



[unu.edu/cpr](http://unu.edu/cpr)

**United Nations University**  
Centre for Policy Research

767 Third Avenue, 35th Floor  
New York, NY 10017  
United States

TEL +1-646-797-4992  
EMAIL [comms-cpr@unu.edu](mailto:comms-cpr@unu.edu)



[Finance Against Slavery & Trafficking Initiative](#)

Contact: Ms. Maha Khan – [maha.khan@unu.edu](mailto:maha.khan@unu.edu)

March 29, 2023

**RE: Submission to UN OHCHR Special Rapporteur on contemporary forms of slavery, including its causes and its consequences [Call for input on the use of technology in facilitating and preventing contemporary forms of slavery](#)**

---

**Q1: Is there evidence of modern technology (e.g., platforms including social media such as Facebook, Instagram and Twitter, websites, applications, artificial intelligence, the dark web) being used to recruit and subject people to contemporary forms of slavery in your country? If so, please provide details in relation to:**

N/A

**Q2: Are there examples of positive measures (legislative, administrative, institutional and others) taken by your Government to prevent modern technology from being used to facilitate contemporary forms of slavery? If so, please provide details.**

N/A

**Q3: Are there examples of positive measures taken by technology companies to prevent their technologies and platforms from being used to facilitate contemporary forms of slavery? If so, please provide details, which may include proactive identification and reporting of exploitative contents, activities and perpetrators, creation of robust monitoring and oversight mechanisms, closing down/removing technologies, platforms and contents used to recruit and exploit victims, awareness-**



[unu.edu/cpr](http://unu.edu/cpr)

**United Nations University**  
Centre for Policy Research

767 Third Avenue, 35th Floor  
New York, NY 10017  
United States

TEL +1-646-797-4992  
EMAIL [comms-cpr@unu.edu](mailto:comms-cpr@unu.edu)

**raising and/or warning among users of technologies, and collaboration with public authorities and non-governmental stakeholders?**

- Banks are increasingly using their money laundering monitoring systems to identify human trafficking related transactions. In most cases, such software is developed by technology companies. Although the systems used vary, they may include Big Data analysis, blockchain analysis, and the use of artificial intelligence. A good example of this are the [measures taken](#) by Scotiabank from Canada. Other financial institutions, such as Austria's Erste Bank, have begun conducting automatic monitoring of conspicuous credit card activity on known human trafficking routes to obtain indications of possible human trafficking activity, that they can then report to authorities. In this context, it is worth mentioning that the FAST Initiative has developed an indicator model for automated transaction monitoring, which it is already sharing with the financial industry, and which will be the subject of a forthcoming publication.

**Q4: Are there examples of positive measures taken by technology companies to promote access to protection, justice and remedies for victims? How do they cooperate with other relevant stakeholders in this regard?**

N/A

**Q5: Are there examples of positive measures taken by civil society organisations and other non-governmental stakeholders in preventing modern technology from being used to facilitate contemporary forms of slavery? If so, please provide details.**

- The Polaris Project focuses on harnessing technology to combat MSHT and the role it also plays in increasing incidents of trafficking. The Polaris Project shares its [data collection methodology](#) with other countries that set up National Trafficking Hotlines to help victims and survivors. They also are researching how [web3 can be used](#) to empower vulnerable populations and survivors (this also includes the role of cryptocurrency).
- The Association of Certified Anti-Money Laundering Specialists (ACAMS) offers free courses and webinars on [human trafficking](#) and [online child sexual exploitation](#), developed in collaboration with the FAST Initiative. The aim is to enable compliance staff worldwide to detect and prevent human trafficking cases through automated transaction monitoring of trafficking-related



[unu.edu/cpr](http://unu.edu/cpr)

**United Nations University**  
Centre for Policy Research

767 Third Avenue, 35th Floor  
New York, NY 10017  
United States

TEL +1-646-797-4992  
EMAIL [comms-cpr@unu.edu](mailto:comms-cpr@unu.edu)

transactions flows, both as traditional wire transfers (algorithm based) and crypto transactions (blockchain analysis).

**Q6: What are the remaining challenges in preventing modern technology from being used to facilitate contemporary forms of slavery?**

N/A

**Q7: What practical recommendations would you propose for Governments and technology companies to overcome these challenges?**

N/A

**Q8: Is there evidence of modern technology (e.g. applications, artificial intelligence and blockchain technology) being used to prevent contemporary forms of slavery? If so, please provide details.**

- 1.4 billion people and approximately 131 million formal micro, small and medium enterprises in emerging economies alone lack adequate access to safe, formal financial services. Financial vulnerability, including poverty and financial exclusion, is [a risk multiplier](#) for experiencing modern slavery and human trafficking, as demonstrated in [FAST Earth Shattering research](#) on the cocoa and goldmining sectors in Ghana. The lack of financial access reduces resilience to financial shocks and can prevent capital accumulation, which can push people into risky borrowing, informal labour, debt bondage, forced migration, reliance on cash-based economies. It also encourages forced marriage as a capital accumulation strategy.
- While not intentionally targeting modern slavery and human trafficking, innovations in digital finance can help individuals vulnerable to exploitation access and use tailored financial services. Forthcoming FAST rapid research with INURED on financial vulnerabilities and needs in Haiti, also indicate this to be the case, acutely so in crisis settings. These financial services – that go beyond basic banking like micro-insurance schemes, savings, and credit products – can help individuals access essential services like housing, healthcare, education and livelihood opportunities. [UNCDF](#) research demonstrates that:
  - Countries with digital public [payments] infrastructure were able to make cash transfers to citizens quickly in humanitarian and other situations;



[unu.edu/cpr](http://unu.edu/cpr)

**United Nations University**  
Centre for Policy Research

767 Third Avenue, 35th Floor  
New York, NY 10017  
United States

TEL +1-646-797-4992  
EMAIL [comms-cpr@unu.edu](mailto:comms-cpr@unu.edu)

- Financial inclusion of MSMEs increases employment and inclusive growth;
  - Digital financial inclusion helps households manage shocks better;
  - 30% of adults in developing economies who remain unbanked; FAST research (Earth Shattering and forthcoming research on financial vulnerabilities and trafficking in Haiti) demonstrates that financial exclusion is a risk multiplier of MSHT.
- 
- By using the World Bank Global Findex data and emerging fintech indicators, the IMF paper, [Fintech: Financial Inclusion or Exclusion](#), showed that fintech products and services had a higher positive financial inclusion correlation with digital than traditional measures of financial inclusion. The results also indicated that greater use of fintech is significantly associated with a narrowing of the class and rural divides but there was no impact on the gender divide.
  
  - [The TAT Interactive Map](#) in Power BI, encompasses 300 counter-trafficking technology tools and is designed to enable tool discovery, gap identification, and technology advocacy. The interactive map and corresponding tool survey was jointly published with the Organization for Security and Co-operation in Europe (OSCE).
  
  - [The Working Capital Fund](#) invests in early-stage companies that use technology to deploy market-based solutions to meet the growing corporate need to protect vulnerable workers and source responsibly.

**Q9: What are the existing limitations and challenges in using such technologies, and what recommendations do you have to overcome them?**

- A FAST research report – [Earth Shattering: Financial Engagement at the Nexus of Modern Slavery and Natural Resources in Africa](#) – found that cocoa farmers that were given mobile money accounts (access to basic banking services) accelerated during the COVID-19 pandemic. According to expert interviews, the increased digitization of the cocoa sector has led to a rise in documentation among farmers. This was believed to positively impact farmers in the medium to long term by allowing them to access financial services and begin to develop a financial footprint. But farmers did not always have the literacy or digital literacy skills to understand how to manage their digitized accounts. This left them open to exploitation and abuse by others offering to be “intermediaries” (p. 22) – this raises the issue of implementing safeguards for vulnerable groups in roll outs of mobile money/digital payment systems. FinTech’s typically employ alternative data – such as SMS, mobile call, and social media data –to build credit scores for ‘thin file’ clients that



[unu.edu/cpr](http://unu.edu/cpr)

**United Nations University**  
Centre for Policy Research

767 Third Avenue, 35th Floor  
New York, NY 10017  
United States

TEL +1-646-797-4992  
EMAIL [comms-cpr@unu.edu](mailto:comms-cpr@unu.edu)

enable clients to obtain formal financial loans. Digital finance providers also employ artificial intelligence and digital chatbots to encourage responsible savings and provide micro-insurance and other products for low-income workers that traditional banks may not provide.

- The [Earth-Shattering](#) research also found that digital inclusion and coverage were also mentioned as issues preventing remote farmers, often not served by physical banks, from taking up digital payments and mobile money. [FAST Blueprint](#) recommends investing in rapid roll-out of digital payment systems to displaced populations and in rural areas.
- [Financial literacy](#) programmes, including digital finance, especially for those with no or low literacy levels, need to be undertaken alongside financial inclusion drives to on-bank rural communities. Financial inclusion for vulnerable workers and communities via digital finance and fintech should also be accompanied by improved safeguarding practices and procedures to guard against exploitation and abuse. [CGAP's Consumer Protection Principles](#) are a helpful guide for technology providers to place the customer at the forefront of product design and ensure that their products are not doing more harm than good.
- The Earth Shattering research also found that there were potential unintended consequences for increasing risks of modern slavery through increased financial exclusion, when Government implemented additional levies on digital wallets/payments. For example, Ghanaian Government's e-levy on electronic transactions, including mobile money payments, was perceived as a tax which could increase the risk of some already low-income small holder farmers relying on their children for labour and/or turning to exploitative migrant labour.
- Lastly, as many workers globally are paid in cash, this can result in limited traceability regarding whether wages were paid, workers received minimum wage, or wages were provided on time/in-full. Employed migrant workers, for instance, are often subject to 'wage theft' because they cannot access formal bank accounts to receive wages. In situations of debt bondage, the power imbalance between the employer and the worker often increases the worker's vulnerability to further abuse. FAST research in the artisanal gold value chain in Ghana found that miners had to borrow from "sponsors" to be able to buy equipment for mining, then repay these sponsors from any gold prospected. These payments continued to be collected during the COVID-19 pandemic, even though mines were closed, and the miners were unemployed (p.18).
  - Recommendation: The [FAST Blueprint](#) recommends that disbursing salaries digitally can improve wage transparency in high-risk MSHT sectors. It can also remove the need to physically disburse payments and reduce the chance of wage theft. It enables employers to provide value added services to workers such as digital insurance, savings, and credit.



[unu.edu/cpr](http://unu.edu/cpr)

**United Nations University**  
Centre for Policy Research

767 Third Avenue, 35th Floor  
New York, NY 10017  
United States

TEL +1-646-797-4992  
EMAIL [comms-cpr@unu.edu](mailto:comms-cpr@unu.edu)

However, employers must consult with workers to ensure this is their preferred mechanism and obtain their buy-in as there can often be a level of distrust with digital financial services, provide digital and financial literacy training, ensure workers have access to mobile phones, and tailor products and services to their needs. Furthermore, women will likely have different preferences than male workers. UNCDF BTCA has [worked with companies and Governments](#) in Jordan, Ghana, Bangladesh, and Sierra Leone in various sectors to digitize wages.