

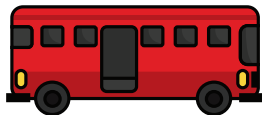
# Debt Bondage in Human Trafficking



Debt bondage is when someone is forced to pay off a loan by working for an agreed-upon or unclear period of time for little or no salary. The work performed to pay off the debt greatly exceeds the worth of the initial loan.<sup>1</sup>



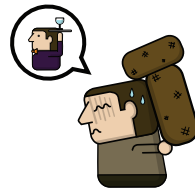
Debt bondage is one of the most common ways of exploiting human trafficking victims.<sup>2</sup> Placing people in bonded labour is a form of coercion and psychological control.



Traffickers may tell victims that they have incurred debt (to an employer, recruiter, broker, etc.) for transportation, visas, housing and food. Often more debt is piled on for things like interest on the original debt, medication or other necessities. Traffickers are also known to add fines if daily work targets are not met, which compound the level of debt and therefore the impact on the victim. As debt is often continuously increased, victims are set up so that their debt becomes impossible to repay.<sup>3</sup>



Many victims who are trafficked for forced labour (including manufacturing, agriculture, construction and domestic work) in Asia Pacific are in a situation of debt bondage.<sup>4</sup>

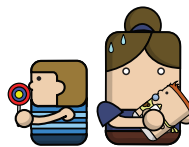


People can also fall prey to debt bondage by becoming a victim of fraudulent or unethical recruitment agencies. Agencies can push victims into debt through excessive recruitment fees and/or by changing the terms of employment. Victims may be

expected to work at a job for which they did not sign up, or for far less pay than was agreed upon.<sup>5</sup>

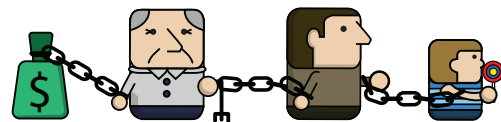


The average recruitment fee of migrants in Southeast Asia is between US\$500-1,200.<sup>6</sup> This can take up to two years of labour to pay off. The average monthly salary of an electronics factory worker in one of Southeast Asia's largest electronics exporting countries is US\$278.<sup>7</sup> Until the debt has been repaid, workers make little to no money.<sup>8</sup>



To help pay the high recruitment fees, labour trafficking victims sometimes borrow money from their family and friends or place a mortgage on their homes or plots of land. Victims find it difficult, if not impossible, to leave their employ-

ment because of the debt they have placed on their families.<sup>9</sup> This makes them even more susceptible to exploitative working conditions. If a worker dies due to associated unsafe working conditions the debt may fall to their family to pay who are forced into poverty.<sup>10</sup>



Debts are even passed on between generations. In Asia Pacific, millions of trafficking victims are working in forced labour conditions to pay off debt that was inherited from parents, grandparents and even great-grandparents.<sup>11</sup>

IOM X is the International Organization for Migration's (IOM) innovative campaign to encourage safe migration and public action to stop exploitation and human trafficking. The campaign is produced in partnership with the United States Agency for International Development (USAID).

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<sup>1</sup> UNODC. 2015. The Role of Recruitment Fees and Abusive and Fraudulent Recruitment Practices of Recruitment Agencies in Trafficking in Persons. p. 28.

<sup>2</sup> Anti-Slavery. Slavery Today: Bonded Labour.

<sup>3</sup> Jordan, Ann (Center for Human Rights & Humanitarian Law). 2011. Slavery, Forced Labor, Debt Bondage, and Human Trafficking: From Conceptual Confusion to Targeted Solutions p. 6.

<sup>4</sup> Jordan, Ann (Center for Human Rights & Humanitarian Law). 2011. Slavery, Forced Labor, Debt Bondage, and Human Trafficking: From Conceptual Confusion to Targeted Solutions p. 6.

<sup>5</sup> UNODC. 2015. The Role of Recruitment Fees and Abusive and Fraudulent Recruitment Practices of Recruitment Agencies in Trafficking in Persons. p. 6.

<sup>6</sup> Verité. 2015. Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains. p. 54.

<sup>7</sup> Verité. 2014. Forced Labor in the Production of Electronic Goods in Malaysia – A Comprehensive Study of Scope and Characteristics p. 111.

<sup>8</sup> UNODC. 2015. The Role of Recruitment Fees and Abusive and Fraudulent Recruitment Practices of Recruitment Agencies in Trafficking in Persons. Verité. 2015. Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains. p. 54.

<sup>9</sup> UNODC. 2015. The Role of Recruitment Fees and Abusive and Fraudulent Recruitment Practices of Recruitment Agencies in Trafficking in Persons. p. 9.

<sup>10</sup> Jordan, Ann (Center for Human Rights & Humanitarian Law). 2011. Slavery, Forced Labor, Debt Bondage, and Human Trafficking: From Conceptual Confusion to Targeted Solutions p. 67.

<sup>11</sup> GAATW. 2009. "Debt Bondage in the World: An Underestimated and Forgotten Scourge".



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