

Arise Foundation submission to the OHCHR on contemporary forms of slavery in the informal economy

About

Arise is an anti-slavery and anti-human trafficking organisation working across the world to protect communities from exploitation, with a focus on long-term prevention work in source communities. We believe that local groups and their networks are a hugely powerful, but often underdeveloped, resource in the fight against slavery. As a result, we work with frontline organisations and their networks, through strategic grant giving, direct partnership, training and capacity building, amplifying their voices within the human rights and policy communities.

It is due to our belief in a person-centred and locally-led response that our submission is built upon the experiences of our frontline network. We hope that by magnifying the insight of those fighting slavery on the ground, our contribution will shine a light on the strength and potential of better supported prevention in source communities.

Introduction

In academic and professional treatments, the ‘informal economy’ is presented as outlying economic activity beyond the reaches of regulation and taxation. The incomprehensible range and scale of economic activities that fall into this broad category make it difficult to conceptualise as a single entity (and it would be a mistake to try). For context, the ILO estimates that **two billion global citizens make their living in the informal economy**.¹ That includes 85.5% of all African employment and 68.2% of Asian and Pacific employment.² In other words, less developed economies remain dominated by informal economic activity - in both rural and urban contexts. This extent of informality is hardly surprising when one considers the habitually informal nature of rural agricultural work in developing economies, or market-based self-employment in urban settings. Lots of labour exploitation and modern slavery exists, unsurprisingly, in informal economic zones **outside regulatory reach**.

Given this breadth, this submission has been produced after consultation with a variety of our **frontline partners**, offering a wide range of perspectives of life and vulnerability in informal economies. The first section briefly discusses some academic writing on the topic of formalisation, the informal economy, and the limits of certain binary analyses of informal and formal economic life. The second section summarises the intelligence provided by our frontline partners. This covers the demographic and socio-economic factors that make **certain groups vulnerable to exploitation**, and **various types of abuse** visible to our frontline partners in differing sectors and regions. The submission finishes with a discussion on **proposed prescriptions** and protections from exploitation in the informal economy.

‘Informal Economy’ Thought

Many contend that the binary model of formal and informal economic activity is reductive - often to the point of limitation. Bailey et al. summarised some of these ideas;

¹ ‘More than 60 per cent of the world’s employed population are in the informal economy’, *ILO*, https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_627189/lang--en/index.htm

² Ibid.

'attempts have been made to think of informality (more generally) as a mode of operation (Al Sayyad and Roy 2004); to see the reality as more messy and less clear-cut than binary thinking would suggest (Roy 2009); or to argue for approaches that work on the 'principle of difference in practice rather than principle' (Varley 2013a)'³

A number of informal economy writers have examined the gulf between official pronouncement and reality. This is especially true with regard to 'formalisation' agendas, which are proposed across the development sector. The established position of the ILO and similar development authorities affirms that 'the transition from the informal to the formal economy is essential to achieve inclusive development and to realise decent work for all'.⁴ They are correct insofar as there is an **obvious requirement for universal protective regulation**, but there is a danger here of elevating formalisation as a principle without guaranteeing any meaningful practical advancement or protection. There are two key points to bear in mind here.

The first point regards capacity. When discussing formalisation and current barriers to protection, a number of **our frontline partners reported low institutional capacity** as a central difficulty they encounter when protecting victims of modern slavery.⁵ There is also often a significant distance between vulnerable groups and public services. Clearly, all would be **helped by governments' proper enforcement of anti-trafficking laws** and anti-exploitation regulations. But governments and local councils that already struggle (or rarely attempt) to make services reach remote peoples will likely not be in positions to enforce regulation that arrives with large-scale formalisation programmes. Formal inclusion will not be an effective cure for exploitation when formal regulatory structures exist primarily on paper.

The second consideration regards elite interests. Formalisation programmes that actively threaten the poorest have been observed in recent decades. Brown et al have written on this;

'urban governments frequently deploy formalisation policies to, for example, rid urban areas of informal vendors (eg Brown et al. 2010), as demonstrated by recent 'clean-up' programmes in ... Lilongwe. Such programmes are consistent with the way modernist planning has historically treated informality as an 'unplannable' state of exception to the planned order of regulated urban development (Roy 2005).'⁶

With these mechanisms, **formalisation (especially in urban zones) can become an instrument of control** and design. Uprooting and clearing informal zones of activity can endanger great numbers of families at once - observed in Venezuela and Nigeria amongst other nations in recent times.⁷ The informal-formal binary cannot be allowed to justify action that increases vulnerability amongst the poorest on the pretence of progressive regulatory development. It is in the interests of all to formalise to protect, but only via inclusive policy and law with an emphasis on increasing the security of the poorest and most at-risk.

³ Bailey, A. et al., 'The system made me do it: strategies of survival', *Global Encyclopaedia of Informality, Volume 2*, 2018, p. 8

⁴ ILO JUNE 2015 - R204 - Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204

⁵ Low capacity and insufficient government resources were brought up by partners from all four countries. Governments that lack the capacity to enforce existing slavery laws are unlikely to be in positions to effectively regulate newly formalised spaces.

⁶ Brown, G. et al, 'Urban informality and building a more inclusive, resilient and green economy', *International Institute for Environment and Development*, 2014, p. 27.

⁷ Ibid. p. 27.

Frontline Introduction

To prepare this submission, Arise sent out questionnaires to ten frontline partners across four countries - Nigeria, India, Philippines, and Albania. A number of questionnaires prompted further correspondence and conversation, in one case a long-form Zoom interview on the topics of informal child labour and state capacity. Arise would again like to thank all partners who participated.

What factors increase ones' vulnerability in the informal economy?

The following sections discuss the contours of exploitation in the informal economy. When analysing vulnerability factors, our frontline partners stressed the significance of both **identity and circumstantial economic factors** on personal and regional levels. The frontline organisations Arise works with are predominantly operating with citizens in the informal economy. Most of our discussions revolved around what they have **observed in practice on the frontline** - a number of them apologised for not being able to provide data to corroborate their intelligence.

In terms of identity, a majority of partners reported that **young people were especially at risk**, and around half reported that **young women** specifically were vulnerable to sex trafficking.⁸ An Albanian partner stressed that a significant amount of child labour in their operational zone is brought about by parents, who allow (or encourage) children to join them in their work from a younger age. This is particularly true in marginalised social groups like the Roma, or immigrants from north of the country.

Other **social inequalities** were also commonly raised - **religious and regional prejudice and caste** were all mentioned by multiple partners. A common discussion point was **migrant groups**, who are often isolated and lack social and economic protections against traffickers e.g. family, friends, savings.⁹ Migrants are among the likeliest, according to a number of partners, to be caught in **forced labour schemes**;

*'Migrants are exploited by labour supply agent. They are given false promises of pay and work but once they reach their destination, they are trapped to do work with minimum pay.'*¹⁰

In terms of economic circumstance, every single partner gave an answer that involved a **lack of education and the likelihood of impoverishment** as increasing the chances of exploitation. Education acts both as a means for income-generation (which could mean formal employment), and rights awareness;

*'Uneducated people are mostly exploited as they are unaware of about the labour laws and acts to protect labourers. Also in the tea garden areas, there are labour unions that tie up with the management and try to exploit the labourers.'*¹¹

Rich, well-educated citizens are not common in the informal economy, and if they do operate informally are at far lower risk of exploitation. These answers all align with critical research from Arise and the Nottingham Rights Lab, 'Beyond the Walls', carried out in 2020, which analysed the

⁸ All respondents reported the vulnerability of young people, and multiple responses from Nigeria highlighted the particular vulnerability of young women.

⁹ Reported from all regions.

¹⁰ From a partner in North East India.

¹¹ From a partner in North East India.

profiles of 12,000 domestic workers in North East India. The research found that 85% of domestic workers in the dataset were from **marginalised social groups**.¹² The research also corroborates frontline responses regarding **poverty and education - which interact extensively**. The report found that poverty was the primary reason for the cessation of education - acting as a catalyst for further disadvantage and vulnerability.¹³

What are the specific dangers in informal spaces?

The prevalence of differing forms of exploitation varies depending on location and setting. In rural areas, **forced labour and child labour in the agricultural sector** were very commonly reported.¹⁴ The **pandemic** was mentioned by a number of partners, who universally argued that it had resulted in greater levels of exploitation.

For urban organisations, **coerced domestic work and child labour** remain highly visible, and sexual exploitation was mentioned frequently. Child labour was the most common response for urban partners, and has been observed in domestic work settings, in market stalls, and in casual manufacturing.¹⁵ These are economic spaces that go unregulated, where families and employers operate according to hierarchy and need. Multiple organisations spoke to the issue of parents allowing or encouraging their children to **start work before adulthood**. Debt bondage was also reported in reference to migrants. A common form of exploitation in both rural and urban spaces was **entrapped migrants working to pay off debt** to traffickers.

Frontline Diagnoses

A lot of the frontline organisations supported by Arise work to protect vulnerable people through various programmes, some of which fill the vacuum **of state protection**. Organisations have made it clear that **specific anti-slavery services must be better funded** and supported, and state services in general must be strengthened. This requires **governments to make wide-scale capacity-building** commitments to extend regulatory protection, in a manner that doesn't endanger vulnerable groups as previously discussed.

Partners identified the **important role of local government** in the provision of anti-slavery resources. The importance of resource allocation was repeatedly raised - as organisations look to councils to fund **law enforcement and welfare services for victims**. Partners in Albania actually praised the government anti-trafficking plan, but expressed regret at the lack of specific police resources allocated to protecting children from forced labour, for instance.¹⁶ Experiences they've had with the Albanian police have been largely positive, leading them to advocate for **more funding** for state anti-slavery operations. Partners in Nigeria are keenly advocating for greater amounts of **legal aid and financial assistance** for exploited people.¹⁷

Unsurprisingly, universal emphasis is placed on improving **educational provision and attendance**. Partners that highlighted the role of parents in leading children into labour

¹² 'Beyond the Walls: Microdata on domestic workers in North East India', *University of Nottingham Rights Lab*, 2020, p. 8.

¹³ Ibid. p. 8.

¹⁴ Reported from India and Nigeria.

¹⁵ Child labour was reported from all countries.

¹⁶ Expressed in correspondence with an Albanian partner.

¹⁷ Expressed in correspondence with a Nigerian partner.

expressed a desire that **schools and councils be empowered** to ensure minimum attendance terms are met.¹⁸ Some of these organisations again acknowledged and praised the laws in existence, but expressed regret at the **lack of implementation**. Education is valued to such a great extent for the twin benefits of poverty reduction and rights awareness.

Final Conclusions

Modern slavery is not legal in any informal economy. The reality that our frontline partners face is at least partly reflective of the **inability of their governments to root out exploitative practices that are already illegal**. There is merit, therefore, in retaining some scepticism about the power of formalisation in these economies. Across the board, our frontline partners are looking for the **increase of government capacity in the enforcement of anti-slavery efforts, and are simultaneously emphasising the importance of education**. The intelligence on the vulnerability of certain groups should be a surprise to very few, and properly protecting these groups requires working with civil society and redoubling efforts to fight traffickers.

¹⁸ Expressed by Albanian partners.