

We conclude that to fight the trafficking of the victims and prevent the deterioration of their well-being, by different forms of slavery and exploitation, we should implement policies that identify and bring solutions beforehand at the origin of the problem and, in addition, these policies should be combined with policy interventions at the core of the problem. More freedom to the citizens, more civil rights in the country of the origin together with law enforcements interventions at the destination country should move parallel to each other. From economic point of view policy recommendations should be addressed toward the improvement of the economic situation and the alleviation of the poverty in the origin country by providing more adequate education, reducing the level of unemployment and offering more job opportunities. These policy measures would avoid the risk of falling into the trap of poverty, and pushing individuals to become an easy prey of the traffickers.

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## ANNEX A. 1: Descriptive statistics

**Table A.1: Estimated Number of Exploited people in the Balkan Region**

COUNTRY	Slavery	Traff. to	Traff.		est. low	est. high
			from			
Albania	2	1	3		5000	10000
Bosnia-Herzegovina	1	2	2		3000	4000
Bulgaria	1	2	4		2000	4000
Croatia	2	2	3		1000	2000
Macedonia	1	2	3		1000	1500
Moldova	1	3	3		1000	1500
Romania	2	3	4		5000	6000
Yugoslavia	2	3	4		8000	10000
Total					26000	39000

Note: Slavery: 1=LOW to 4=HIGH

Trafficking Variables: 1=LOW to 4=HIGH

Source: Bales(2004) . [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=591224](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=591224)

### Descriptive statistics of the IOM-CTP questionnaire

#### Remarks about the data<sup>34</sup>

The IOM's counter-trafficking activities are geared toward the prevention of trafficking in persons, particularly women and children, and the protection of migrant's rights. These activities include: Carrying out information campaigns; conducting research on migrant trafficking; providing safe and dignified return and reintegration assistance to victims of trafficking; helping governments to improve their legal systems and technical capacities to counter trafficking. All these activities are developed and implemented within a framework centred on the concern for the well-being of the trafficked person. The Counter Trafficking Module (CTM) is a tool used to manage the process of Return and Reintegration of victims of trafficking (VoT). The IOM offers, in countries of origin and of destination, immediate protection in reception centers in collaboration with its partners. The CTM database allows for the reconstruction of the trafficking process of each victim and monitors the IOM direct assistance, movement and reintegration process in central systems, with a view to improving services through further research initiatives, advocacy, information and evaluation. The database stores information from two questionnaires after the victim has been referred to IOM: the Screening Interview that assesses the individual's eligibility to be assisted by one of IOM's CT projects; the Assistance Interview that captures a more in-depth set of information regarding the trafficking process. Concerning the data, firstly, the "age" of the VoT is age at time of interview and not time of trafficking. All VoTs featuring in Database are only those VoTs identified and referred to IOM for assistance: thus, the statistics cannot be seen as representative of the national and/ or international situation. It is important to note that while the majority of individuals assisted by the IOM were trafficked for prostitution and other forms of sexual exploitation, IOM's return and reintegration assistance does not solely focus on sexual exploitation; assistance is also provided to individuals (women, men, girls, and boys) that have been trafficked, both internally and internationally, for exploitation in the areas of child care, agricultural work, domestic work, factory work, fishing, mining, plantations, construction, low level criminal activities, military service, entertainment, prostitution, waitress, and marriage.<sup>35</sup>

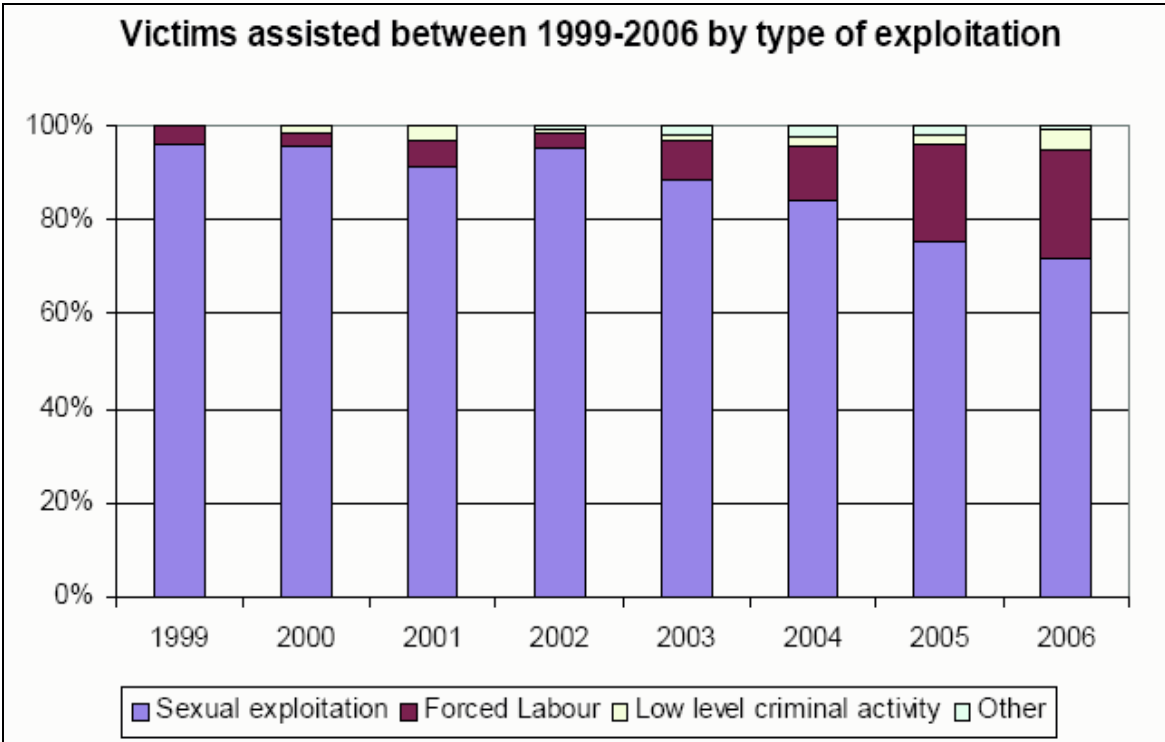
<sup>34</sup> Source: IOM publication "Second Annual Report on Victims of Trafficking in South-Eastern Europe"

<http://www.old.iom.int/iomwebsite/Publication/ServletSearchPublication?event=detail&id=4633>

[http://www.iom.int/jahia/webdav/site/myjahiasite/shared/shared/mainsite/published\\_docs/books/CT%20handbook\\_cover.pdf](http://www.iom.int/jahia/webdav/site/myjahiasite/shared/shared/mainsite/published_docs/books/CT%20handbook_cover.pdf)

<sup>35</sup> Source: e-mail communication with the Counter-Trafficking Division of International Organization for Migration in Geneva. 30 July 2007.

**Figure A.1: Victims assisted between 1999-2006**



Note: Even though VoT are mainly those sexually exploited, the number of forced labour exploitation has become recently a more vital issue. According to CTM data, the VoT exploited by different forms of forced labour has increased especially during last years (IOM 2007). VoT ends in forced labour such as commercial sexual or other forms of labour exploitation. In accordance with the definition of League of Nations in 1926 and the UN instrument of 1956 the term slavery is intensively used to indicate conditions where one person exercises rights of ownership over another one including debt bondage.<sup>36</sup> In addition ILO Forced Labour Convention (No. 29) of 1930 defines forced labour all work activities that an individual is coerced to do under the threat of penalty, and for which they have not offered themselves voluntarily.<sup>37</sup> In the first phase, the recruiters offer financial means to go abroad under the condition of paying back the debt by the earned income from the promised job in destination country, cases of marriage promises and other forms. In the next phase, confiscation of documents, threats on their familiars, physical or sexual violence are used to keep the VoT under control and exploit them by commercial sexual services, forced labour, criminal activities and other forms of exploitation.<sup>38</sup> According to ILO Special Action Plan Programme to Combat Forced Labour, “the abusive recruitment practices can pill over to forced labour and trafficking while trafficking remains a low risk criminal activity enterprise generating US\$ 32 billion in annual profits worldwide despite growing awareness and more effective low enforcement over the last years”.<sup>39</sup> In 2004 ILO has started a project in Albania, Moldova and Ukraine to adopt stronger laws on migration and strengthening national migration institutions and cooperation between origin and destination countries.

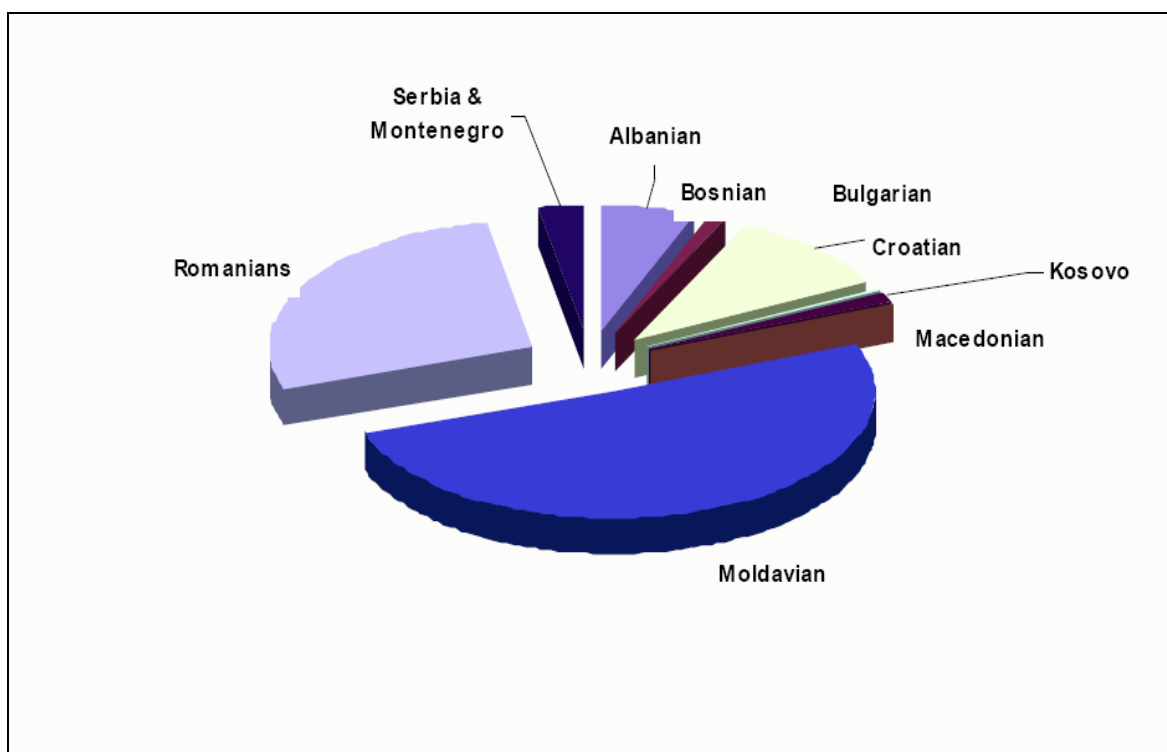
36 Source: Vienna Forum to Fight Human trafficking, 13-15 February 2008

29 Ibid

38 Usually VoT do not have the financial means to afford the illegal migration while traffickers can provide assistance prior to departure with visas, forged documents, border smuggling, during the transportation and at the destination country with so-called promised jobs. This process is costly and the victims hardly can pay the accumulated debt back.

39 Source: Vienna Forum to Fight Human trafficking, 13-15 February 2008.

**Figure A. 2: Nationality of trafficked and sexually exploited victims**



**Table A.2.1: Destination country of trafficked and sexually exploited victims**

Country agreed to work	
ALBANIA	1.06%
BiH	10.86%
BULGARIA	0.12%
CROATIA	0.50%
EU25	14.08%
ITALY	47.54%
KOSOVO	3.05%
MACEDONIA	2.37%
MOLDOVA, REPUBLIC OF	0.25%
MONTENEGRO	0.19%
Other	8.44%
ROMANIA	2.06%
RUSSIA	1.43%
SERBIA	8.05%
Total	3256 = 100%

**Table A.2.2: Destination country while agreed to work in Italy**

DESTINATION COUNTRY		
ALBANIA	207	26.0%
BULGARIA	2	0.3%
BiH	164	20.6%
CROATIA	8	1.0%
MACEDONIA	69	8.7%
GERMANY	1	0.1%
HUNGARY	3	0.4%
ITALY	65	8.2%
KOSOVO (SERBIA & MONTENEGRO)	142	17.9%
MOLDOVA, REPUBLIC OF	17	2.1%
MONTENEGRO (SERBIA &	1	0.1%
ROMANIA	56	7.0%
SERBIA	3	0.4%
SERBIA AND MONTENEGRO	6	0.8%
SERBIA, PROVINCE	48	6.0%
SLOVENIA	1	0.1%
SPAIN	1	0.1%
TURKEY	1	0.1%
Total	795	100%

**Table A.3: Origin Country of the victims agreed to work in Italy and ending up in another destination country**

Destination	Albanian	Bosnian	Bulgarian	Moldavian	Romanians	Serbia &	Total
ALBANIA	36	0	5	93	66	7	207
BULGARIA	0	0	2	0	0	0	2
BiH	0	1	0	89	73	1	164
CROATIA	0	0	0	5	2	1	8
MACEDONIA	0	0	1	35	29	3	68
GERMANY	1	0	0	0	0	0	1
HUNGARY	0	0	0	0	3	0	3
ITALY	5	0	0	0	60	0	65
KOSOVO (SERBIA & MONT	0	0	0	109	32	1	142
MACEDONIA, THE FORMER	1	0	0	0	0	0	1
MOLDOVA, REPUBLIC OF	0	0	0	17	0	0	17
MONTENEGRO (SERBIA &	0	0	0	0	1	0	1
ROMANIA	0	0	0	5	51	0	56
SERBIA	0	0	0	3	0	0	3
SERBIA AND MONTENEGRO	0	0	0	2	4	0	6
SERBIA, PROVINCE OF S	1	0	0	36	11	0	48
SLOVENIA	0	0	0	0	0	1	1
SPAIN	0	0	0	0	1	0	1
TURKEY	0	0	0	0	1	0	1
Total	44	1	8	394	334	14	795

**Table A.4: Monetary variables<sup>40</sup>**

Sexual Exploitation						
Variable	Obs	Mean	Std. Dev.	Min	Max	
Pwsal	720	48.44097	75.69341	1	1000	
Amtsold	485	1662.887	1230.822	40	15000	
Hday	368	12.3913	3.853464	3	24	
Dweek	402	6.925373	0.445989	1	7	
Ncust	763	4.36173	3.611763	1	25	
Chcust	88	59.48864	67.72595	5	600	
Forced labour						
Variable	Obs	Mean	Std. Dev.	Min	Max	
Pwsal	55	57.91818	54.19886	7.5	250	
Amtsold	12	1700	766.0406	1000	3500	
Ldweek	17	7	0	7	7	
Lhday	14	14.28571	3.148347	9	20	

**Table A.5: Socio-Demographic characteristics of the victims by type of exploitation**

		Sexual exploitation	Forced labour exploitation	Low Level Criminal	Other forms of exploitation
Gender of the victims	Female	98.32	91.67	87.5	100
	Male	1.68	8.33	12.5	
	Total	3,270	156	56	53
Type of exploitation	Internal	30.67	14.19	45.45	18.87
	International	69.33	85.81	54.55	81.13
	Total	3,182	155	55	53
Marital status	Common-law	2.73	0.68	9.09	
	Divorced	10.9	9.52	3.03	16.98
	Married	9.92	14.29	24.24	11.32
	Separated	6.73	6.8	9.09	11.32
	Single	68.65	64.63	45.45	58.49
	Widowed	1.06	4.08	9.09	1.89
Total	2,348	147	33	53	
Family economic status	Poor	53.88	Poor 54.23	Poor 33.33	Poor 51.61
	Standard	21.59	Standard 23.24	Standard 6.06	Standard 29.03
	Very poor	24.39	Very poor 22.54	Very poor 60.61	Very poor 19.35
	Well-off	0.15			
	Total	2038	142	33	31
Previous work experience	No	39.79	33.79	52%	39.22
	Yes	60.21	66.21	48%	60.78
	Total	2297	145	33	51
Education	University	3.27	University 6.94	High school 6.25	University 3.78
	High school	22.66	High school 20.83	Middle school 43.75	High school 26.42
	Middle school	33.62	Middle school 26.39	Primary school 31.25	Middle school 24.53
	Primary school	23.17	Primary school 22.22	Vocational school 9.38	Primary school 22.64
	None	3.18	None 2.08	None 9.38	Other 22.63
	Other	14.11	Other 21.53		
	Total	2,326	Total 144	Total 32	Total 53
	Previous employment status?	Employed 15.31	Employed 25.71	Employed 12.12	Employed 16

40 The data refer to May 1999-May 2005. CTD-IOM didn't provide data for all of the original questions where the response required was a monetary one. While verifying the data, the research team was not always able to confirm that the currency of the amount stated. Given that this could skew the data and open up room for misinterpretation, external analysis of such variables was.

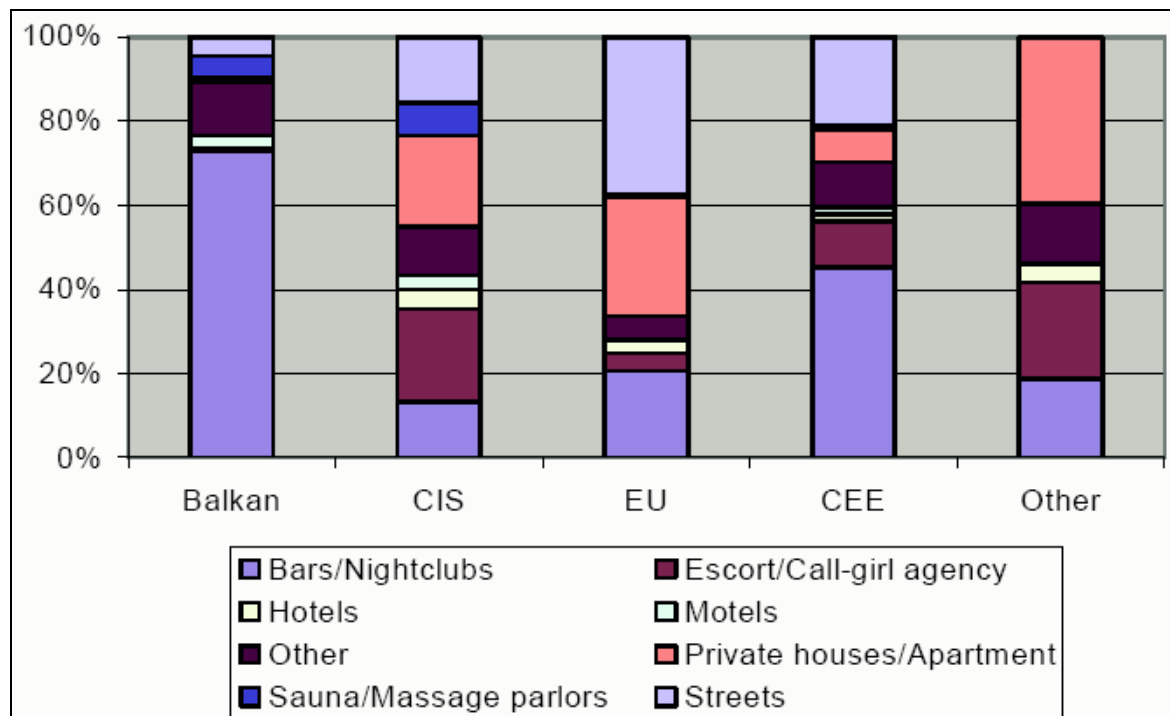
	Missing Data	17.93	Other	2.86	Other	9.09	MissingData	4	
	Other	2.57	Student	12.38	Student	9.09	Student	24	
	Student	8.89	Unemployed	59.05	Unemployed	69.7	Unemployed	56	
	Unemployed	55.32							
	Total	1,947	Total	105	Total	100	Total	25	
Promised job?	Agricultural work		Agricultural work		Au pair/Baby-sitter		Au pair/Baby-Domestic		
	Au pair/Baby-sitter	1.73	Au pair/Baby-sitter	7.84	Begging	8.7	Domestic work	6.67	
	Dancer/Entertainer	9.94	Dancer/Entertainer	9.8	Domestic work	13.04	Other	26.67	
	Domestic work	20.3	Domestic work	11.76	Other	17.39	Selling	13.33	
	Other	28.83	Other	19.61	Selling	34.78	Waitress	13.33	
	Prostitute	14.36	Selling	33.33	Waitress	26.09		40	
	Selling	1.19	Waitress	7.84					
	Sex worker	5.4		9.8					
	Sweatshop labor	3.78							
	Waitress	0.65							
	13.82								
	Total	926	Total	51	Total	23	Total	15	
Was abused?	No	17.25	No	39.31	No	13.33	No	30	
	Yes	82.75	Yes	60.69	Yes	86.67	Yes	70	
	Total	2,481	Total	145	Total	30	Total	30	
Access to medical care	Denied	46.12	Denied	32.32	Denied Only in emergency cases	83.33	Denied	48.48	
	Occasional Only in emergency cases	21.52	Occasional Only in emergency cases	26.26	Other Regular	8.33	Occasional Only in emergency cases	24.24	
	Other	17.88	Other	18.18	Other Regular	8.34	Other Regular	12.12	
	Regular	7.14	Regular	8.08	Total		Regular	9.09	
	Total	7.34	Total	15.15	Total	24	Total	6.07	
	1,622	Total	99	Total		Total	33		
How was freed?	Family intervention	0.78	Denied	5.41	Law intervention	21.43	Client	8.69	
	Friend	0.57	Family intervention	0.68	NGO intervention	17.86	Law intervention	47.83	
	Law intervention	26.83	Law intervention	24.32	Other	10.71	NGO intervention	15.22	
	NGO intervention	34.87	NGO intervention	21.62	Self	50	Self	28.26	
	Other	10.78	Other	8.1					
	Self	26.17	Self	39.86					
	Total	2,300	Total	148	Total	28	Total	46	
Knew were sold?	No	43.9	No	63.64	No	85.71	No	68.75	
	Yes	56.1	Yes	36.36	Yes	14.29	Yes	31.25	
	Total	1,722	Total	88	Total	21	Total	16	
Previous occupation	Agricultural worker	2.35	Agricultural worker	10.81	Agricultural worker	6.25	Agricultural worker	12.5	
	Domestic worker	2.89	Domestic worker	2.7	Industry worker	25	Other	25	
	Industry worker	3.25	Industry worker	2.7	Other	6.25	Private/Public employee	50	
	Other	6.05	Other	10.81	Private/Public employee	31.25	Self-employed/Family work	12.5	
	Private/Public employee	77.08	Private/Public employee	71.62	Self-employed/Family work	31.25		16	
	Self-employed/Family work	6.59	Self-employed/Family work	1.35					
	Sex industry	1.81							
	Total	1108		74		16		16	
	What was offered?	Job	79.52	Job	78.08	Job	89.66	Job	60
		Marriage	3.25	Marriage	4.11	Other	10.34	Marriage	6
Other		9.91	Other	8.22			Other	12	
Study		0.04	Study	0.68			Tourism	22	

opportunity		opportunity				
Tourism	7.29	Tourism	8.9			
Total	2,402	Total	146	Total	29	Total
						50

**Table A.6: Nationality of the recruiters by type of exploitation**

	%	Sexual exploitation	Forced labour exploitation	Low Level Criminal	Other forms of exploitation			
Gender of the recruiter?	Both	4.53	Both	4.17	Both	33.33	Female	47.92
	Female	41.15	Female	48.61	Female	45.45	Male	50
	Male	53.94	Male	45.83	Male	21.21	Unknown	2.08
	Unknown	0.38	Unknown	1.39				
	Total	2,362	Total	144	Total	33	Total	48
Relationship with the recruiters	Business contact	0.29	Family	0.78	Friend	15.63	Family	7.89
	Family	0.68	Friend	31.25	Other	9.38	Friend	36.84
	Friend	30.39	Other	6.25	Stranger	75	Partner	2.63
	Other	10.9	Partner	2.34			Stranger	52.63
	Partner	3.09	Relative	3.13				
	Partner-boyfriend	0.96	Stranger	56.25				
	Pimp	0.72						
	Relative	3.33						
	Stranger	49.64						
	Total	2,073	Total	128	Total	32	Total	38
Nationality of the recruiters by type of exploitation	Balkan	96.46	Albanian	12.9	Balkan	96.93	Croatian	3.03
	CIS	1.44	Bosnian	6.45	CIS		Moldavian	84.85
	EU	0.99	Moldavian	48.39	EU		Romanians	9.09
	Other	1.11	Romanians	22.58	Other	3.07	Unknown	3.03
			Russian	6.45				
			Unknown	3.23				
	Total	2,141	Total	31	Total	130	Total	33

**Figure A.3: The work location of sexually exploited victims**



**Table A.7: Freedom index of civil liberty and political rights**

Edition *	1998-99			2006		
Year(s) covered	PR	CL	Status	PR	CL	Status
Albania	4	5	PF	3	3	PF
Belarus	6	6	NF	7	6	NF
Bosnia-Herzegovina	5	5	PF	4	3	PF
Bulgaria	2	3	F	1	2	F
Croatia	4	4	PF	2	2	F
Macedonia	3	3	PF	3	3	PF
Moldova	2	4	PF	3	4	PF
Romania	2	2	F	2	2	F
Russia	4	4	PF	6	5	NF
Serbia & Montenegro	..	..	..	3	2	F
Ukraine	3	4	PF	3	2	F
Yugoslavia	6	6	NF	..	..	..

SOURCE: Freedom in the World Country Ratings. <http://www.freedomhouse.org>.

*FR* = a freedom index based on Gastil indexes of civil liberty and political rights. It is computed as:

$$FR = \frac{14 - (CL + PR)}{12}$$

- "PR" stands for "political rights,"
- "CL" stands for "civil liberties,"
- "Status" is the freedom status.
- "F," "PF," and "NF," respectively, stand for "free," "partly free," and "not free."

Political rights and civil liberties are measured on a one-to-seven scale, with one representing the highest degree of freedom and seven the lowest. Countries whose combined average ratings for political rights and for civil liberties fell between 1.0 and 2.5 were designated "free"; between 3.0 and 5.5 "partly free," and between 5.5 and 7.0 "not free. We compute the average for FR (1999-2006).

## ANNEX B: Estimation results

**Table B.1 Descriptive statistics of the variables used in the estimation**

Type of exploitation - international			
		Freq.	Percent
	0	1,784	29.71
	1	4,220	70.29
	Total	6,004	100
Origin country Balkan			
	0	2,642	42.76
	1	3,536	57.24
	Total	6,178	100
Nationality of recruiter - Balkan			
	0	2,642	42.76
	1	3,536	57.24
	Total	6,178	100
Marital status - Single			
	0	2,177	40.51
	1	3,197	59.49
	Total	5,374	100



Relation with recruiter - Stranger		
0	2,375	47.74
1	2,600	52.26
Total	4,975	100
Poor family economic status		
0	1,138	23.06
1	3,796	76.94
Total	4,934	100
Job offer		
0	1,048	19.14
1	4,427	80.86
Total	5,475	100
Sexual exploitation		
0	1,057	17.11
1	5,121	82.89
Total	6,178	100
Gender		
0	415	6.72
1	5,760	93.28
Total	6,175	100
Unemployed		
0	2,286	54.06
1	1,943	45.94
Total	4,229	100
Primary School		
0	4,700	88.11
1	634	11.89
Total	5,334	100

**Table B.2: Probit estimation results of the probability to be trafficked internationally**

Variables	Coefficients	Standard errors	T - values
Balkan Nationality	-0.850	0.063445	-13.39
Freedom index	2.194	0.094775	23.14
Married	0.215	0.059105	3.64
Recruiter: Stranger	0.250	0.052476	4.76
Poor family economic status	0.373	0.063127	5.92
Job offer	0.316	0.071729	4.41
Age	0.016	0.004287	3.77
Sexually exploited	-0.228	0.07859	-2.9
Female	0.010	0.112843	0.09
Unemployed	0.444	0.054428	8.16
Primary education	0.080	0.079039	1.01
Constant	-2.233	0.188783	-11.83
Number of observations			3738
R <sup>2</sup>			0.2998
Log likelihood			-1644

**Table B.3: VoT and sexual exploitation: MIMIC model estimates<sup>41</sup>**

	Estimates	t-values	Standardised Coefficients
Abuse	1	0	0.126
Freedom of movement	0.184	2.091	0.023
Access to medical care	0.963	9.11	0.121
Intensity of work	1.913	13.581	0.241
F1			
Non-poor	0.032	3.753	0.252
Work experience	-0.021	-2.772	-0.166
Married	0.003	0.277	0.023
Origin from Balkan	-0.088	-8.612	-0.695
Age	0	0.142	0.001
Law intervention	0.033	4.145	0.266
Trafficked internationally	-0.125	-11.206	-0.992
Freedom index	0.029	2.472	0.23
Having children	-0.013	-1.629	-0.104
Middle school education	-0.006	-0.637	-0.045
High education	0.007	0.701	0.056
Work in bars	0.046	5.593	0.368
Work in hotels	0.03	2.385	0.236
Work in apartments	0.171	10.639	1.358
Condom use	0.032	7.487	0.251
	Nr of observations	2827	

**Table B.4: VoT and sexual exploitation: MIMIC model estimates**

Squared Multiple correlation for Y variables - R <sup>2</sup>	
Observed variables	
Abuse	0.108
Freedom of movement	0.002
Access to medical care	0.059
Intensity of work	0.323
Latent variable of well-being: F1	0.661
Goodness of Fit	
Comparative Goodness of Fit (CFI)	0.543
Root Mean Square Error Of Approximation (RMSEA)	0.08
Standardized Root Mean Square Residual (SRMR)	0.043

<sup>41</sup> The basic category are women from Balkan compared to women from other central eastern European countries, work location street and low level of education.