

Stopping illicit trade can eliminate associated demand for forced labor, says new TRACIT report

- Key findings show that amongst the worst crimes associated with illicit trade is the demand it creates for forced and child labor.
- Men, women, and children are forced to labor in illicit sectors, where they are abused by organized criminal.
- Recommendations encourage Governments to specifically address forced labor in illicit trade, improve data collection, and deploy innovative investigative techniques.

New York, December 2, 2021 – Today, the Transnational Alliance to Combat Illicit Trade launched a new report, *The Human Cost of Illicit Trade: Exposing demand for forced labor in the dark corners of the economy*. The organization known for fighting illicit trade in markets worldwide, presented the findings during a webinar exploring the wider societal costs of illicit trade, looking at the connection between illicit trade and forced labor, child labor and human trafficking.

“We are investigating a vastly overlooked corner of the global economy, namely the demand for forced labor in illicit market activities,” said TRACIT Deputy Director-General Stefano Betti. ***“Ending these human rights abuses will only be possible by eradicating illicit trade.”***

The report looks at eight illicit sectors and how forced labor plays a role in them. These sectors are: (i) counterfeiting of apparel, footwear and luxury goods; (ii) counterfeiting of electronics machinery and equipment; (iii) substandard and falsified medical products; (iv) illegal mining; (v) illegal, unregulated and unreported fishing; (vi) illicit tobacco products; (vii) illegal pesticides; and (viii) illegal timber.

“The purpose of the report is to improve the understanding of where and how forced labor is abused in the operations of illicit supply networks,” said Dr. Ulrika Bonnier, TRACIT’s Director of Programs. ***“We hope that this work will serve as a first step to strengthen the ability to detect, disrupt, and dismantle the illicit operations and, as a result of that, reduce the demand for forced labor.”***

The panel discussion featured remarks from Ms. Laura Greene, Programme Technical Officer, International Labour Organization (ILO) Global Business Network on Forced Labour. ***“Forced labour does not occur in isolation. It is linked to many other issues including illicit trade. In fact, forced labour is most prevalent in the informal economy and all illicit trade is by nature informal. Working together to address forced labour from different angles is of critical importance.”***

Mr. Ilias Chatzis, Head of Human Trafficking, United Nations (UN) Office on Drugs and Crime, participated as a panelist, adding that, ***“Trafficking for forced labour in the illicit economy is a major concern that requires close cooperation with the private sector.”***

Mr. Huw Watkins, the United Kingdom (UK) Intellectual Property Office’s Head of Asia Policy focused his interventions on the law enforcement perspective and what is observed in the field. ***“My experiences with IP and trans-national organised crime have shown that often criminals develop business models and networks which are found to be beyond local resources, but IP (intellectual property) is not considered serious enough for national enforcement bodies. These business models***

include labour exploitation, often by debt bonding or other fear factors. While enforcement bodies struggle to grasp the problem, the criminals are making huge profits.”

Mr. David V. Upite, Director, Assistant General Counsel, Global Brand Protection, Proctor & Gamble (P&G), highlighted that *“There is a clear human cost associated with counterfeiting. P&G is working closely with TRACIT to raise government and public awareness on how illicit activities drive demand for forced labor and hold back our progress on eradicating human rights abuses.”*

In support of the launch of this report, Mr. Glenn Jones, Director, Global Anti-Counterfeit Program, Global Brand Security Group, HP Inc. stated that, *“Through HP’s comprehensive social and environmental responsibility programs, we aim to ensure that all workers who help to bring our products to market are treated with dignity and respect, and that our suppliers are our partners in creating a more sustainable future for all. My Global Anti-Counterfeit Team is seeking to raise the awareness of law enforcement agencies to the potential of forced labor being involved in illicit counterfeiting activities.”*

In conclusion, the report calls on Governments to:

- Address the impact that illicit economic activities have on the demand for forced labor by accounting for the interconnected nature of forced labor and illicit trade and ensuring that laws and regulations generally pertaining to preventing forced labor will specifically investigate and enforce against occurrences in illicit economic activity.
- Gather more and better data on the incidence of forced labor in illicit operations to improve the evidence-base for national and international policy-making and standard setting. This includes strengthening investigative techniques to address human rights abuses in illicit trade and dismantle the organized criminal networks behind illicit trade.
- Implement standing measures to stop illicit trade, thereby removing any associated demand for forced labor.

The report, media materials and the recording of the webinar are available at <https://www.tracit.org/human-cost-of-illicit-trade.html>. Any questions on the report should be directed to Dr. Ulrika Bonnier (ulrika.bonnier@tracit.org).

About TRACIT

The Transnational Alliance to Combat Illicit Trade ([TRACIT](http://www.tracit.org)) is an independent, private sector initiative to mitigate the economic and social damages of illicit trade by strengthening government enforcement mechanisms and mobilizing businesses across industry sectors most impacted by illicit trade.

Contact:

Cindy Braddon, Head of Communications and Public Policy, TRACIT

Tel: +1 571-365-6885 / cindy.braddon@TRACIT.org / <http://www.tracit.org/> Twitter: @TRACIT_org