



Recent Trends in Modern Slavery in the Caribbean

CFATF RESEARCH DESK
JANUARY 9th, 2023.



What is Modern Slavery?

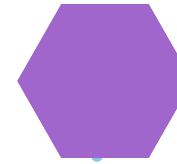
- An umbrella term that covers a set of specific legal concepts including forced labour, debt bondage, chattel slavery and other slavery-like practices, human trafficking and forced marriage.¹
- It refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, coercion, deception, and/or abuse of power.²

Sources:

- (1) - International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM)
- (2) [United Nations - International Day for the Abolition of Slavery](#), accessed December 14th, 2022.



Forms of Modern Slavery



- **Forced Labour³**
 - Consists of traditional forms of forced labour, such as bonded labour and debt bondage.
- Includes contemporary forms of forced labour, such as migrant workers, who have been trafficked for economic exploitation across different economic sectors:
 - domestic servitude
 - the construction industry
 - food and garment industry
 - agricultural sector
 - forced prostitution

Source:

(3) - [United Nations - International Day for the Abolition of Slavery](#), accessed December 14th, 2022.



Forms of Modern Slavery

Sources:

(4) United Nations - World Day Against Child Labour, accessed December 14th, 2022.

(5) United Nations Human Rights Instrument “Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime” adopted November 2000 by General Assembly Resolution 55/25.

- **Child Labour⁴**

- When children who are too young are engaged or forced to and/or involved in hazardous activities that may compromise their physical, mental, social or educational development.

- **Human Trafficking**

- The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion for the purpose of exploitation.⁵

- Exploitation includes 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.



Global Estimates of Modern Slavery⁶

Sources:

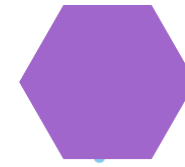
(6) International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), Geneva, 2022. “Global Estimates of Modern Slavery: Forced Labour and Forced Marriage” Geneva, Switzerland, ps. 20-23.

(7) FATF - APG (2018), Financial Flows from Human Trafficking, FATF, Paris, France, p. 14

- The estimated proceeds from human trafficking in aggregation is approximately USD 150.2 billion in 2018, compared to USD 32 billion in 2011, which makes it the one of the most significant generators of criminal proceeds in the world.
- The United Nation’s completed Global Initiative to Fight Human Trafficking project also indicated that human trafficking is the fastest growing form of international crime.⁷
- The 2021 Global Estimates indicate that there are 50 million people in modern slavery on any given day.
 - This means that out of every 1,00 persons in the world, 6.4 people are victims of modern slavery.



Global Estimates of Modern Slavery



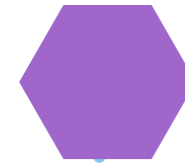
- 28 million are in forced labour, which includes forced labour exploitation, forced commercial sexual exploitation and state-imposed forced labour, and 22 million in forced marriages.
- Children account for approximately 12 million modern slavery victims; 5.2% of every 1,000 persons are children involved in child labour.
- Women and girls comprise over half 54 per cent of those in modern slavery.
- Between 2016 and 2021, the number of persons in modern slavery rose from 40.3 million to 49.6 million, which is an increase of 9.3 million persons.

Source:

International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), Geneva, 2022. “Global Estimates of Modern Slavery: Forced Labour and Forced Marriage” Geneva, Switzerland, ps. 20-23.



Global Estimates of Modern Slavery



- Modern slavery occurs across all income brackets;
 - 7.2 million victims in high-income countries.
 - 12.7 million in upper-middle income countries.
 - 23 million in lower income jurisdictions.
 - 6.6 million from low-income countries.
- The highest number of modern slavery victims came from the Asia-Pacific region (29.3 million) and Africa (7 million).
- The five sectors accounting for 87 per cent of adult forced labour are:
 - Services (excluding domestic work)
 - Manufacturing
 - Construction
 - Agriculture (excluding fishing)
 - Domestic work

Source:

International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), Geneva, 2022. “Global Estimates of Modern Slavery: Forced Labour and Forced Marriage” Geneva, Switzerland, ps. 20-23.



Drivers of Modern Slavery

Sources:

(8) FATF - APG (2018), Financial Flows from Human Trafficking, FATF, Paris, France, p. 5

(9) https://www.ilo.org/wcmsp5/groups/public/@ed_norm/@ipec/documents/publication/wcms_757247.pdf.

(10) International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), Geneva, 2022. “Global Estimates of Modern Slavery: Forced Labour and Forced Marriage” Geneva, Switzerland, p. 27.

- The COVID-19 Pandemic

- Widespread socio-economic instability due to the pandemic led to increased global unemployment, increased indebtedness, and an increase in extreme global poverty for the first time in two decades.⁸
- In some cases, families provided their children’s labour to obtain loans or to service existing ones from predatory lenders.⁹
- COVID-19 crisis constrained the ability of state and non-state actors to identify and follow up on forced labour cases.¹⁰
- Resources were diverted to the pandemic response and lockdowns measures impeded the ability of frontline actors to reach victims.



Drivers of Modern Slavery

Sources:

(11) International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM), Geneva, 2022. “Global Estimates of Modern Slavery: Forced Labour and Forced Marriage” Geneva, Switzerland, p. 51

(12) Ibid, p. 61

(13) Ibid, p. 50

- *Armed Conflicts/Political Instability*

- Leads to negative situations such as loss of livelihoods, displacement, collapse of the rule of law, failure of basic services, disruption of social protection programs, and breakdown in extended family support systems.¹¹
 - These can result in extreme vulnerability and opportunities for criminals seeking to exploit this vulnerability.
- Women and girls are abducted and trafficked by armed group, forced to marry fighters and subjected to sexual physical and emotional abuse.¹²
- Children are also forcibly recruited as soldiers in conflict zones, used in the production of minerals and other life-threatening activities.¹³



Drivers of Modern Slavery

Sources:

(14) Avis, William. 2020. Key Drivers of Modern Slavery. The K4D Helpdesk Service Report. UK, p. 13

(15) Ibid, p. 15

- *Poverty*¹⁴

- People living in poverty are vulnerable to shocks which can lead to extreme distress and taking desperate measures, increasing trafficking risks.
- Crisis situations, like pandemics and natural disasters, exacerbate existing pressures on the poor and marginalized and increase their vulnerability to modern slavery victimization.

- *Climate Change*

- Extreme weather can severely damage a country's physical infrastructure, displace communities, and increase the desperation of already marginalized groups, making them more vulnerable to modern slavery.¹⁵



Regional Trends in Modern Slavery

Sources:

(16) <https://www.ilo.org/global/topics/forced-labour/statistics/lang-en/index.htm>

(17) Profits and poverty: the economics of forced labour / International Labour Office. - Geneva: ILO, 2014

(18) IOM (2018) Investigating Human Trafficking Cases Using a Victim-centered Approach: A Trainer's Manual on Combating Trafficking in Persons for Capacity-building of Law Enforcement Officers in Antigua and Barbuda, Belize, Jamaica, and Trinidad and Tobago.

- Latin America and the Caribbean generate an estimated USD \$12 billion in illicit profits per year.¹⁶
- Annual profits per victim are highest in the developed economies (US\$34,800 per victim, followed by countries in the Middle East (US\$15,000 per victim), and lowest in the Asia-Pacific region (US\$5,000 per victim) and in Africa (US\$3,900 per victim).¹⁷
- In the Caribbean and Latin America, the annual profit per victim is US\$7,500 per victim.¹⁸
- In the Caribbean, the IOM noted several regional trends relating to one form of modern slavery, human trafficking:
 - Trafficking cases identified have primarily involved sexual exploitation and labour exploitation.



Regional Trends in Modern Slavery

- Most trafficking victims are either trafficked domestically or within the region.
- Recruitment occurred via several methods;
 - Television and radio advertisements
 - Social media
 - Personal contact
 - Someone the victim knew
- In situations of debt bondage, victims are not told how much the actual debt is and were tricked about the type of work they were recruited for.
- Many of the victims perceived themselves to be poor.



Regional Trends in Modern Slavery

- The victims' perception of their financial standings as well as being in debt resulted in their vulnerability to being trafficked.
- The majority of the female victims were single mothers.
- Victims who were trafficked across international borders were:
 - Threatened with possible deportation
 - Saddled with a heavy debt
 - Threatened/intimidated
 - Deprived of their travel documents
 - Restricted in movement



Regional Trends in Modern Slavery

The CFATF Human Trafficking Report (2021)¹⁹ highlighted additional trends related to ML and the financial sector related to modern slavery in the Caribbean:

- Banks and Money Services Businesses (MSBs) were identified as the most common sources of Suspicion Activity/Transaction Reports (SARs/STRs) relating to human trafficking/smuggling of migrants (HT/SOM).
- Nine (9) of the 16 respondent jurisdictions indicated such.
- Overall, however, the number of filings were low (15 SARs / STRs from 5 jurisdictions).

Source:

(19) CFATF. 2021. Financial Flows from Human Trafficking. CFATF Secretariat.

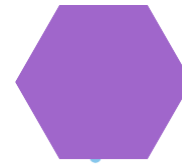


Regional Trends in Modern Slavery

- The low number of filings made it difficult accurately assess the magnitude of suspected financial flows from HT/SOM.
 - Between 2017 and 2019, three (3) jurisdictions reported USD 115,663 in funds from SARs/STRs.
- Three (3) of the jurisdictions provided information on assets recovered from HT/SOM.
 - One South American country seized USD 14,854.00 relating to HT/SOM win 2018.
 - One Caribbean country confiscated USD 4,582.00 related to HT/SOM in 2019.
 - Another Caribbean country seized USD \$5,129 between 2018 and 2019.



ML Indicators of Modern Slavery in the Caribbean



ML indicators in relation to HT/SOM identified in the CFATF 2021 Report were:

- Utilization of cash intensive businesses such as bars and restaurants.
- Utilization of third-party accounts for laundering illicit proceeds from HT.
- Transactions of equivalent value or amounts separated by a small difference.
- Multiple individuals sending to one beneficiary for various reasons.
- Remittance of funds to high-risk jurisdictions related to HT.
- Twelve countries reported being net importers of HT/SOM victims while three (3) reported being net exporters.

Case Study²⁰

A criminal group used legitimate business activities such as bars/night club services to cater to the needs of their clientele wanting to engage in adult entertainment. Suspects were arrested and charged after promoting and hosting what was referred to as a 'vice party' for which an entrance fee of TTD 200 (USD 30) per person was requested from patrons to contribute to forced sexual activity. The suspects were also found to be involved in promoting brothels (prostitution), child prostitution and other HT related offences.

The proceeds derived from the predicate of HT were laundered using 'legitimate' cash intensive business entities such as restaurants & bars. In some instances, STRs were received indicating high value cash deposits into the accounts of the suspects. In one case, an analysis of accounts held by a suspect revealed that there was an increase of cash deposits by as much as 485% over a two-year period. Funds were laundered through the accounts of third parties, payments of credit facilities and for personal expenses.

Source:

(20) FATF - APG (2018), Financial Flows from Human Trafficking, FATF, Paris, France, p.51

Case Study²¹

There is a drug for gun trade between two Caribbean countries, X and Y. Though this was not proven, law enforcement officers are of the opinion that the accused may have visited Y on such a mission. In this HT case the accused brought a 14-year-old girl from country Y and held captive for three (3) years before she was rescued by the local authorities.

It was reported that the accused travelled to country Y by boat where he met the teenager and her mother. He promised the woman that he would take her daughter to country X where she would get an education. However, the girl was never sent to school and became a helper for the accused four (4) children. Prosecutors also alleged that the child was physically assaulted by the accused. The accused was convicted and sentenced to 16 years for rape, 14 years for HT, 14 years for facilitating HT, four (4) years for being concerned with the arrangement of HT and was instructed to pay Jamaican \$3 million to the victim.

Source:

(21) CFATF. 2021. Financial Flows from Human Trafficking. CFATF Secretariat.



Measures to Combat Modern Slavery

- Reporting of STRs/SARs
 - Financial intermediaries are obliged to report suspicious activity to the national Financial Intelligence Units (FIUs).
 - STRs/SARs allows:
 - FIUs to provide intelligence to law enforcement to disrupt modern slavery.
 - FIUs to provide financial intelligence to Law Enforcement Agencies (LEAs) that is critical for investigations and prosecutions.
 - The reporting entity to better understand its own risk exposure.²²

Source:

(22) CFATF. 2021. Financial Flows from Human Trafficking. CFATF Secretariat.



Measures to Combat Modern Slavery

- Awareness of HT and SOM Indicators

- Reporting entities must be made aware of the indicators of HT and SOM in relation to their customers' exposure to modern slavery risks.
- Front facing staff in financial institutions, relevant government agencies, law enforcement and border control agencies are the main lines of defense in detecting these crimes.
- Reporting entities must therefore increase awareness through training to routinely looking for behaviours, practices or indicators of modern slavery.
- International agencies, such as the International Organization for Migration (IOM) has offered training and technical assistance on HT and effective counter-trafficking measures to several Caribbean countries.



Measures to Combat Modern Slavery

- Issuing of Guidance to Reporting Entities

- Clarification of expectations on using SARs/STRs to report on modern slavery by Competent/Regulatory Authorities can result in a significant increase in reporting.
- Risks factors and indicators to detect modern slavery practices can be captured in AML/CFT Guidelines or stand-alone publications within the region.

Publications of Modern Slavery-focused Typologies

- These typologies summarize typical patterns of conduct based on existing financial sector reporting.
- There has been increasing lists of red flags, indicator lists and guidance on anti-slavery and anti-trafficking related AML/CFT practices available to financial institutions.
- The CFATF published its first Report on human trafficking and smuggling of migrants in 2014 and a subsequent typology study in 2021.



Measures to Combat Modern Slavery

- **Increase Public Awareness of Modern Slavery**

- Countries should raise the public awareness of modern slavery practices through activities such as campaigns, community engagement, public seminars and media programs.
- These should be conducted on a regular basis with up-to-date trends to ensure the public is cognizant of the indicators and risk factors.

- **International Cooperation**

- The cross-border nature of modern slavery underscores the particular need for close cooperation, policy coherence, information sharing and mutual legal assistance across countries.
- This is essential for effective investigations, prosecutions and asset seizures in various countries where these crimes occur.



Measures to Combat Modern Slavery

- **Greater Financial Inclusion**

- Individuals who are experiencing poverty are more likely to seek economic relief from unregulated and/or illegal sources.
- They are often faced with a reduced range of opportunities to access necessary financial products and services. These persons are more vulnerable to exploitative labour practices and environments.
- Effective financial inclusion significantly assists the poor and disadvantaged groups by providing them with the modified financial products and services and reduces the risks of exposure to informal or illicit activities or channels to meet economic needs.



Thank you!



Phone Number
1868-623-9667



Email Address
cfatf@cfatf.org



Website
www.cfatf-gafic.org