



International
Labour
Organization

► **Profits and poverty:**
The economics
of forced labour

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The economics
of forced labour

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Second edition
First published in 2014



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► Acronyms

FAO	Food and Agriculture Organization
FLE	Forced labour exploitation
FCSE	Forced commercial sexual exploitation
GDP	Gross domestic product
ICLS	ILO International Conference on Labour Statistics
ISIC	International standard industrial classification
ILO	International Labour Organization
IOM	International Organization for Migration
KNOMAD	The Global Knowledge Partnership on Migration and Development
SDG	Sustainable Development Goals
SNA	Systems of national accounts
UNOPS	United Nations Office for Project Services

▶ Introduction

US\$236 billion. This is the obscene level of annual profit generated from forced labour in the world today. This figure reflects the wages or earnings effectively stolen from the pockets of workers by the perpetrators of forced labour through their coercive practices. It represents money subtracted from the incomes of workers often already struggling to meet the needs of their families. For migrant workers, it is money taken from the remittances they send home to their families and relatives. For governments, these illegal profits represent lost tax revenue, because of the illicit nature of the gains and the jobs that generated them. More broadly, the profits from forced labour can incentivize further exploitation, strengthen criminal networks, encourage corruption and undermine the rule of law.

Understanding and stemming the illegal profits generated from forced labour is critical to wider progress against the phenomenon. This second edition of the *Profits and poverty* report¹ was undertaken with this aim in mind. It provides a new estimate of the illegal gains generated through forced labour, building on the 2014 edition and the 2021 global estimates of forced labour.² What the study reveals is alarming. Total illegal profits from forced labour are not only extremely high but appear to have risen dramatically over the last decade, as a result of both more people in forced labour and higher levels of profit being generated from each victim.

As in the previous edition, this study presents estimates of illegal profits from forced labour at global, regional and sectoral levels. While the core methodology remains the same, some important refinements have been introduced. Illegal profits from forced labour in the services sector are estimated separately for the first time, alongside estimates of illegal profits in agriculture, domestic work, industry and forced commercial sexual exploitation. Critical assumptions made for the 2014 estimates on wages and labour income shares have been relaxed and replaced with observational data unavailable ten years ago. The study also exploits better data to estimate the value added at the sectoral level. Yet even with these improvements, the profits from forced labour remain difficult to estimate with precision because of their hidden and illicit nature.

The remainder of this report is structured as follows. Section 1 provides a background discussion of the forced labour situation in the world today, drawing on the results of the latest global estimates of forced labour. Section 2 describes the methodology employed for the estimation of illegal profits. Section 3 presents the estimation results. Section 4 takes a separate look at an additional illegal profit source not included in the estimate of overall illegal profits – illegal profits arising from the unlawful recruitment fees and related costs that victims of forced labour must often shoulder. The last section concludes. An Appendix provides further technical detail on the methodology and the data used for the estimates of illegal profits.

¹ ILO, *Profits and Poverty: The Economics of Forced Labour*, 1st edition, 2014. Note, the ILO has previously produced estimates of the profits from forced labour in 2005 (Belsler, 2005) and 2009 (Vinogradova, de Cock, and Belsler, 2009; ILO, 2009).

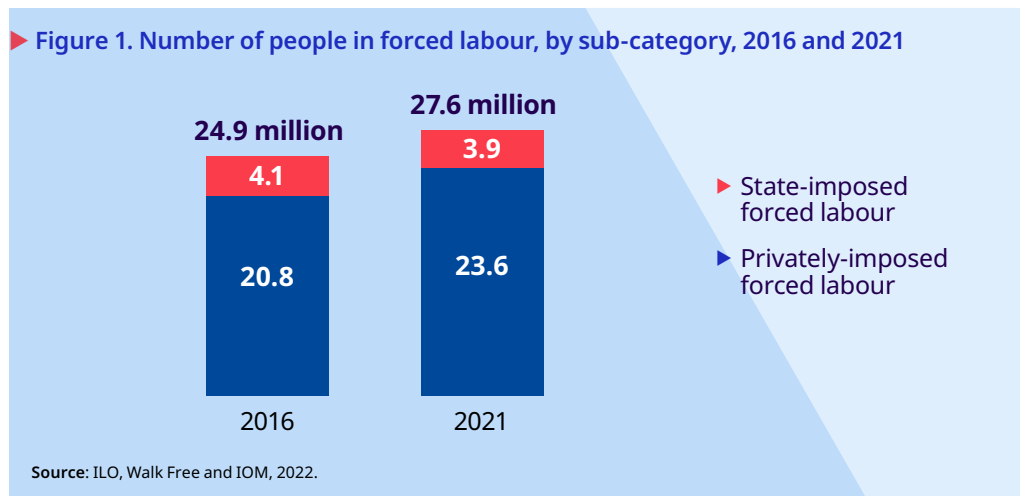
² ILO, Walk Free and IOM, *Global Estimates on Modern Slavery: Forced Labour and Forced Marriage*, 2022.

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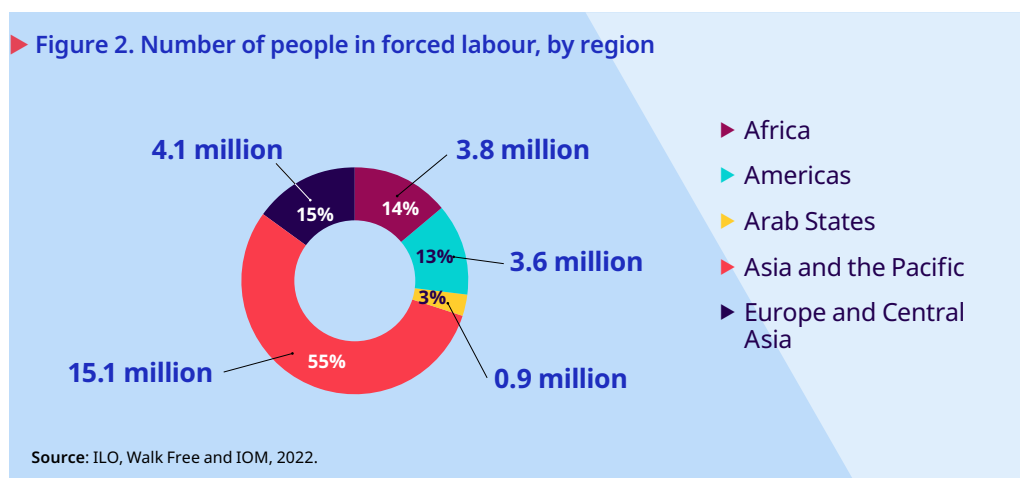
- ▶ **1. Forced labour in the world today**

This section provides an overview of the forced labour situation in the world today. It describes the forced labour population from which the illegal profits are generated – their numbers, the forms of forced labour they are trapped in, and the economic sectors and the regions where they are found.³

There were 27.6 million people in forced labour on any given day in 2021. This figure translates to 3.5 people for every thousand people in the world. Between 2016 and 2021, the number of people in forced labour increased by 2.7 million, resulting in a rise in the prevalence of forced labour from 3.4 to 3.5 per thousand people. The overall rise was the product of an increase in the number of people in privately-imposed forced labour.

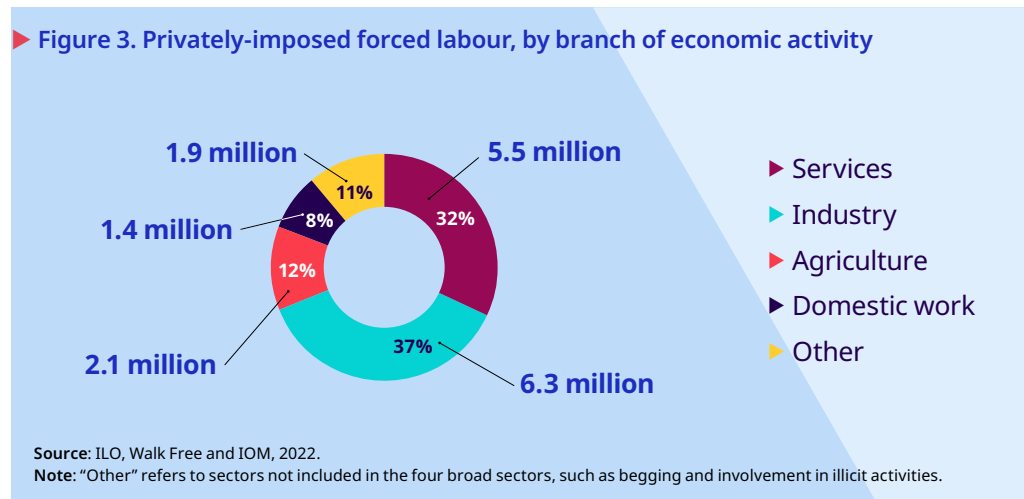


No region of the world is spared from forced labour. Asia and the Pacific is host to more than half of the global total (15.1 million), followed by Europe and Central Asia (4.1 million), Africa (3.8 million), the Americas (3.6 million), and the Arab States (0.9 million). But this regional ranking changes considerably when forced labour is expressed in terms of prevalence (i.e., as a proportion of the population). By this measure, forced labour is highest in the Arab States (5.3 per thousand people), followed by Europe and Central Asia (4.4 per thousand), the Americas and Asia and the Pacific (both at 3.5 per thousand), and Africa (2.9 per thousand).



³ This section is drawn from ILO, Walk Free and IOM, 2022.

Most forced labour occurs in the private economy. Nearly nine out of every 10 (86 per cent) instances of forced labour are imposed by private actors – 63 per cent in forced labour exploitation and 23 per cent in forced commercial sexual exploitation. State-imposed forced labour accounts for the remaining 14 per cent of people in forced labour. The estimates of illegal profits presented in this study do not include profits accruing from state-imposed forced labour.



Forced labour touches virtually all parts of the private economy. Among cases of forced labour in the private economy where the type of work was known, the four broad sectors accounting for the majority of total forced labour (89 per cent) are industry, services, agriculture, and domestic work.⁴ These sectors are defined as follows:

- The **industry** sector includes mining and quarrying, manufacturing, construction and utilities.
- The **services** sector encompasses activities related to wholesale and trade, accommodation and food service activities, art and entertainment, personal services, administrative and support services, education, health and social services, and transport and storage.
- The **agriculture** sector includes forestry, hunting as well as the cultivation of crops, livestock production and fishing.
- **Domestic work** is that performed in third party households.

Other sectors form smaller shares of total forced labour in the private economy but nonetheless still account for hundreds of thousands of people. These include people forced to beg on the street, and people forced into illicit activities.

⁴ For the profit estimations, "Other" and unknown sectors were imputed according to the distribution of the sectors from known answers. Type of forced labour was not reported for 2.8 per cent of adults and for children.

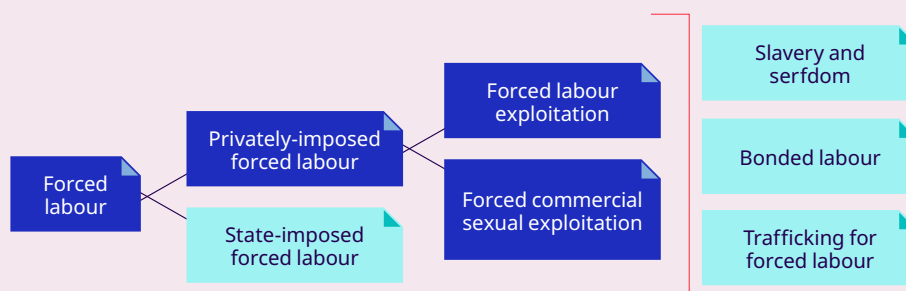
Box 1. What is forced labour? Concepts and definitions

ILO Forced Labour Convention, 1930 (No.29), Article 2, states that forced or compulsory labour is “all work or service that is exacted from any person under the menace of any penalty and for which said person has not offered himself voluntarily”.

Forced labour is defined, for purposes of measurement, as work that is both involuntary and under penalty or menace of a penalty (coercion). Involuntary work refers to any work undertaken without the free and informed consent of the worker. Coercion refers to the means used to compel someone to work without their free and informed consent. Involuntary work and coercion can occur at any stage of the employment cycle – at recruitment, to compel a person to take a job against their will; during employment, to compel a worker to work and/or live under conditions to which they do not agree; or at the time of desired employment separation, to compel a person to remain in the job they wish to leave.

Typology of forced labour

For statistical purposes, forced labour can be divided into two broad categories - state-imposed forced labour and privately-imposed forced labour. Privately-imposed forced labour may take different forms including bonded labour and trafficking in persons for forced labour, as well as work exacted from victims of slavery and serfdom as defined in the UN Slavery Convention (1926) and Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery (1956).



Privately-imposed forced labour refers to forced labour in the private economy imposed by private individuals, groups, or companies in any branch of economic activity. It may include activities such as begging for a third party that go beyond the scope of the production of goods and services covered in the general production boundary of the System of National Accounts. For the purpose of measurement, privately-imposed forced labour is commonly divided into two sub-types, both of which are considered in the estimates of illegal profits:

- **Forced labour exploitation (FLE)**: refers to forced labour in the private economy imposed by private individuals, groups, or companies in any branch of economic activity with the exception of commercial sexual exploitation; and
- **Forced commercial sexual exploitation (FCSE)**: refers to forced labour imposed by private agents for the purpose of commercial sexual exploitation.

State-imposed forced labour refers to forms of forced labour that are imposed by state authorities, agents acting on behalf of state authorities, and organizations with authority similar to the state, regardless of the branch of economic activity in which it takes place. This category of forced labour is beyond the scope of the current study.

An estimated 6.3 million people were in situations of forced commercial sexual exploitation on any given day in 2021. Gender is a key determining factor: nearly four out of every five (78 per cent) people trapped in these situations are girls or women. Children account for one in four (27 per cent) of the total cases.

People in forced labour are subjected to multiple forms of coercion to compel them to work against their will. The systematic and deliberate withholding of wages is the most common (36 per cent) form of coercion, used by abusive employers to compel workers to stay in a job out of fear of losing accrued earnings. This is followed by abuse of vulnerability through threat of dismissal, which was experienced by one in five (21 per cent) of those in forced labour. More severe forms of coercion, including forced confinement, physical and sexual violence, and the deprivation of basic needs, are less common but by no means negligible.



▶ **2. Estimation methodology**

The use of forced labour should be considered a criminal offence,⁵ and any profits gained from it inherently illegal. This study considers the illegal profits from forced labour in the private economy arising from the underpayment of earnings to workers in forced labour.

It is worth underscoring that underpayment - in and of itself - is not forced labour. Indeed, most underpaid workers are not in forced labour, while at the same time, there are people in forced labour who may not be underpaid. Nonetheless, the underpayment of earnings is one of the circumstances that may give rise to involuntary work, as stated in the ILO International Conference on Labour Statistics (ICLS), *Guidelines Concerning the Measurement of Forced Labour*⁶ and among the most prevalent according to the latest global estimates of forced labour.⁷

As with the ILO 2014 *Profits and poverty* report,⁸ the study covers two broad categories of forced labour in the private economy – forced labour exploitation (FLE) and forced commercial sexual exploitation (FCSE) (see box 1 on terminology). Owing to data availability and the differing nature of forced labour exploitation and forced commercial sexual exploitation, separate methods are used to estimate illegal profits resulting from each, as discussed briefly below and in more detail in Appendix 1. The lack of data on the economics of the various forms of state-imposed forced labour, especially the abuse of compulsory prison labour and abuse of military conscription, made it impossible to estimate profits from these forms of forced labour in the current edition.

Owing to data limitations, the illegal profit estimates do not consider the additional profits accruing to employers and intermediaries through illegal recruitment fees and other related costs that forced labour victims often have to shoulder. Illegal profits linked to recruitment are, however, assessed separately for international migrants in forced labour, the only group for which data on recruitment fees and related costs is available, in section 4 of the report. The additional profits to perpetrators from unpaid taxes and social security contributions are also beyond the scope of this study.


For the purpose of the study, the underpayment of wages is measured as the difference between the earnings that workers would receive under normal circumstances and the earnings they instead receive because they are in forced labour. These lower wages could stem from, for example, paying workers less than the statutory minimum wage, the failure to provide overtime pay when required, illegal wage deductions for made-up workplace infractions or the violation of other wage-related regulations (box 2). In other cases, like for forced commercial sexual exploitation, profits result from exploiters pocketing earnings from an illegal or illicit activity. In some instances, people in forced labour are trapped in situations in which they are denied remuneration altogether, or even face “negative wages” in the form of debt manufactured by their employers as a means of control.

⁵ ILO Forced Labour Convention 1930 (No. 29), Article 25.

⁶ ILO, *Guidelines Concerning the Measurement of Forced Labour*, 20th International Conference on Labour Statistics (ICLS), 2018.

⁷ ILO, Walk Free and IOM, 2022.

⁸ ILO, 2014.

 **Box 2. Underpayment of wages**

Wages are crucial to a worker's livelihood as they directly affect their daily life. ILO labour standards on wages aim to ensure regular payment, protect wages in case of employer insolvency, and set adequate minimum wage levels. ILO labour standards on wage protection include the following:

The [Protection of Wages Convention, 1949 \(No. 95\)](#) sets out that wages shall be paid in legal tender at regular intervals. It also stipulates that, in cases where partial payment of wages is in kind, the value of such allowances should be fair and reasonable. Wage deductions are allowed only as per national laws, collective agreements or arbitration awards. Workers must be informed of the conditions and extent of such deductions in an appropriate manner (Article 8).¹ "All necessary measures should be taken to limit deductions from wages to the extent deemed to be necessary to safeguard the maintenance of the worker and his family".²

The [Minimum Wage Fixing Convention, 1970 \(No. 131\)](#) requires ratifying states to establish a system of minimum wages. Minimum wage rates should be set in consultation with employers' and workers' organisations, at a level which takes into account the needs of workers and their families as well as economic factors. Periodically reviewing and adjusting minimum wage rates can ensure that workers' wages increase in line with the cost of living.

The [Domestic Workers Convention, 2011 \(No. 189\)](#) provides that domestic workers worldwide who take care of families and households must have access to the same basic labour rights as other workers. This includes the right to enjoy minimum wage coverage, where such coverage is available (Article 11).

Underpayment of the minimum wage is an important issue addressed under Article 2(1) of the ILO Minimum Wage Fixing Convention, 1970 (No. 131): "Minimum wages shall have the force of law and shall not be subject to abatement, and failure to apply them shall make the person or persons concerned liable to appropriate penal or other sanctions".

In situations of forced labour, underpayment of wages can take various other forms in addition to paying workers less than the statutory minimum wage, including failing to provide overtime pay when required, violations of other wage-related regulations and illegal deductions for recovery of recruitment fees and related costs. In some instances, the underpayment of wages involves workers being denied payment of wages altogether. In some forced labour contexts, wages are systematically and deliberately withheld as a means to compel the worker to remain in the workplace and to deny them the opportunity to change their employer.

¹ Specific examples of national legislation regulating the conditions for deductions from wages are described in ILO, [General Survey of the Reports Concerning the Protection of Wages Convention \(No. 95\) and the Protection of Wages Recommendation \(No. 85\), 1949](#), ILC.91/III(1B), 2003.

² ILO, ILC.91/III(1B), 2003.

2.1 Method for estimation of illegal profits from forced labour exploitation

Building on the approach used in the ILO 2014 report⁹, a value added approach is used to estimate the illegal profits in forced labour exploitation. Under normal circumstances, the wages of “free” workers are, on average, equivalent to the labour income share of the Gross Domestic Product (GDP), where the labour income share is the portion of GDP allocated to labour compensation.¹⁰ Similarly, in each economic sector, the wages of free workers are, on average, equivalent to the labour income share of the value added of the sector.

Illegal profit per victim of forced labour exploitation is then calculated as the labour income share of the value added minus the wages actually earned by the victim, which in many cases are very low or even zero. This approach is used to estimate the illegal profits from forced labour exploitation in the following sectors:

1. Agriculture (forestry, hunting, and fishing as well as cultivation of crops and livestock production),
2. Industry (including mining and quarrying, manufacturing, construction and utilities),
3. Services (including wholesale and trade, accommodation and food service activities, art and entertainment, personal services, administrative and support services, education, health and social services, and transport and storage), and
4. Domestic work.

The illegal profits from forced labour in each of the above sectors are calculated as the difference between the labour income share of the value added of that sector and the wages paid to people in forced labour. The following formula shows the profits from forced labour exploitation in a specific region r and sector s .

$$\pi_{s,r} = FL_{s,r} [vaLS_{s,r} - w_{s,r}] \quad (1)$$

In the formula, $vaLS_{s,r}$ is the labour share of value added per worker, $w_{s,r}$ are wages paid to each worker in forced labour.¹¹ The component in the bracket represents the profits made per victim, which is multiplied by the number of people in forced labour exploitation in the sector $FL_{s,r}$ to provide the total profits in the sector for the region. The 2021 global estimates of forced labour¹² is the data source for $FL_{s,r}$.

⁹ ILO, 2014.

¹⁰ In contrast, the capital income share of the GDP is earned by asset owners due to their property, such as land, machines, buildings, or patents.

¹¹ The labour income share of value-added per worker in region r and sector s is estimated as: $\left(\frac{\sum_i \omega_{i,s,r} (va_{i,s,r} LS_{i,s,r})}{\sum_i \omega_{i,s,r}} \right)$ where $va_{i,s,r}$ is the value added, $LS_{i,s,r}$ is the labour share, $\omega_{i,s,r}$ is a weight factor that accounts for non-response bias and population weights and the subscript i indicates the country.

¹² ILO, Walk Free and IOM, 2022.

2.2 Method for estimation of illegal profits from forced commercial sexual exploitation

Data on annual revenues generated in forced commercial sexual exploitation is extremely scarce because of the illicit nature of the activity. As with the ILO 2014 report, the estimates of illegal profits from forced commercial sexual exploitation are based on the Global Sex Trafficking Metrics database, 2016,¹³ which remains virtually the only source of comparable data for multiple countries on the economics of forced commercial sexual exploitation and revenues from it. The 2021 global estimates of forced labour are the source for data on the number of people in forced commercial sexual exploitation.¹⁴

Illegal profits from forced commercial sexual exploitation are the difference between the revenues from forced commercial sexual exploitation and the fixed and variable costs incurred, including payment to the victim, if any. Annual revenues include revenues accruing directly from forced commercial sexual exploitation as well as from the sale of goods associated with commercial sexual exploitation.¹⁵

For each region, total annual illegal profits from forced commercial sexual exploitation can be expressed as follows:

$$\pi_{FCSE,r} = FL_{FCSE,r} \times [(p_{FCSE,r} \times rev_{FCSE,r})] \quad (2)$$

Where $FL_{FCSE,r}$ is the total number of people in forced commercial sexual exploitation in the region, $p_{FCSE,r}$ is the regional weighted average profit margin per victim (i.e., as proportion of annual revenues), and $rev_{FCSE,r}$ is the regional average revenues generated by workers in forced commercial sexual exploitation for their exploiter.

More details on the methodology adopted in this study are available in Appendix 1.

¹³ Siddharth Kara, *Modern Slavery: A Global Perspective*. (New York: Columbia University Press, 2017).

¹⁴ ILO, Walk Free and IOM, 2022.

¹⁵ Including from the sale of condoms, alcohol and illicit substances.



▶ **3. Illegal profits from forced labour: estimation results**

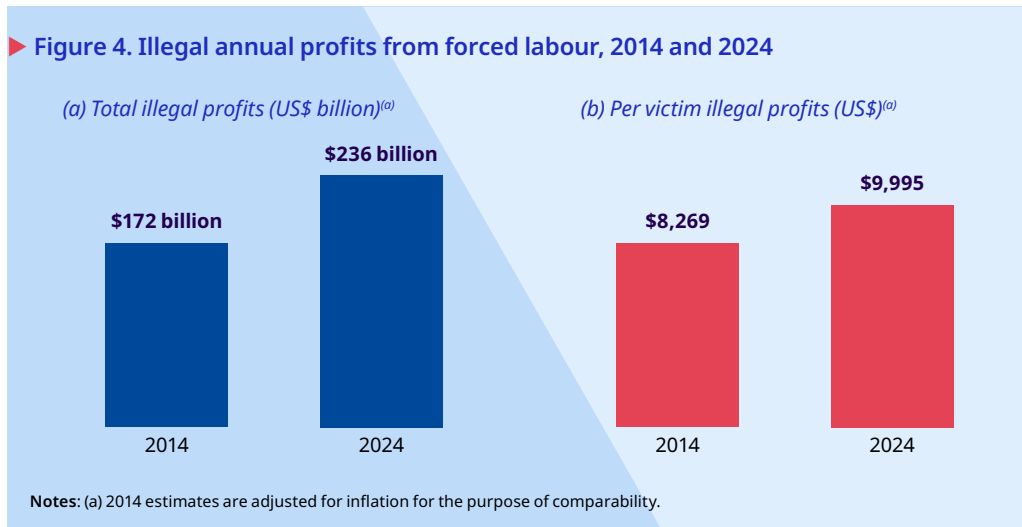
Total illegal profits generated from forced labour amount to an estimated US\$236 billion annually, resulting from almost US\$10,000 profit per victim.¹⁶ In the case of workers in forced labour exploitation, these illegal financial gains represent the difference between what the employers are actually paying the workers and what they would be paying them in the absence of forced labour under normal circumstances. In other words, they are the wages that rightfully belong in the pockets of workers that instead remain in the hands of their exploiters as a result of their coercive practices. For forced commercial sexual exploitation, where there are no standard levels of payment, illegal profits represent all but the tiny share of profits that trickles down to its victims. It should be recalled that this estimate of profits, although obscenely high, does *not* include additional illegal profits from recruitment fees and related costs (see section 4) or from avoided taxes and social security contributions. The estimate therefore understates total illegal profits from forced labour.



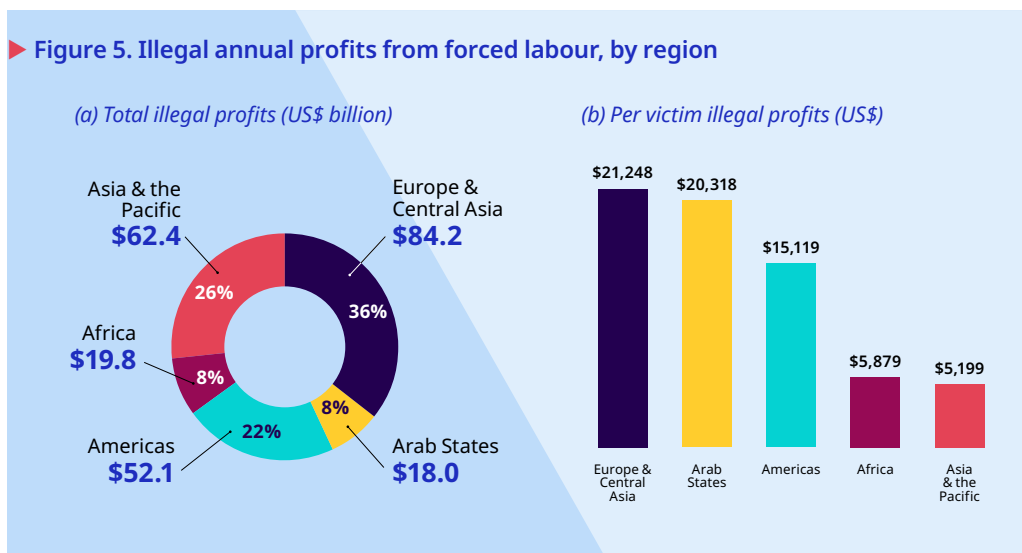
Total illegal gains from forced labour appear to have risen dramatically over the last decade. A simple comparison with the previous estimates of illegal profits published in 2014 (adjusted for inflation) indicates a US\$64 billion rise in illegal profits from forced labour since that time.¹⁷ A closer look at the numbers suggests that this rise in illegal profits was driven by both more people in forced labour and more illegal profit being generated from each victim. Annual profit per victim was estimated at US\$8,269 in 2014 (adjusted for inflation) and US\$9,995 in 2024 (figure 4b), which represents an increase of 21 per cent. At the same time, there are many more victims of forced labour now than ten years ago. The current estimate of illegal profits is based on a total of 23.7 million people in forced labour in the private economy, while the 2014 estimate was based on a forced labour population in the private economy of almost 18.7 million. This represents an increase of 27 per cent in people in forced labour in the private economy in the last ten years.

¹⁶ Profits in this study are inflation-adjusted to 2021 values using 2016 constant prices from the World Bank Development Indicators. The exact value of profit per victim is US\$9,995 annually.

¹⁷ Inflation-adjusted 2014 total profit of US\$150 billion is US\$172 billion in 2021. The inflation adjustment is made using the World Bank Development Indicators, US CPI inflation 2014-2021.

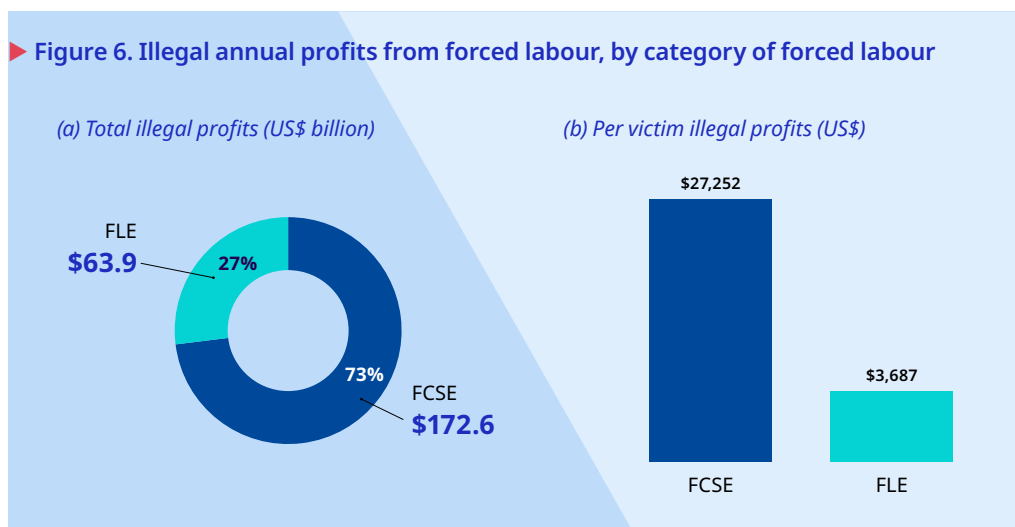


There are important differences across regions in illegal profits. As reported in figure 5a, total illegal profits are highest in Europe and Central Asia (US\$84.2 billion) followed by Asia and the Pacific (US\$62.4 billion), the Americas (US\$52.1 billion), Africa (US\$19.8 billion), and finally the Arab States (US\$18.0 billion). These patterns are driven by underlying inter-regional differences in both the total number of victims (figure 2) and in profit per victim (figure 5b). In Asia and the Pacific, where profits per victim are relatively low, total illegal profits are a reflection in large part of the large number of victims in the region. By contrast, in Europe and Central Asia and the Americas, where the number of total victims is much lower than in Asia and the Pacific, the high level of per-victim profit is a more important driver of total illegal profits. In Africa, both total victims and profit per victim are low relative to other regions.



3.1 Illegal profits by type of forced labour

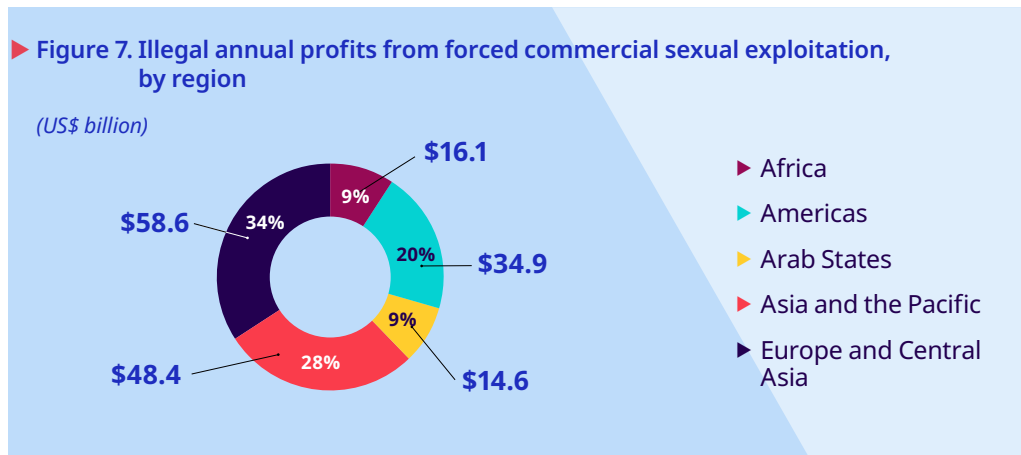
The largest share of total illegal profits is from forced commercial sexual exploitation. As discussed in section 2, the estimates of illegal profits consider two forms of privately-imposed forced labour – forced labour exploitation and forced commercial sexual exploitation. Although forced commercial sexual exploitation accounts for only 27 per cent of all people in privately imposed forced labour, it accounts for 73 per cent of total illegal profits from forced labour (figure 6a). Of the US\$236 billion made from the use of forced labour, almost US\$173 billion was generated in forced commercial sexual exploitation. These numbers are explained by the huge difference in profit per victim between forced commercial sexual exploitation and forced labour exploitation – US\$27,252 for the former against US\$3,687 for the latter (figure 6b).



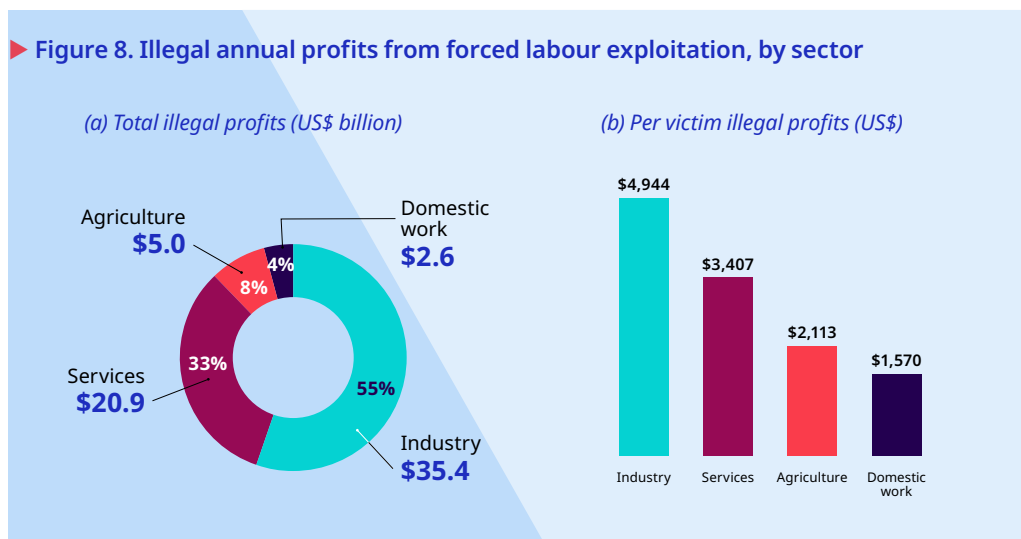
The high profits per victim of forced commercial sexual exploitation are a reflection of the extremely limited share of earnings trickling down to the victims, the vast majority of whom are women and girls. Indeed, the Global Sex Trafficking Metrics database, 2016¹⁸ upon which the profits estimate is based indicates that in most cases people in forced commercial sexual exploitation are paid very little or nothing at all. In some reported cases, victims are denied payment because they must pay off a debt to their trafficker ostensibly incurred as a result of having been trafficked. They may incur new debt when they are passed into the hands of other traffickers. Deductions for food, clothing, rent, alcohol, or exorbitant interest charges are among the other pretexts used by perpetrators for non-payment of victims. At the same time, the fact that commercial sexual exploitation is illegal in most countries means that victims have limited or no recourse to justice.

Profits from forced commercial sexual exploitation are substantial across all regions. As reported in figure 7, annual total illegal profits from forced commercial sexual exploitation range from US\$58.6 billion in Europe and Central Asia, US\$48.4 billion in Asia and the Pacific, US\$34.9 billion in Americas, US\$16.1 billion in Africa and US\$14.6 billion in the Arab States.

¹⁸ Kara, 2017.



Industry is the sector where total and per victim illegal profits are the highest. Forced labour in industry yields annual total profits of US\$35.4 billion and annual per victim profits of US\$4,944. Per total and per-victim profits are next highest in services (US\$20.9 billion and US\$3,407, respectively), followed by agriculture (US\$5.0 billion and US\$2,113) and finally domestic work (US\$2.6 billion and US\$1,570) (figure 8).



The underpayment of wages can operate through a variety of mechanisms across these sectors. Although most cases of underpayment are not forced labour, underpayment is a common feature of forced labour and a critical driver of profits from it. Understanding the mechanisms of underpayment can therefore provide insight into how profits from forced labour are generated. Piece rate payment schemes used in the brick kiln industry are linked in some contexts to wages falling far below minimum wage standards.¹⁹ Piece rate payments are also associated in some contexts with underpayment in agriculture and in other parts of the manufacturing sector, especially when workers are required to meet unrealistic production targets.²⁰

¹⁹ ILO, The Brooke Hospital for Animals; The Donkey Sanctuary, *Environment, Human Labour, and Animal Welfare – Unveiling the Full Picture of South Asia’s Brick Kilns and Building the Blocks for Change*, 2017.

²⁰ FAO and ILO, *Child Labour in Agriculture in Lebanon – A Guide for Practitioners*, 2017.

In the fishing sector, share-of-the-catch payment schemes controlled by vessel owners, skippers or supervisors are manipulated in some contexts to underpay fishers.²¹ Underpayment or non-payment of bonuses, lack of clarity around how bonuses are calculated or paid, illegal deductions (such as for food and water) or excessive deductions for items such as on-board phone calls or cigarettes have also been documented in the fishing sector.²²

In construction, documented forms of underpayment include unpaid overtime, wages lower than what was agreed upon, illegal or excessive deductions, and withholding of wages.²³ In the mining industry, debt bondage may arise when small-scale miners borrow from “sponsors” to buy equipment in exchange for a percentage of the ore they collect.²⁴ Workers often do not earn enough and take additional loans for food. This cycle ultimately results in workers losing their freedom, as they are compelled to continue working to pay back their debts.²⁵

Domestic workers – 8 of 10 of whom are in informal employment²⁶ – are particularly vulnerable to wage underpayment. Unpaid overtime, lack of rest periods, and withholding of wages are among the documented violations linked to the underpayment of domestic workers.²⁷

In the hospitality and recreation sector and in other sectors where informality is common, the absence of formal contracts means less wage transparency and greater vulnerability to wage abuses.²⁸ Wage transparency is also often undermined in such contexts by the absence of payslips detailing basic wages, bonuses and deductions.

Across all sectors, workers classified as seasonal and casual workers are frequently excluded from minimum wage protection granted to regular workers, leaving them especially vulnerable to underpayment.²⁹

²¹ ILO, *Towards freedom at sea: Handbook for the Detection of Forced Labour in Commercial Fishing*, 2023.

²² ILO, 2023.

²³ Benjamin Harkins et al., *From The Rice Paddy To The Industrial Park: Working Conditions and Forced Labour in Myanmar's Rapidly Shifting Labour Market*. (Myanmar: Livelihoods and Food Security Fund, UNOPS Fund Management Office, 2021).

²⁴ Finance Against Slavery and Trafficking, *Earth Shattering: Opportunities for Financial sector Engagement at the Nexus of Modern Slavery and Natural Resources in Ghana*, eds. Gifty Ampomah et al. (New York/Accra: United Nations University, 2022).

²⁵ Huma Haider, *Modern slavery in the DRC*, K4D Helpdesk Research Report series. (Brighton, UK: Institute of Development Studies, 2017).

²⁶ ILO, *Making Decent Work a Reality for Domestic Workers: Progress and Prospects Ten Years After the Adoption of the Domestic Workers Convention, 2011 (No. 189)*, 2021.

²⁷ Jenna Holliday, *Skilled to Care, Forced to Work? Recognizing the Skills Profiles of Migrant Domestic Workers in ASEAN Amid Forced Labour and Exploitation*. (Bangkok, ILO, 2023).

²⁸ Roundtable Human Rights in Tourism. *Human Rights Impact Assessment. Thailand and Myanmar. A Value-Chain-Focused Human Rights Impact Assessment*, 2020; ILO, *ILO Guidelines on Decent Work and Socially Responsible Tourism*, 2017.

²⁹ ILO, 2021a; Harkins et al, 2021; ILO, *Working and Employment Conditions in the Agriculture Sector in Thailand. A survey of migrants working on Thai sugarcane, rubber, oil palm and maize farms*, 2021.

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- ▶ **4. Illegal profits from recruitment: the case of international migrants in forced labour**

Another critical source of illegal profits from forced labour comes from the unlawful recruitment fees and related costs that forced labour victims must frequently bear (see box 3). These fees may be charged by employers, recruitment, or travel intermediaries, or by corrupt officials demanding bribes or kickbacks. They can even be charged by traffickers for the supposed cost of being trafficked. To pay for the recruitment fees and related costs to secure a job or placement, many workers incur heavy debt, which may lead to situations of debt bondage. Studies show that charging recruitment fees and related costs to workers is widespread across countries and sectors.³⁰

Box 3. Recruitment fees and related costs

The ILO *General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs*¹ state that “no recruitment fees or related costs should be charged to, or otherwise borne by workers or job seekers” and call on governments to “take measures to eliminate the charging of recruitment fees and related costs to workers and jobseekers.”

Recruitment fees and related costs are defined in the principles and guidelines as any fees or costs incurred in the recruitment process for workers to secure employment or placement, regardless of the manner, timing or location of their imposition or collection.

Recruitment fees encompass expenses for recruiting, referral, and site services. Such services can include advertising, distributing information, scheduling interviews, handling government clearances, verifying credentials, coordinating travel and transportation, and facilitating job placement.

Recruitment-related costs are “expenses integral to recruitment and placement within or across national borders, taking into account that the widest set of related costs are incurred for international recruitment”.² These costs include administrative costs, medical costs, insurance costs, travel and loading costs, costs for training and orientation, costs for skills and qualification and equipment costs, among others.³

Evidence shows that the expenses incurred by migrant workers during recruitment are a significant proportion of their wages (indicator SDG 10.7.1). According to KNOMAD data used for the analysis of profits (see Appendix 1), migrant workers would require an average of 3.93 months of work to pay off recruitment fees and related costs. However, data show a high heterogeneity across countries, sectors, and data sources. ILO surveys implemented to measure SDG 10.7.1 in selected countries reveal countries with the SDG10.7.1 indicator as high as one year and a half and others as small as less than one month.⁴ No significant trends have been identified by sectors across countries, pointing to the specificity of each context.

1 ILO, *General principles and operational guidelines for fair recruitment & Definition of recruitment fees and related costs*, 2019.

2 ILO, 2019a.

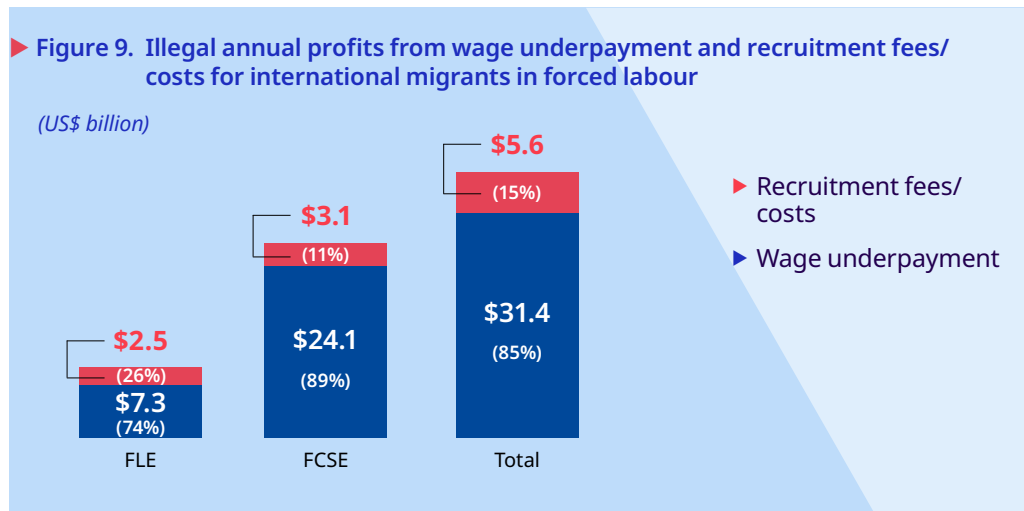
3 ILO, *Operational Manual on Recruitment Costs - SDG 10.7.1*, 2019.

4 Maldives Bureau of Statistics, 2023; ILO, 2021b; Bangladesh Bureau of Statistics, 2021; Ghana Statistical Service, 2020.

30 Maldives Bureau of Statistics, *Measuring SDG indicator 10.7.1 on recruitment costs of migrant workers: Results from the recruitment cost-module in Maldives, 2019, 2023*; ILO, *Measuring Sustainable Development Goal Indicator 10.7.1 on Recruitment Costs of Vietnamese Workers Overseas, 2022*; ILO, *Measuring Sustainable Development Goal Indicator 10.7.1 on Recruitment Costs of Migrant Workers. Results of Viet Nam Pilot Survey 2019, 2021*; Bangladesh Bureau of Statistics, *Cost of Migration Survey. Bangladesh 2020, 2021*; Ghana Statistical Service, *2019 Recruitment Costs Pilot Survey Report-Ghana. Measuring SDG Indicator (10.7.1), 2020*; ILO, 2018a; ILO, *Tricked and Trapped: Human Trafficking in the Middle East, 2013*.

Unfortunately, data on this additional source of illegal profit is only available for international migrant victims of forced labour. Therefore, illegal profits from recruitment practices are not considered in the illegal profit estimates presented in this study.

However, a look at illegal profits from recruitment practices for international migrants in forced labour offers some insight into their broader importance.³¹ Figure 9 reports total illegal profits generated from international migrants from both recruitment fees and related costs as well as from wage underpayment (see methodology in Appendix 1). The results indicate that illegal profits from recruitment fees and related costs are substantial. This source generated US\$5.6 billion in annual illegal profits or 15 per cent of total annual illegal profits from international migrants in forced labour. The relative importance of illegal profits from recruitment fees and related costs is greatest for forced labour exploitation, where they account for 26 per cent of total illegal profits.



³¹ According to the 2021 global estimates of forced labour, international migrants constitute 15 per cent of all adults in forced labour exploitation. Migrant workers are also more likely to be in forced labour than non-migrant workers. Nearly 14 out of every thousand adult migrant workers are in forced labour in the private economy, a prevalence rate that is more than three times higher than that of non-migrant workers (ILO, Walk Free and IOM, 2022).



▶ **Conclusions**

This study highlights the huge illegal profits accruing from forced labour. The underpayment of the workers concerned results in over \$236 billion in profits for their exploiters. Evidence from international migrants suggests that substantial additional profits are generated through the unlawful recruitment practices that forced labour victims are often faced with.

Urgent investment is needed in enforcement measures that stem the profits from forced labour and bring perpetrators to justice. Currently, prosecutions for the crime of forced labour remain very low in most jurisdictions, meaning perpetrators are able to profit from their actions with impunity. Effective enforcement starts with strengthening the legal architecture around forced labour and bringing it into line with international legal standards. Ensuring adequate enforcement capacity is also critical, including through enhanced training programs to equip key enforcement actors with the skills and knowledge needed to effectively identify and prosecute forced labour cases. Extending the reach of labour inspectorates into high-risk sectors and building more effective bridges between labour and criminal law enforcement is also critical in this regard. Improving access to remedies so that perpetrators are obliged to pay compensation to those they have harmed can also serve a punitive function and act as a deterrent for would-be offenders.

Yet forced labour cannot be ended through law enforcement measures alone. Rather, a broad-based approach is needed, with a strong emphasis on addressing root causes and the protection of victims. Efforts in social protection, education, skills training and good migration governance are all critical in this regard. Promoting fair recruitment processes is also crucial, given that forced labour cases can often be traced back to recruitment abuses as well as the apparent importance of unlawful recruitment fees and costs as a source of illegal profit from forced labour. Ensuring the freedom of workers to associate and to bargain collectively is also essential to building resilience to the risks of forced labour. Formalizing the informal economy, where forced labour risks are most pronounced, constitutes a key overarching priority across all these policy areas. The Protocol to the Forced Labour Convention and the Forced Labour (Supplementary Measures) Recommendation, 2014 (No. 203) provides a strategic framework for comprehensive action against forced labour.



► **Appendices**

Appendix 1. Methodology for the estimates of profits

Methodology of current estimations

This report presents a new estimation of the illegal profits obtained from the use of forced labour using an enhanced methodology. This has been made possible thanks to the latest global estimates of forced labour,³² as well as new household-specific standardized survey datasets and sectoral data on the value added. The data sources and the method used to estimate the different components of the profits, namely, the value added, the labour income share, the wages of people in forced labour and the recruitment fees and associated costs of international migrants, are briefly presented in this appendix.

Wages

Unfortunately, there are no comprehensive and harmonized data on wages and recruitment fees and related costs of people in forced labour. Thus, in this study, the wages earned by workers in forced labour and the recruitment fees and related costs paid by international migrant workers in forced labour are estimated using data from the Global Knowledge Partnership on Migration and Development (KNOMAD) Migration and Recruitment Cost Surveys datasets for the years 2015 and 2016. The datasets include monetary and non-monetary costs incurred by migrant workers seeking jobs abroad.³³

The 2015 surveys included responses from 2,454 migrants covering nine bilateral migration corridors, namely, India-Saudi Arabia, Philippines-Saudi Arabia, Nepal-Malaysia, Nepal-Qatar, Nepal-Saudi Arabia, Kyrgyzstan-Russia, Tajikistan-Russia, Uzbekistan-Russia, and West Africa-Italy (Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Ghana, Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo).³⁴

The 2016 surveys included responses from 3,149 migrants covering ten bilateral migration corridors, namely, Pakistan-Saudi Arabia, Pakistan-United Arab Emirates, Ethiopia-Saudi Arabia, India-Qatar, Nepal-Qatar, Philippines-Qatar, Vietnam-Malaysia, Guatemala-Mexico, Honduras-Mexico, and El-Salvador-Mexico.³⁵

By their nature, the KNOMAD datasets include information only on international migrant workers. In addition to the country of origin and destination, information collected included country of birth, conditions of recruitment and employment, contract information, recruitment costs, duration of employment, sector of employment and monthly income. However, the KNOMAD datasets do not inform whether a migrant is a victim of forced labour.

Migrant workers surveyed in KNOMAD were classified as potentially in forced labour in the current job if any of the following conditions arose: they did not sign a contract before migrating, the contract they signed changed on arrival, they had their rights deprived, they did not have a rest day, they were irregular migrants, they were not allowed to join an available union, or they were not paid when injured. The wages of people in forced labour are estimated as the average of the net nominal wages of the current job of migrant workers potentially in forced labour. The monthly wages were obtained from the hourly wages assuming 40 hours of work per week to make them comparable with the wages of free workers. Indeed, workers in forced labour may work longer hours and overtime, which may or may not be paid.

³² ILO, Walk Free and IOM, 2022.

³³ ILO and KNOMAD, "[KNOMAD-ILO Migration Costs Surveys 2016](#)," 2016; and "[KNOMAD-ILO Migration Costs Surveys 2015](#)," 2015.

³⁴ ILO and KNOMAD, 2015.

³⁵ ILO and KNOMAD, 2016.

As data on wages of migrant workers potentially in forced labour was not available for all sectors within regions, the complete data available in Europe and Central Asia was used as the base wages. These base wages were then adjusted to account for regional disparities in wages using an adjustment rate based on regional wages of free workers such that:

$$w_{s,r} = \left(\frac{p_{s,r}}{p_{s,ECA}} \right) w_{s,ECA} \quad (3)$$

where $\left(\frac{p_{s,r}}{p_{s,ECA}} \right)$ is the ratio of wages of free workers in sector s and region r ($p_{s,r}$) to the wages of free workers in the same sector in Europe and Central Asia ($p_{s,ECA}$), and $w_{s,ECA}$ is the wages of migrants potentially in forced labour from the KNOMAD datasets wages in the same sector in Europe and Central Asia. The ILO's ILOSTAT database³⁶ was used to obtain the ratio of wages for each region.

The wages of migrants potentially in forced labour from the KNOMAD datasets were used to proxy the wages of people in forced labour, both migrants and not migrants.

Given the lack of evidence on the wages of people in forced labour, in this study it is assumed that migrants and non-migrants in forced labour earn similar wages. This assumption relies on the idea that people in forced labour receive similar payments, regardless of whether they are in their country of origin or abroad, because the involuntariness and coercive conditions that define forced labour make them homogeneous and equally vulnerable. However, there is evidence that migrant workers generally earn less than native workers.³⁷ This assumption, then, may lead to an underestimation of the wages of non-migrants in forced labour and an overestimation of illegal profits from the use of forced labour.

On the other hand, the reported wages of migrant workers potentially in forced labour might overestimate the real wages, or absence of payment, of people in forced labour. People in forced labour are very difficult to capture in standard surveys because of the hidden and illegal nature of the phenomenon, especially those in the worst situations. Thus, migrants surveyed in KNOMAD might not be the workers experiencing the worst working conditions, including inadequate payment. This would lead to an overestimation of the wages of people in forced labour and, thus, an underestimation of profits.

Recruitment fees and related costs

Recruitment fees and related costs are defined as all fees and costs incurred in the recruitment process for the migrant worker and are estimated from the KNOMAD database. This estimate therefore includes any costs paid to a recruitment agency or a third party to secure employment in the destination country, all funding associated with any training required for admission to the job at the destination country, as well as all transport and visa-related costs.³⁸ Given the focus of the KNOMAD database on international migration and the lack of other data sources, the contribution of recruitment fees and related costs to the total profits is estimated only for international migrants (see section 4). The average duration of forced labour in the 2021 global estimates of forced labour is roughly 15 months, therefore, it is assumed that only 80 per cent of migrant victims are new victims during the year of estimation. It is assumed

³⁶ ILO, "Employment by Sex, Status in Employment and Economic Activity, 2022", ILOSTAT database.

³⁷ Islam and Parasnis, for instance, find that migrants in blue-collar occupations in Australia earn about 3 per cent less than their native counterparts with the same education (Islam and Parasnis, 2016). Miller and Neo found that migrants in Australia earned at least 12 per cent less than their native counterparts, while those in the USA earned 24 per cent less than their native counterparts (Miller and Neo, 2003). A very recent study by the ILO finds that migrants in general earn about 13 per cent less than national workers with the gap as high as 42 per cent in some countries (Amo-Adjei, 2020).

³⁸ ILO and KNOMAD, 2015 and 2016.

that victims of forced commercial sexual exploitation are in deceptive recruitment and paid the same recruitment fees and related costs of the other sectors.

Value added per worker

The monthly labour income share of value added for workers is obtained by multiplying the labour income share by the value added per worker, using population and non-response weights to account for the differences in the sizes of the countries and the missing values in the dataset.

Value added (per person and total) data is obtained from UNData.³⁹ Data was available for almost all ILO countries, therefore, the imputation of missing data was not needed.

In this edition, the labour income share is estimated using the method proposed by Van Treeck,⁴⁰ Guerriero⁴¹ and Gollin⁴² to account for considerable heterogeneity in labour shares both across regions and sectors. Data on labour share at regional and sectoral levels are not currently available in any dataset. The ILO 2014 *Profits and poverty* report⁴³ used the two-thirds rule for labour share that assumed that labour income share is 0.667 and constant across sectors and countries.

Therefore, the $LS_{i,s,r}$ component is estimated as:

$$LS_{i,s,r} = \frac{\text{Compensation of employees}_{i,s,r}}{\text{value added}_{i,s,r}} \times \frac{\text{Number of employees}_{i,s,r} + \gamma \text{Number of Self Employed}_{i,s,r}}{\text{Number of employees}_{i,s,r}} \quad (4)$$

where $\gamma = 1$ for upper-middle and high-income countries (including those in Sub-Saharan Africa and South Asia) and $\gamma = 0.667$ for low and lower-middle-income countries in Sub-Saharan Africa and South Asia respectively. This accounts for the fact that the self-employed generally do not earn as much as employees in developing countries. Within these countries, employees are less likely to be in the informal sector and are therefore likely to earn more than those classified as being self-employed who are largely in the informal sector.⁴⁴

To estimate labour share by region and sector, data on the compensation of employees, the total workforce (employees plus self-employed), the number (or share) of employees are needed.

Compensation of employees is defined as “the total remuneration, in cash or in-kind, payable by an enterprise to an employee in return for work done by the latter during an accounting period”.⁴⁵ It has two main components, namely 1) wages and salaries payable in cash or in-kind; and 2) social insurance contributions. This study uses compensation of employees’ data available in the UNData database.⁴⁶ Employee compensation is available in two formats based

³⁹ United Nations, “[UNData Value Added](#),” 2022.

⁴⁰ Katharina Van Treeck, “Measuring the Labor Income Share in Developing Countries: Lessons from Social Accounting Matrices.” *Review of Income and Wealth*, 2020, 66(3): 584–612.

⁴¹ Marta Guerriero, “[The Labor Share of Income Around the World: Evidence From a Panel Dataset](#).” *ADB Working Paper 920*, 2019.

⁴² Douglas Gollin, “Getting Income Shares Right.” *Journal of Political Economy*, 2002, no. 110 (2): 458–74.

⁴³ ILO, *Profits and Poverty: The Economics of Forced Labour*, 1st edition, 2014.

⁴⁴ ILO, *The Global Labour Income Share and Distribution*, 2019.

⁴⁵ European Commission et al., *Systems of National Accounts, 2008*, 2009.

⁴⁶ United Nations, “[UNData ISIC Rev 3](#),” 2022; and “[UNData ISIC Rev 4](#),” 2022.

on the ISIC Revision 3⁴⁷ and the ISIC Revision 4.⁴⁸ The ISIC Revision 4 was used for all countries where such information was made available and replaced with information generated using the ISIC Revision 3 when unavailable. Data imputation methods were needed to increase the availability of data.

Data on both the total workforce and the number of employees is obtained from the ILO's ILOSTATs database.⁴⁹ The data variable used was employment by status in employment and economic activity. Within this database, the workforce was distributed into three groups, namely, employees, self-employed and workers not classifiable by status. Individuals were considered to be employed if they were of working age and were either in paid employment or self-employed. Employees were defined as those in paid employment. Disaggregation by economic activity was based on the ISIC Revision 4. Workforce data was significantly more complete than that of compensation of employees. Most of the unavailable data was for small islands. We therefore decided not to impute the missing data. The labour shares are estimated using equation (4), except the labour income share of the services sector in the Arab States was imputed at the conservative value of 0.667 because data was available only for one country within the region. Labour share of the domestic work sector was imputed to be equal to that of services sector due to the lack of sufficient sectoral data. The labour share estimated were generally lower than the conservative value of 0.667 assumed in 2014.

Profits from commercial sexual exploitation

The Global Sex Trafficking Metrics database 2016⁵⁰ is the only source of comparable data for several countries that can be used to estimate the revenues from forced commercial sexual exploitation. Annual revenues generated by the exploiter account for the sale of sex as well as the sale of other goods, including alcohol, condoms, cigars, snacks, etc. Data in the Global Sex Trafficking Metrics database 2016 are aggregated in regional classification different from the ones used in the 2021 global estimates of forced labour, requiring some data adjustments. Asia and the Pacific region is split into two sub-regions (South Asia and East Asia and the Pacific), as well as the Americas (North America and Latin America) and Europe and Central Asia (Western Europe and Central and Eastern Europe) regions. For this study, the lower values for the regions were used in the case when multiple annual revenues were reported. Data were adjusted for inflation across the different regions.

The number of people in forced commercial sexual exploitation is from the 2021 global estimates of forced labour.⁵¹

⁴⁷ United Nations, 2022a.

⁴⁸ United Nations, 2022b.

⁴⁹ ILO, 2022a.

⁵⁰ Kara, 2017.

⁵¹ ILO, Walk Free and IOM, 2022.

Comparison with previous estimates

The first edition of this report was produced by the ILO in 2014.⁵² In this edition, the estimation of the profits generated from the use of forced labour was based on the *2012 ILO Global Estimate of Forced Labour*.⁵³ However, the ILO first attempted to estimate the profits from forced labour in 2005⁵⁴ and 2009.⁵⁵

Unfortunately, it is not possible to have fully comparable results across different editions due to improvements in methodology and data availability. The methodology to estimate the number of victims of forced labour has been modified and improved since the *2012 ILO Global Estimate of Forced Labour* such that it is not possible to directly compare the number of victims by regions and sectors across estimates. Moreover, to align with the regional grouping used in the global estimates of forced labour since 2017, this report uses the ILO five region classification, that is, Europe and Central Asia, Americas, Arab States, Asia and the Pacific, and Africa. The *ILO 2014 Profits and poverty* report used a different regional grouping, namely, Developed Economies and the EU, Africa, the Middle East, Asia-Pacific, Latin America and the Caribbean, Central and South-Eastern Europe and Commonwealth of Independent States (CIS),⁵⁶ which aligned with the regional estimates of the number of victims in the 2012 ILO global estimates.

In addition to the changes in the methodology of the 2021 global estimates of forced labour, several improvements have been made in the estimation of the profits in this current edition.

First, in this edition, the formula used in the profit estimates has been refined in response to the increasing availability of various datasets at the country level. The 2009 report on estimates of profits in the private sector, excluding forced commercial sexual exploitation, focused on the value added in the agricultural sector.⁵⁷ Agriculture was chosen as it was deemed to be host to the largest number of forced labour victims. The 2021 global estimates of forced labour however finds that the majority of the forced labour victims are not in the agricultural sector.⁵⁸ Thus, using the value added per worker of the agricultural sector as a proxy for the other sectors will lead to a downward bias in the estimate of the profits. Not only are most victims not in this sector, but the value added per worker for the other sectors is also significantly higher than for the agricultural sector.⁵⁹

Secondly, while the estimates of the 2005 and 2009 reports relied on value-added for a small number of selected countries in estimating regional profits,⁶⁰ the 2014 estimates and this current estimate use the regional estimate of the value-added, taking into account all countries within the region, adjusting for non-response.

Third, while the ILO 2014 report made the conservative assumption that the labour share of value-added was two-thirds of the value-added,⁶¹ in this edition, we were able estimate the labour shares at the national level across all regions, something that was impossible to do previously. Moreover, a modified formula of labour share was used to account for the fact that some forced labour victims could be classified as self-employed, especially in cases where piece rate, sharecropping, or share-of-the-catch payment schemes are involved.

⁵² ILO, 2014.

⁵³ ILO, *ILO Global Estimates of Forced Labour: Results and Methodology*, 2012.

⁵⁴ Belser, 2005.

⁵⁵ Vinogradova et al., 2009.

⁵⁶ ILO, 2014.

⁵⁷ Vinogradova et al., 2009.

⁵⁸ ILO, Walk Free, IOM, 2022.

⁵⁹ World Bank, “[World Development Indicators](#)” database.

⁶⁰ Belser, 2005; Vinogradova et al., 2009.

⁶¹ ILO, 2014.

Finally, in this edition, the added value approach is used to estimate profits from the use of forced labour in the services sector, which was not separately estimated in the ILO 2014 report.

Moreover, an attempt was made to estimate the labour share for the domestic work sector given that the new data from the World Bank and the United Nations stratify information based on the ISIC Revisions 3 and 4 and explicitly account for household production.⁶² Eventually, this was not possible because of a large number of missing data at the country level. However, the value-added approach was used for the domestic sector using the labour share of the services sector as a proxy for that of the domestic work sector. This was not possible in the previous estimates in 2014, which assumed that the victims of forced labour in the domestic work sector earned, on average, 40 per cent of the earnings of the non-forced labour domestic workers.⁶³

Data limitations and the way forward

Several data limitations are worth mentioning briefly here.

Today, there is no comprehensive and harmonized data on the prevalence of forced labour and the conditions of work of people in forced labour, including payments and costs associated with the recruitment process.

In recent years, the ILO has worked towards the advancement of statistical standards and guidelines to produce quality data on forced labour. In 2018, the ILO International Conference on Labour Statistics (ICLS) endorsed the first-ever set of *Guidelines Concerning the Measurement of Forced Labour*⁶⁴ to enhance the collection and analysis of forced labour statistics and promote international data comparability. Building on the guidelines and drawing on recent ILO experience in implementing forced labour prevalence surveys, the ILO has recently published the new edition of *Hard to see, harder to count* report,⁶⁵ which provide an updated set of tools for the design, implementation and analysis of quantitative surveys on forced labour. Despite this effort, the number of national statistical offices that have undertaken surveys on forced labour remains limited, and when available, surveys often do not collect data on wages, recruitment fees and related costs. Similarly, the data sources used to provide an estimate of the prevalence of forced labour in the 2021 global estimates of forced labour do not contain information on the payment of workers.

ILO, as co-custodian of SDG 10.7.1, collaborated with the World Bank to develop a methodology for its measurement, resulting in *Draft Guidelines*⁶⁶ and an *Operations Manual*⁶⁷ published in 2019. SDG 10.7.1 focuses on migrant recruitment costs measuring the average expenses incurred by migrant workers during recruitment as a ratio to their earnings abroad. Recently, the ILO has implemented several pilots/surveys to test this methodology and more are in the pipeline.⁶⁸ These surveys, which rely on the *ICLS Guidelines Concerning Statistics of International Labour Migration*,⁶⁹ capture the costs incurred during the recruitment process (pre-travel, during travel, arrival) and earnings on the first month of employment abroad at the individual level and allow for the measurement of indicator SDG 10.7.1. Data from these surveys would be a precious resource for the estimation of the profits from the use of forced labour, especially

⁶² United Nations, 2022a et 2022b.

⁶³ ILO, 2014.

⁶⁴ ILO, 2018b.

⁶⁵ ILO, *Hard to see, harder to count. Handbook on forced labour surveys*, 2024.

⁶⁶ ILO and KNOMAD, *Statistics for SDG Indicator 10.7.1. Draft Guidelines for their Collection*, 2019.

⁶⁷ ILO, *Operational Manual on Recruitment Costs - SDG 10.7.1*, 2019.

⁶⁸ For now, pilots/surveys have been completed in Bangladesh (2020 and 2022), Cambodia (2019), Ghana (2020), Lao PDR (2022), Maldives (2019) and Viet Nam (2021). Surveys are ongoing or planned in Indonesia, Morocco, Nepal, Philippines, the Republic of Korea, Samoa, and South Africa.

⁶⁹ ILO, *Guidelines Concerning Statistics of International Labour Migration*, 20th International Conference on Labour Statistics (ICLS), 2018.

those that have implemented a module to capture whether workers are in forced labour. They also have the advantage of using large samples to provide nationally representative data. Unfortunately, the fact that only a few countries have completed the survey makes this source unsuitable for global estimates such as the one of this report.

A second limitation relates to the information available in the systems of national accounts (SNA).⁷⁰ While some countries report compensation of employees at the sectoral level, a high number only report the bare minimum, that is, a global compensation of employees. This quite significantly limits the ability to estimate sectoral labour shares. Considerable effort has been made in this study to estimate the values of these labour shares. However, an adjustment in how countries report information within the SNA would significantly improve the reliability of regional estimates of sectoral compensation of employees and hence sectoral labour shares.

Finally, although data coverage on forced commercial sexual exploitation has recently expanded⁷¹ it largely focuses on South Asia and is currently only available in aggregated form. More research is needed on the measurement of adults and children in forced commercial sexual exploitation and the economic dynamics of this crime to improve data accuracy. This is essential for effectively implementing policies aimed at reducing its profitability and ultimately eradicating it globally.

⁷⁰ United Nations, 2022a and 2022b.

⁷¹ Siddharth Kara, *Sex Trafficking: Inside the Business of Modern Slavery*. (New York: Columbia University Press, 2009); *Bonded Labour: Tackling the System of Slavery in South Asia*. (New York: Columbia University Press, 2012); and Kara, 2017.

Appendix 2. Composition of regions

Africa			
Algeria	Djibouti	Libya	Sierra Leone
Angola	Egypt	Madagascar	Somalia
Benin	Equatorial Guinea	Malawi	South Africa
Botswana	Eritrea	Mali	South Sudan
Burkina Faso	Eswatini	Mauritania	Sudan
Burundi	Ethiopia	Mauritius	Tanzania, United Republic of
Cameroon	Gabon	Morocco	Togo
Cape Verde	Gambia	Mozambique	Tunisia
Central African Republic	Ghana	Namibia	Uganda
Chad	Guinea	Niger	Western Sahara
Comoros	Guinea-Bissau	Nigeria	Zambia
Congo	Kenya	Rwanda	Zimbabwe
Congo, Democratic Republic of the	Lesotho	Sao Tome and Principe	
Côte d'Ivoire	Liberia	Senegal	

Americas			
Argentina	Costa Rica	Jamaica	Suriname
Bahamas	Cuba	Mexico	Trinidad and Tobago
Barbados	Dominican Republic	Nicaragua	United States
Belize	Ecuador	Panama	United States Virgin Islands
Bolivia	El Salvador	Paraguay	Uruguay
Brazil	Guatemala	Peru	Venezuela, the Bolivarian Republic of
Canada	Guyana	Puerto Rico	Suriname
Chile	Haiti	Saint Lucia	Trinidad and Tobago
Colombia	Honduras	Saint Vincent and the Grenadines	United States

Arab States			
Bahrain	Kuwait	Oman	Syrian Arab Republic
Iraq	Lebanon	Qatar	United Arab Emirates
Jordan	Occupied Palestinian Territory	Saudi Arabia	Yemen

Asia & the Pacific			
Afghanistan	Hong Kong, China	Maldives	Singapore
Australia	India	Mongolia	Solomon Islands
Bangladesh	Indonesia	Myanmar	Sri Lanka
Bhutan	Iran, Islamic Republic of	Nepal	Taiwan, China
Brunei Darussalam	Japan	New Caledonia	Thailand
Cambodia	Korea, Democratic People's Republic of	New Zealand	Timor-Leste
China	Korea, Republic of	Pakistan	Tonga
Fiji	Lao People's Democratic Republic	Papua New Guinea	Vanuatu
French Polynesia	Macau, China	Philippines	Viet Nam
Guam	Malaysia	Samoa	

Europe & Central Asia			
Albania	Estonia	Latvia	Serbia
Armenia	Finland	Lithuania	Slovakia
Austria	France	Luxembourg	Slovenia
Azerbaijan	Georgia	Malta	Spain
Belarus	Germany	Moldova, Republic of	Sweden
Belgium	Greece	Montenegro	Switzerland
Bosnia and Herzegovina	Hungary	Netherlands	Tajikistan
Bulgaria	Iceland	North Macedonia	Turkey
Channel Islands	Ireland	Norway	Turkmenistan
Croatia	Israel	Poland	Ukraine
Cyprus	Italy	Portugal	United Kingdom
Czechia	Kazakhstan	Romania	Uzbekistan
Denmark	Kyrgyzstan	Russian Federation	



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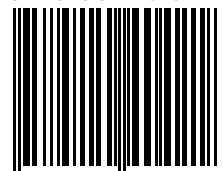
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