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# A Market Analysis of Human Trafficking Systems

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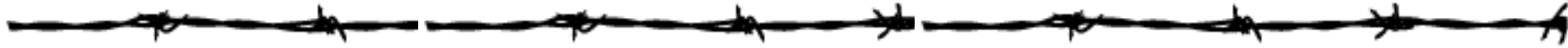
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# A MARKET ANALYSIS OF HUMAN TRAFFICKING SYSTEMS



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**IF YOU UNDERSTAND A MARKETING  
SYSTEM, YOU CAN UNDERSTAND HOW TO  
DISRUPT IT**

# HUMAN TRAFFICKING AS A MARKETING SYSTEM

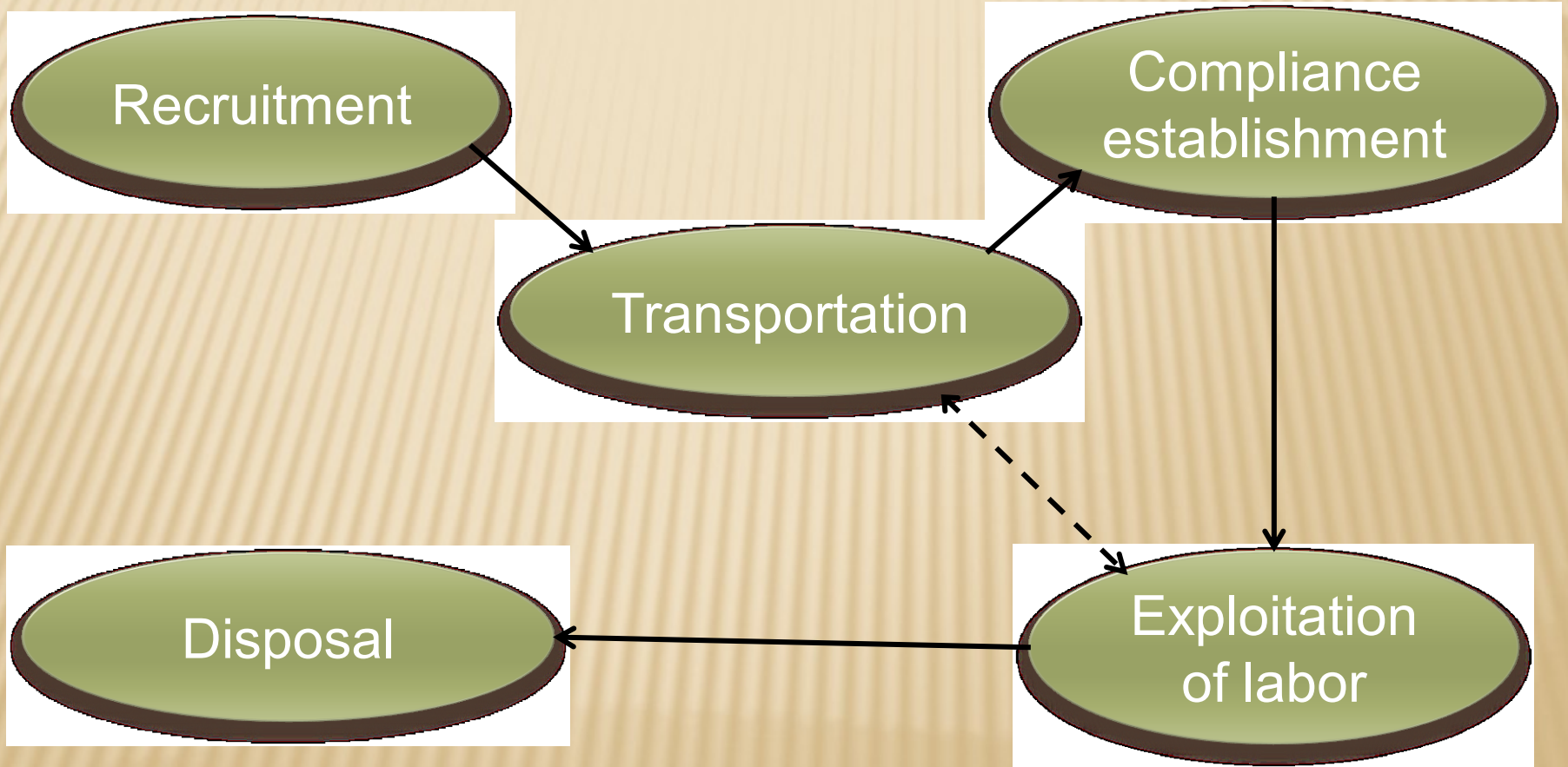
- × Environments in which it operates
- × Boundaries
  - + physical
  - + in terms of its inputs and outputs
- × Nodes at which the “product” is
  - + recruited
  - + transported
  - + transformed
  - + exploited
  - + disposed of



# HUMAN TRAFFICKING AS A MARKETING SYSTEM

- × Roles of various players
- × Exchanges
- × Profit allocations
- × Structures; governance
- × Ownership flows
- × Dynamic mutability
- × Outcomes to all involved and society as a whole

# TRAFFICKING MARKETING SYSTEM NODES



# ONE OF MANY EXAMPLES: CHILD SLAVERY IN THE COCOA TRADE IN WEST AFRICA





# RECRUITMENT

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- × Recruiters promise children pay to lure them in (or kidnap).
- × Recruiters pay parents a small sum to allow their children to work for a period of time (Child now “owned” or “rented”)
- × 30% of children under the age of 15 in sub-Saharan Africa are laborers, which makes it easier to recruit children in these ways.
- × 6% of these in the cocoa industry are estimated to be trafficked.



# TRANSPORTATION

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- × Ownership may change to a transporter.
- × Victims are transported within countries by standard means of transportation including by trucks, cars, ships, buses, etc.
- × Victims are transported across country boundaries by the same means of transportation. Must pay off border guards.
- × Victims may be forced to walk long distances to the cocoa farm.

# COMPLIANCE ESTABLISHMENT

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- × Lies to the children and psychological manipulation (e.g. “Your parents don’t want you”).
- × Beatings of the non-compliant. a former slave: “The beatings were a part of my life” and “when you didn't hurry, you were beaten.”
- × Children held where they are not publicly visible.
- × Guarded and locked in.
- × Worked to exhaustion and underfed.

# EXPLOITATION

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- ✘ Work up to 100 hours per week at picking, sorting, packing; carry sacks typically 64 lbs. or more.
- ✘ Exploiters pay off local authorities.
- ✘ Money saved by the exploiter by using child slaves for 100 hours/week as opposed to adult free labor at 40 hours/week, after all costs accounted for: perhaps \$4/week/worker.
- ✘ Assume that, of the \$18 for a 64-lb bag of cocoa beans, 1/6 (\$3) is labor; reducing this cost puts more money in the pocket of the farmer/exploiter.

Source: Raghavan, Sudarsan, Sumana Chatterjee (June 24, 2001). "[Slaves feed world's taste for chocolate: Captives common in cocoa farms of Africa](http://www2.sorting.com/news/cst/jun01/slave24r062301.asp)". *Milwaukee Journal Sentinel*. <http://www2.sorting.com/news/cst/jun01/slave24r062301.asp>.



# DISPOSAL

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- × Death – either through hard work, abuse/beatings, disease, etc. Life expectancy: unknown.
- × Kicked off the farm into the streets at end of a season, where they simply begin to beg or plead for money food or work.
- × Escape only to be exploited and beaten again or with some, fortunate to find their way home.
- × Re-sold or traded away for other forms of slavery



# DISRUPTING THE SYSTEM I

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- × How can we disrupt this horrible system?

# DISRUPTING THE SYSTEM I

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- × Stable marketing systems have nearly all “winners” among the players.
- × A powerful loser disrupts the system.
- × A powerful player with better options disrupts the system.
- × The slave trafficking system for cocoa beans is stable, because the only big losers are the children.

# WINNERS AND LOSERS: SLAVE-BASED SYSTEM

Participants	Slave Market System	
PLAYER	WIN	LOSE
Children		Freedom, health, childhood
Parents	money	Emotionally (if they know)
Slave brokers	money	
Cocoa farmers	Lower costs, higher profits	Integrity (if they care)
Police	bribes	Integrity & respect (if they care)
Cocoa buyers	Sell more at higher profits	Integrity (if they care)
West African gov't	Gets more exports	Country image (if anyone knows and cares about slavery)
Western government	Gets lower-priced imports	Integrity (if they know and care)
Industry players	Sells more at lower prices	Image (if anyone knows and cares)
consumers	Cheaper product	Emotionally (if they know)

# DISRUPTING THE SYSTEM I

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- × Systems must be changed at every possible node so that winners are created among the players for slave-free cocoa production and marketing.
- × Attempting to attack only one part of the system is likely to fail; the players and nodes can adapt if they will otherwise become losers.



# DISRUPTION OF THE SYSTEM II

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- × There is much more that can be done, however.
- × We can utilize many other players and other systems.

# DISRUPTING THE SYSTEM II

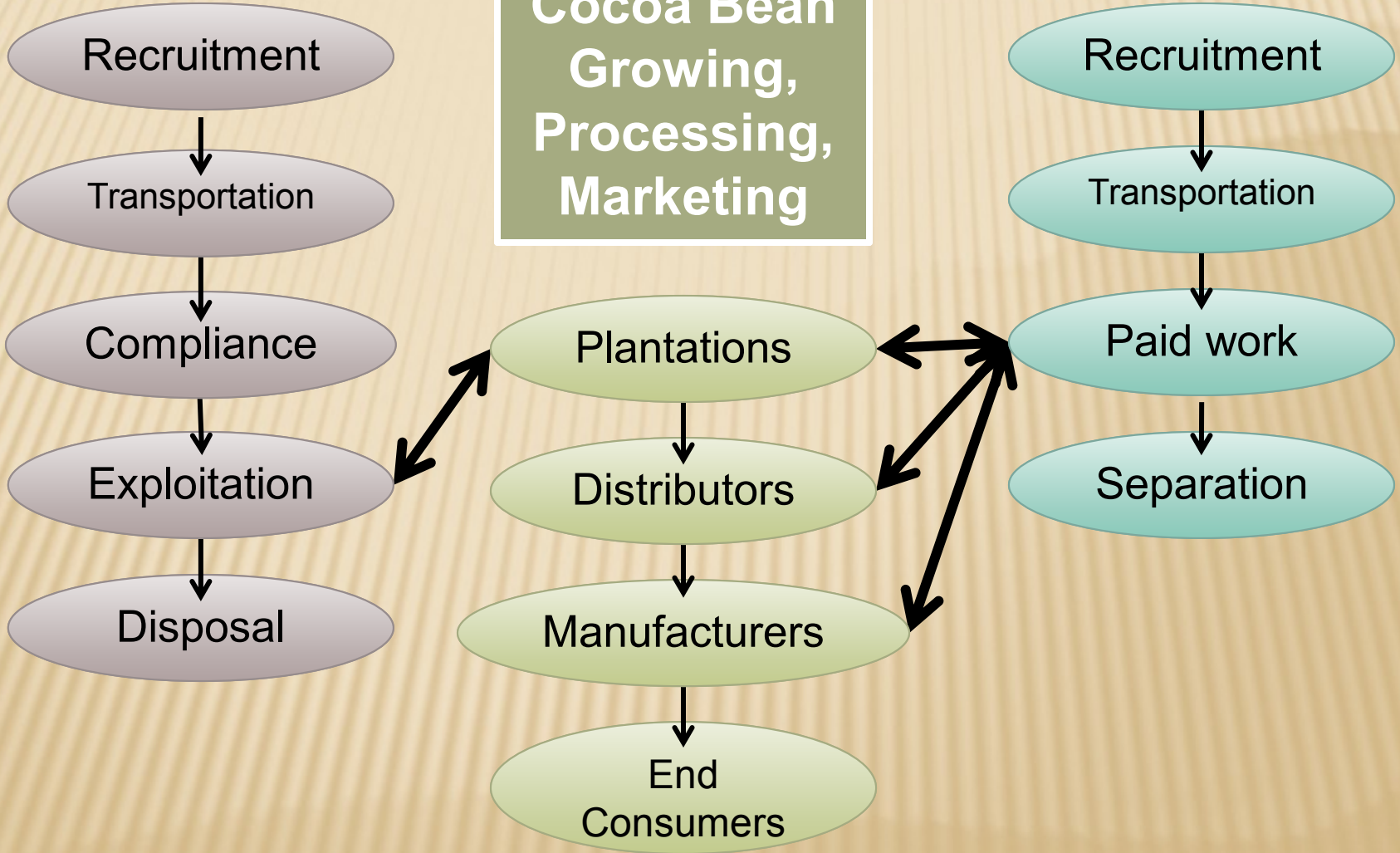
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- × We must recognize that the marketing system for child slavery in cocoa beans operates in parallel with
  - + the marketing system for cocoa beans, and with
  - + the marketing system for legitimate labor.
- × These systems will provide us with opportunities to reduce the slave trafficking system.

# Cocoa Child Slave Labor

# Legitimate Labor

## Cocoa Bean Growing, Processing, Marketing



# DISRUPTION OF THE SYSTEM II

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- × Recognize that we can use the parallel marketing systems as well to change the system for slave marketing.



# DISRUPTION OF THE SYSTEM II

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Using the confluence with other marketing systems, how can we:

1. Force the cocoa bean marketing system away from the slave labor marketing system and towards the legitimate labor marketing system, and
2. Keep it there?

# DISRUPTION OF THE SYSTEM II

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## Principles:

- × Most buyers of cocoa and cocoa products would be horrified to find their own buyer behaviors are complicit in maintaining slavery.
- × Many consumers will pay more for cocoa that is slave free, and certified as such.
- × The additional money this injects in to the system can be used to create winners for using legitimate labor and losers for using slave labor.
- × Countries receiving coca beans can use trade legislation to influence producing countries.

## DISRUPTION OF THE SYSTEM II

- × Public education in cocoa-consuming countries. Raises awareness of child slavery, the countries that allow it, and the industrial players that benefit from it.
- × Consumers in North America and Western Europe consume 80% of cocoa, giving them clout.
- × One idea: expand free-trade/slave-free certification to become a stronger player in the market place.



# DISRUPTION OF THE SYSTEM II

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- × At approximately \$2000 US per tonne, the value of West African cocoa production is about \$4 billion (USD) per year.
- × The value of all cocoa products sold in North America and Western Europe is about \$33 billion (USD) per year.
- × Raising the average price of cocoa products by 3% (premium for slave-free) produces \$1 billion USD, which is 25% of the value of West African imports.



# DISRUPTION OF THE SYSTEM II

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- × With \$1 billion (USD), the price paid to certified slave-free farmers could be raised,
- × Independent international monitors to certify slave-free cocoa could be expanded,
- × Elite corruption-free police units partially financed by the monitors, and cooperating with them, could be created,
- × Publicity could be spread in consuming countries to publicize the need for “slave-free,” and
- × Economic development and public education in West Africa could be financed.

# WINNERS AND LOSERS: SLAVE-FREE COCOA INDUSTRY

Participants	Slave-free Cocoa Marketing System	
PLAYER	WIN	LOSE
Children	Freedom, choice of work, education	
Parents	More better paying jobs for adults	money from selling child
Slave brokers	Opportunity for alternative labor	Income from slavery
Cocoa farmers	Higher profits, no guilt, more sustainability	
Police	Membership in elite, better-paid unit	bribes
Cocoa buyers	More money per bag, increased or equal profits	
West African gov't	Country image, higher tax collection, aid for infrastructure	
Western government	less money on anti-trafficking programs; human rights mandate is met.	
Industry	Company image improves; competitive advantage	
consumers	Emotional satisfaction	Product costs a bit more

# OTHER SYSTEMS

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- × Every marketing system is unique.
- × What works in one may not work in another.
- × But, understanding it as a system yields ideas for attacking it.

# SEX SLAVE TRAFFICKING ACROSS THE BORDERS OF UKRAINE

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Some differences in nodes:

- × Recruitment: for a legitimate job elsewhere in Europe - desperate for better-paid work.
- × Transportation: Adults cross the Ukrainian border with legitimate visas provided by trafficker.
- × Compliance: beatings, rapes, drug addiction.



# SEX SLAVE TRAFFICKING ACROSS THE BORDERS OF UKRAINE

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- × Exploitation: the slave does not process a product, the slave IS the product.
  - × Disposal: death, escape, rescue, kicked out.
- 
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- × Sex trafficking is less hidden, because the slave is the product to be marketed.
- × Confluence/competition with non-coerced prostitution.
- × Checking transportation not useful; public education potentially useful, economic development in Ukraine potentially useful, etc.

# DISRUPTING SLAVERY-BASED MARKETING SYSTEMS

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The basic principles remain the same:

- ✘ Create consistent winners for using a slave-free system, and
- ✘ Consistent losers for using the slave-based system.