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**NAVAL  
POSTGRADUATE  
SCHOOL**

**MONTEREY, CALIFORNIA**

**THESIS**

**A CASE STUDY IN TRANSNATIONAL CRIME: UKRAINE  
AND MODERN SLAVERY**

by

Matthew Lee Nicholas

June 2007

Thesis Co-Advisors:

Stephen Garrett  
Robert Looney

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**A CASE STUDY IN TRANSNATIONAL CRIME: UKRAINE AND MODERN  
SLAVERY**

Matthew L. Nicholas  
Lieutenant, United States Navy  
B.A., California State University, Stanislaus, 1997

Submitted in partial fulfillment of the  
requirements for the degree of

**MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS**

from the

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## **ABSTRACT**

This thesis explores the roots of modern slavery (human trafficking) in post-Soviet space through a Ukrainian case study. Ukraine is scrutinized in an attempt to explain the central question: how did the export and enslavement of hundreds of thousands of Ukrainians come about? This involves an analysis of governance, social conditions, and economic conditions in Ukraine, and a subsequent evaluation of why Ukraine has been unable to manipulate political, legal, social, and economic variables to end the export of their people.

A summary of central causal explanations include rapidly expanding criminal enterprises and little government capacity to counter them. The problem is aggravated by a need for migration among potential victims that is accelerated by economic and social conditions, and a lack of legitimate means to find work abroad or meaningful work at home. Searching for answers inside of Ukraine and surveying the prolific demand for Ukrainian slaves in many countries, this research examines these findings, then explores some policy options such as encouraging legal migration opportunities, economic development, education programs, expanding relationships between NGO's and states, universal victim assistance hotlines staffed by professionals, and a fund to reimburse victims.



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# I. INTRODUCTION

## A. SLAVERY IN THE 21<sup>ST</sup> CENTURY

Trafficking in persons is a form of modern-day slavery, and we strive for its total abolition. Future generations will not excuse those who turn a blind eye to it.

*–The National Security Strategy of the United States<sup>1</sup>*

Human trafficking is the most sinister affront to human dignity imaginable. It is a global disease that is negatively impacting security, governments, and civil society. It involves the movement of people by criminals, under false pretenses, for exploitation. Trafficking in humans is an urgent problem because criminals and their associated networks profit immensely from the suffering of trafficked people, and these profits increase their influence and ability to operate. It is imperative that society and government work in concert to solve this pandemic before it excessively infects globalization and offsets the benefits of interdependence. This paper will explore the case of Ukraine because it has become an important source of women and children for criminals to collectivize into international brothels and establishments for sexual abuse and services.

In the same way people often think of trafficking in weaponry or drugs, *human trafficking* has become the word of choice to define modern slavery, but the two terms are interchangeable. Some scholars have argued that human trafficking should be thought of as a sub-set of migration. As a part of migration, trafficked individuals are those migrating legally or illegally that are exploited.<sup>2</sup> To be more specific, trafficking is

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<sup>1</sup> *The National Security Strategy of the United States of America* (Washington D.C.: The White House,[2006]), <http://www.whitehouse.gov/nsc/nss/2006/nss2006.pdf> (accessed March 19, 2007), 12.

<sup>2</sup> Guri Tyldum and Anette Brunovskis, "Describing the Unobserved: Methodological Challenges in Empirical Studies on Human Trafficking" in *Data and Research on Human Trafficking: A Global Survey*, eds. Frank Laczko and Elzbieta M. Gozdziaik (Geneva: International Organization for Migration, 2005), 17.

differentiated from the rest of migration by the addition of “coercion, exploitation, abuse, loss of control on life options, or agency...”<sup>3</sup> A comprehensive definition used by the United Nations is:

The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation includes, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs.<sup>4</sup>

The problem with the term trafficking is that humans are not comparable to drugs and weapons smuggled surreptitiously across international boundaries because humans are not inanimate objects. The victims are living beings subjected to slavery. By terming slavery “human trafficking”, it loses some of its emotional impact and along with that, some of its power. Some might argue that the issue needs to be separated from emotional factors and academically dissected, but slavery is an emotional human rights issue that impacts everybody. Based on this argument, this paper will continue to refer to human trafficking as slavery where possible and encourage all future writers to do the same.

## **B. MODERN SLAVERY IN HISTORICAL CONTEXT**

The modern form of slavery is a continuation of the social story of slavery, and the common theme has always been one group enslaving a disadvantaged group for its own profit or ends. Slavery conjures images of a bygone era in America centered on the Civil War. America successfully defeated this “old slavery” that consisted of long-term legalized ownership, high costs of procurement, marginal earnings, slave shortages, and a

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<sup>3</sup> Shahidul Haque, "Ambiguities and Confusions in Migration-Trafficking Nexus: A Development Challenge" in *Trafficking and the Global Sex Industry*, eds. Karen Beeks and Delila Amir (New York: Rowman & Littlefield Publishers, 2006), 7.

<sup>4</sup> *Trafficking in Persons: Global Patterns*, United Nations Office on Drugs and Crime (UNODC, [2006]), [http://www.unodc.org/pdf/traffickinginpersons\\_report\\_2006ver2.pdf](http://www.unodc.org/pdf/traffickinginpersons_report_2006ver2.pdf) (accessed August 25, 2006), 7.

heavy dose of racism.<sup>5</sup> To think that modern America could be part of slavery in this context seems unfathomable, but the cold reality is that a form of slavery equally brutal thrives even now. In contrast to traditional forms of human ownership, modern slavery is indifferent to the concept of legal ownership, the cost of a slave is low, the profit margins high, and the victims are considered “disposable” regardless of ethnicity.<sup>6</sup>

The current pandemic of slavery is framed by globalization and the nature of the international system. We live in a time where the free movement of goods and services across international borders has dropped the cost of living, but there exist countries that have produced large pools of migrants due to externalities of this cycle and late or inadequate economic development. Many of the states of the former Soviet Union fall into this category, and the combination of economic misery with the failure of governance in the post-Soviet era has created many impoverished people searching for a better life. In the same breadth of post-Soviet history, an explosion of criminal networks has kept pace with displaced people, and the result has been indigenous and international modern-day slave traders extracting individuals from the region for exploitation. No country is untouched by the trade. To explore the pandemic, this research will focus on the case of modern slavery in post-Soviet Ukraine.

Numerous examples of people from Ukraine made disposable as modern slaves exist, and the brutality and violence unleashed upon them by slave owners is distressing. A young female doctor in the Crimea was lured by fast-talking criminals when she responded to an ad for a physician position in Italy that would have increased her salary from \$50 dollars a month to \$3000 if it had been true. Forced into prostitution and found beaten on the streets of Rome five weeks after arriving in Italy, she was humiliated and

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<sup>5</sup> Kevin Bales, *Disposable People: New Slavery in the Global Economy*, Rev. with a new preface ed. (Berkeley: University of California Press, 2004), 15.

<sup>6</sup> Ibid.

too afraid to press charges or identify her captors.<sup>7</sup> Tanja was lucky to escape with her life. Slave owners are known to murder and use all types of coercive methods to impose their will on unsuspecting victims.

Victims of slavery from post-Soviet states, like Tanja, are often lured by the promise of a good job or the possibility of adoption or marriage, and are then sold to various captors that exploit them.<sup>8</sup> The methods of coercion are only limited by the imagination of the slave owners, and they may include threats against the slave or their family as well as outright violence. Victims are often drugged and beaten into servitude until they escape, pay off exorbitant debts, go insane, become pregnant, or are murdered.<sup>9</sup> Criminal elements find slavery extremely profitable and much safer because punitive sentences are, on average, lighter than for other types of crime, and convictions rates are substantially lower.<sup>10</sup> Slavery has also provided a profitable niche for criminal networks, and the FBI estimates that it annually generates \$9.5 billion dollars for criminal coffers.<sup>11</sup>

### C. THE SUPPLY AND DEMAND OF MODERN SLAVERY

Slavery involves the transformation of a human into a commodity by criminal networks, and basic principles of supply and demand can be applied. On the demand side, there is a market for slaves in the sex industry, agriculture, construction, domestic

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<sup>7</sup> Sally Armstrong, "Inhuman Bondage," *Chatelaine* 73, no. 12 (December, 2000), 80, <http://proquest.umi.com/pqdweb?did=66059883&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

<sup>8</sup> Many examples exist, one good summary can be found in: Liudmila Erokhina, "Trafficking in Women in the Russian Far East" in *Human Traffic and Transnational Crime: Eurasian and American Perspectives*, eds. Sally W. Stoecker and Louise I. Shelley (New York: Rowman & Littlefield, 2005), 80-83.

<sup>9</sup> Armstrong, *Inhuman Bondage*, 80 Carlotta Gail, "Macedonia Village is the Center of Europe Web in Sex Trade," *New York Times*, July 28, 2001. Walter Zalisko, "Russian Organized Crime," *Law & Order* 47, no. 10 (October 1999), 219, <http://proquest.umi.com/pqdweb?did=46244392&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

<sup>10</sup> Amy O'Neill Richard, *International Trafficking in Women to the United States: A Contemporary Manifestation of Slavery and Organized Crime* (1999: U.S. Department of State Center for the Study of Intelligence,[1999]), [www.odci.gov/csi/monograph/women/trafficking.pdf](http://www.odci.gov/csi/monograph/women/trafficking.pdf) (accessed February 3, 2006), 30-35.

<sup>11</sup> Francis T. Miko, *Trafficking in Persons: The U.S. and International Response* (Washington D.C.: CRS Report for Congress, [2006]), 2.

services, and wherever else a slave owner can imagine a profit.<sup>12</sup> Demand countries are frequently rich, Western countries, but slavery extends into situations where wealthy foreigners or locals exploit individuals within poorer countries, often as a part of sex tourism.<sup>13</sup> Demand countries where slaves are often sold in servitude include the nations of Western Europe, the Middle East, and the United States.<sup>14</sup> This may seem surprising in cases like Europe and the United States where rich human rights traditions flourish, but the existence of slavery has been proven. For unfortunate Ukrainians, uncovered slavery cases almost always involve the exploitation of women and children; though it is not necessarily the full extent of the problem.<sup>15</sup> This active market for human slaves indicates that deep ethical issues and migrant labor questions remain unresolved in demand countries.

Demand means little without supply, and the countries of Latin America and Asia are the traditional suppliers. The collapse of the strong state system of the Soviet Union combined with the roughshod nature of its former members' reforms introduced a new collection of supply countries. While the collapse of the Soviet system certainly rid the world and its subservient citizens of an oppressive menace, the haphazard process of privatization, economic stagnation, and the failure of government instruments related to social welfare removed both job opportunities and social safety nets from large segments of the post-Soviet population.<sup>16</sup> When combined with widespread bureaucratic corruption

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<sup>12</sup> Beate Andrees and N.J. van der Linden, Mariska, "Designing Trafficking Research from a Labour Market Perspective: The ILO Experience" in *Data and Research on Human Trafficking: A Global Survey*, eds. Frank Laczko and Elzbieta M. Gozdzik (Geneva: International Organization for Migration, 2005), 63.

<sup>13</sup> Sex tourism can be blatant and consists of travel to a foreign country to engage in sexual acts that are often illegal. Sex tourists engage in predatory behavior and often target children. There is a well known sub-set of people trapped in the sex industry in poorer countries by both circumstances and pimps.

<sup>14</sup> For a map of reported destination and origination countries see: *Trafficking in Persons: Global Patterns*, 17.

<sup>15</sup> Yevhenia Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses* (Kyiv: UNICEF, OSCE, USAID, British Council, [2005]), [http://www.unicef.org/ukraine/trafficking\(1\).pdf](http://www.unicef.org/ukraine/trafficking(1).pdf) (accessed March 19, 2007), 43-64.

<sup>16</sup> Sally W. Stoecker, "Human Trafficking: A New Challenge for Russia and the United States" in *Human Traffick and Transnational Crime: Eurasian and American Perspectives*, eds. Sally W. Stoecker and Louise I. Shelley (New York: Rowman & Littlefield, 2005), 1-2.

and the proliferation of organized criminal networks, these trends made the migratory and impoverished nature of the residents of post-Soviet states prime targets for exploitation in brothels and sweat shops.<sup>17</sup>

Nobody has solved how to measure trafficked populations, but the estimates are staggering. <sup>18</sup> Estimates of trafficked Ukrainians vary widely into the hundreds of thousands, with a very conservative recent figure from the International Organization for Migration estimating that 117,000 Ukrainians have been trafficked since 1991.<sup>19</sup> Neighboring Russia's problem is also estimated to be acute because of the country's widespread corruption and society's indifference to the issue.<sup>20</sup>

#### **D. PURPOSE OF RESEARCH**

The purpose of this research is to study the case of Ukraine in-depth and to explore the roots of supply-side slavery. In the next three chapters, Ukraine will be scrutinized in an attempt to explain the central question: how did the export and enslavement of thousands of Ukrainians come about? This will involve an analysis of governance, social conditions, and economic conditions in available literature since Communism collapsed. This will naturally lead to the second goal of this research, an evaluation of why Ukraine has been unable to manipulate political, legal, economic, and social variables to end the export of their people. The final chapter of this research will summarize these findings and then focus on determining what policies will be most

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<sup>17</sup> <sup>17</sup> Sally W. Stoecker, "Human Trafficking: A New Challenge for Russia and the United States" in *Human Traffick and Transnational Crime: Eurasian and American Perspectives*, 1-2.

<sup>18</sup> Tyldum and Brunovskis, *Describing the Unobserved: Methodological Challenges in Empirical Studies on Human Trafficking*, 28-29.

<sup>19</sup> "117,000 Ukrainians Victims of Human Trafficking," RFE, <http://www.rferl.org/featuresarticle/2007/2/FC4C5A60-BE1B-48AF-82A3-A7381FD32095.html> (accessed March 19, 2007).

<sup>20</sup> Emily E. Schuckman, "Antitrafficking Policies in Asia and the Russian Far East: A Comparative Perspective," *Demokratizatsiya* 14, no. 1 (Winter, 2006), 85, <http://proquest.umi.com/pqdweb?did=1077514911&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

helpful in the short and long term to reduce the enslavement of Ukrainians. As the champions of human dignity, the United States has a leading role in orchestrating a response.



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## II. THE RELATIONSHIP OF GOVERNMENT AND CRIMINAL STRUCTURES TO SLAVERY

### A. GOVERNANCE AND SLAVERY

Governance is an important variable in preventing citizens from becoming victims of slavery networks. Under Soviet rule, society bowed to the repressive measures of the Soviet system. This governance cannot be labeled as “good” and in many ways it was disastrous, but it monopolized control of the population and the concept of trafficking slaves by criminals was unthinkable. Suffice to say, the Soviet system in its formative years often acted as a criminal network. The mass terror of collectivization stands as one of the worst criminal acts in history, and countless public building projects and political prisoner schemes left untold numbers dead. However, as the government moderated in its twilight years, it held a monopoly on force that the new governments share more widely with unsanctioned criminal networks.

When the Soviet Union dissolved by mutual agreement of its members in 1991, a new era of euphoric optimism took root but became ensconced in power struggles and economic stagnation. It went from a command system where everyone worked for the government, to a system where people with no market-based legal traditions or experience were suddenly thrown out of the economy they knew. The move to markets required a smaller “state” and the simultaneous introduction of better governance.<sup>21</sup> The state certainly dissolved, but unfortunately the enthusiasm of reformers did not foster sound governance and instability set in. The Ukrainian government currently enacts many essential laws every year, but it lacks the institutional maturity necessary to enforce them.<sup>22</sup>

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<sup>21</sup> Jacques Rupnik, "The Post-Totalitarian Blues," *Journal of Democracy* 6, no. 2 (April, 1995), 61, <http://proquest.umi.com/pqdweb?did=4454274&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

<sup>22</sup> Jacques Rupnik, "The Post-Totalitarian Blues."

Governance as this paper uses it refers to the functions a capable state normally serves. In the case of modern slavery, a state must be able to enforce its laws, manage its corruption, convict slave traders, and provide services to victims and potential victims. In order to rebuild the institutions that perform those functions, political control is mandatory. As Robert Dahl indicates, “politics is simply the exercise of influence”, and influence is “a relation among human actors such that the wants, desires, preferences, or intentions of one or more actors affect the actions, or predispositions to act, of one or more actors in a direction consistent with—and not contrary to—the wants, preferences, or intentions of the influence-wielders.”<sup>23</sup>

Slavery exports have run rampant partly because of the inability of incumbents in countries like Ukraine to amass the influence needed to counter the rise of criminal organizations in the context of hyper-inflation and unemployment. The state suddenly decreased in influence and citizens faced colossal economic difficulties. Many became migrants at the same time that criminal organizations and individuals responsible for human trafficking profitably expanded.

Governments worldwide were slow to recognize this cancer. Slavery expanded in Ukraine in the early 1990s largely unacknowledged, and slavery networks capitalized on this ignorance by expending resources to influence state functions. Fixing these functions will not be easy, and this chapter will continue by describing what must be remedied if the supply-side state is to alleviate the export of people. Of these, the most important repairs of the state apparatus are the legal system, law enforcement agencies, immigration, pre-victim public education, and victim recovery.

## **B. THE UKRAINIAN LAWS COMBATING SLAVERY**

Having a formal law set up to counter a threat to the state or society is a central role of any state’s legal system. In 1998, Ukraine added a law against human trafficking to its legal code (Article 124-1). This action made it one of the first countries in Eastern

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<sup>23</sup> Robert Alan Dahl and Bruce Stinebrickner, *Modern Political Analysis*, 6th ed. (Upper Saddle River, NJ: Prentice Hall, 2002), 17.

Europe to formally outlaw trafficking. Human trafficking is currently illegal in Ukraine under Article 149 of the criminal code that replaced its Soviet-era code in 2001. One current translation of Article 149 is:

Article 149. Trafficking in human beings and other illegal transfer deals in respect of a human being

1. Sale, other transfer for payment or any other illegal deals with regard to a person, involving legal or illegal movement of that person, with or without his/her consent, across the border of Ukraine for further sale or other transfer to any person (or persons) for the purpose of sexual exploitation, use in porno business, engagement in criminal activities, peonage, adoption for commercial purposes, use in armed conflicts, labor exploitation, -shall be punishable by imprisonment for a term of three to eight years.

2. The same actions committed in respect of a minor, or several persons, or repeated, or committed by a group of persons upon their prior conspiracy, or through abuse of office, or by a person on whom the victim was financially or otherwise dependent, -shall be punishable by imprisonment for a term of five to twelve years, with or without the forfeiture of property.

3. Any such actions as provided for by paragraphs 1 and 2 of this Article, where committed by an organized group, or involving illegal taking of children abroad or failure to bring them back to Ukraine, or for the purpose of removal of the victim's organs or tissues for transplantation or forcible donor purposes, or where these actions caused any grave consequences, -shall be punishable by imprisonment for a term of eight to fifteen years with the forfeiture of property.<sup>24</sup>

Point one of Article 149 states a general definition of trafficking that specifically includes “across the border”. Under this law the movement of people inside of Ukraine is not illegal under Article 149 and gives domestic criminals a loophole for the domestic sex industry. In April of 2006, UNICEF published a report that recommended closing this loophole and including internal movement under this article.<sup>25</sup> This ambiguity is

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<sup>24</sup> *Criminal Code of Ukraine*, (2001), <http://www.legislationline.org/upload/legislations/2e/4b/e7cc32551f671cc10183dac480fe.htm> (accessed March 19, 2007).

<sup>25</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 15.

significant and deviates from the UN understanding of human trafficking. Also, while Ukraine is laudable for having a law against trafficking in people, three to eight years of imprisonment is not nearly severe enough to punish someone who enslaved or sold a person. The risks of the crime are significantly lower than the anticipated profits.

Point two increases the costs for convictions under article 149 for people, groups, or officials who prey on minors or dependents. Prison sentences in this category are five to twelve years, and additionally, property can be confiscated. In point three, punitive measures are further expanded to eight to fifteen years with confiscation of property for organized networks, trafficking in children, or those cases involving the illicit removal and trafficking of human organs for sale on the global black market. Again, this punishment is not enough of a deterrent given the human cost of the crime, especially when taking into account other trafficking crimes.

Considering that smuggling weapons under Ukrainian law results in three to twelve years imprisonment depending on the organization and circumstances of the smuggling, it is possible to draw general conclusions about different forms of trafficking. Since the punishment is relatively equal in consequences, people are of no greater value under the law than inanimate objects. Also, slave traders can easily find, manipulate, and transport vast numbers of desperate people. In comparison, finding and moving available weapons is not as easy. There are strong incentives to trade in people under the law.

Regardless of the loophole in the law and evident weakness in punishments, Ukraine is to be commended for its efforts to create legal measures to counter trafficking. However, convictions under both the 1998 law and the 2001 legal code lack the robustness expected from such a proliferated crime. The following table lists the year and number of cases Ukraine has filed under trafficking-related articles since their inception:<sup>26</sup>

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<sup>26</sup> Olga Pyshchulina, "An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking," *Demokratizatsiya* 11, no. 3 (Summer 2003), 119.

1998	2
1999	11
2000	42
2001	91
2002	107
Total	253

Table 1. Trafficking Cases Filed in Ukraine by Year and Number (From: Olga Pyschulina, "An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking.")

While there is a measurable increase in cases filed by year, it is nowhere near what can be expected of a country so thoroughly infiltrated by traders of human misery. There are well-recognized reasons for weakness in the number of filed cases, many noted by Olga Pyschulina in *An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking*. The crime of trafficking was not properly defined for government agencies and no direction was given to assist in interpreting it. Law enforcement officials were not trained at the time of the law's inception, and there existed no public declarations of what the law was or how to enforce it. Due to these oversights, police did not have a clear idea of how to investigate trafficking crimes, and prosecutors – who can be punished for losing – had no incentive to take on the cases.<sup>27</sup>

Clearly, the definition of human trafficking in the Ukrainian legal code needs to include the trafficking of people within the country. It also needs to expand in scope to investigate organizations that use tourism and work abroad schemes to trick people into international trafficking schemes. However, the required civic movement and political will to seriously take on human trafficking does not yet exist in Ukraine to make such an effort possible.<sup>28</sup> In the meantime, the legal system's ability to stem this growing problem will continue to be weak while public corruption and powerful criminal organizations cement their foundations and influence.

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<sup>27</sup> Olga Pyschulina, "An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking," 118-120.

<sup>28</sup> Olga Pyschulina, "An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking," 120-122.

### C. MODELING STRATEGIES

Efforts to fight trafficking have been described by two models that have different emphases. The first model is the prosecution-oriented approach, and it is the logical favorite of a state because the obvious goal of any government is to control and protect its society.<sup>29</sup> With the help of countries like the United States in law enforcement methods and interrogation techniques, Ukraine has begun to experience success against the trafficking problem within its borders. However, success is minimal because there are systemic low conviction and investigation rates. Even with investigation improvements, by 2004 only 42 defendants were convicted on human trafficking charges, and 24 of those received suspended sentences.<sup>30</sup>

Recent research has supplemented the prosecution-oriented approach with a more victim-oriented approach. In the countries where Ukrainian women are trafficked, there is often a lack of services for them if they escape, and instead of prosecuting brothel owners, the women themselves are often convicted of prostitution. Important research has appeared in the *Human Rights Quarterly* suggesting that the best model to combat trafficking is to protect the victim through various asylum and immigration options, in addition to prosecuting the perpetrators.<sup>31</sup>

By adding a “victim-protection” aspect to the prosecution model, more options are opened for the victimized women and children.<sup>32</sup> These are very promising ideas because they help alleviate the economic conditions that factored into the trafficking equation, and may make the victims feel more protected and therefore more willing to

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<sup>29</sup> Dina Francesca Haynes, "Used, Abused, Arrested and Deported: Extending Immigration Benefits to Protect the Victims of Trafficking and to Secure the Prosecution of Traffickers," *Human Rights Quarterly* 26, no. 2 (2004), 221-272, [http://muse.jhu.edu/journals/human\\_rights\\_quarterly/v026/26.2haynes.html](http://muse.jhu.edu/journals/human_rights_quarterly/v026/26.2haynes.html) (accessed May 18, 2007).

<sup>30</sup> *Country Reports on Human Rights Practices – 2004*, Bureau of Democracy, Human Rights, and Labor, [February 2005], [www.state.gov/g/drl/rls/hrrpt/2004/41715.htm](http://www.state.gov/g/drl/rls/hrrpt/2004/41715.htm) (accessed February 12, 2006).

<sup>31</sup> Haynes, *Used, Abused, Arrested and Deported: Extending Immigration Benefits to Protect the Victims of Trafficking and to Secure the Prosecution of Traffickers*, 221-272.

<sup>32</sup> Haynes, *Used, Abused, Arrested and Deported: Extending Immigration Benefits to Protect the Victims of Trafficking and to Secure the Prosecution of Traffickers*, 246-256.

participate in prosecutions. As already described, the violence and injustice that victims have experienced now makes it unlikely that they will participate in the prosecution of criminals.<sup>33</sup>

#### **D. SLAVERY AND CORRUPTION**

Modern slavery is a dynamic social problem, and many elements must line up in order for the epic problem now present in Ukraine to exist. One of these elements is corruption in governance. Slavery-related corruption can be found when an official at the border looks the other way, when the police officer that knows exploitation occurs does nothing, when the immigration official accepts bribes, and when the border guard becomes permissive to questionable travel documents accompanied with a gift. Aside from outright kidnapping and smuggling of people across a border, criminals have to develop relationships with government workers in order to expand their extraction operations. Even though a direct relationship with slavery operations cannot be established, corruption in governance is a major factor in the supply-side because it is necessary to be able to move large numbers of people illegally.

Transparency International puts out a yearly report on corruption titled the Corruption Perceptions Index (CPI). The CPI is a professional measurement of the perceived corruption from the vantage point of country experts and business persons present in government. Poorer states such as Ukraine are typically at the bottom of this scale because poverty and corruption are closely related. Ukraine ranks 99 along with Georgia, and has a CPI score of 2.8 on a scale of 0-10 with 0 indicating the highest levels of corruption and 10 indicating the absence of corruption. Interestingly enough, other Eastern European countries such as Russia, Macedonia, and Albania also fared very

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<sup>33</sup> The U.S. has permitted the issuing of T-Visas for victims of trafficking, but so far they have been used minimally. Programs are going to have to go much deeper than visas and involve significant social services if the victim is going to testify for the prosecution. Considering the suspicion of fraud on the part of visa issuers and the nature of violence against trafficked women, it is obvious why this program is underutilized. Reference: Anna Gorman, "Program to Fight Human Trafficking is Underused; Few Victims Come Forth, Authorities Find. Lack of Awareness and Simple Fear may be Reasons." *Los Angeles Times*, December 19, 2005, <http://proquest.umi.com/pqdweb?did=943297731&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).



poorly and have similarly dire slavery situations. In general, all significant supply countries appear to be corrupt and many known destination (richer) countries suffer from less corruption.<sup>34</sup>

If corruption could be reduced in government, modern slave exports would be much more difficult and the levels would fall. But how is it possible to get rid of corruption in a post-Soviet country like Ukraine? The obvious answer is to eliminate poverty since it correlates to corruption, but that is easier said than done. Building a dynamic market economy that raises the population's standard of living takes a great deal of time and leadership. Government officials have to be expected to uphold an ethical code or pay dearly for their misuse of public trust. Considering that Ukraine improved between 1998 and 2005 in all but two of the six areas of the World Bank's measurement of governance, there is reason to be hopeful. However, it is still well in the bottom half of countries measured, and nowhere near the development of a civic ethic that can countermand criminal bribes or significantly expand the rule of law.<sup>35</sup>

## **E. COMPETING CRIMINAL STRUCTURES**

In an era of post-Soviet corruption and poor governance, criminal elements that engage in the slave trade have been fully infiltrating Ukraine. Since they challenge the state's monopoly on force, they are in essence a competing power structure. Little is known about exactly what constitutes the criminal organizations that carry out slavery extraction operations, but some research and known examples have indicated possible forms. These forms indicate that the level of organization varies from individual actors that are seeking to exploit a profitable situation, to multi-level loose networks that have organized operations. Two different examples will suffice to demonstrate the potential differences, and then a brief illustration of "organized crime" aspects of slavery from Ukraine will be explained.

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<sup>34</sup> *Transparency International Corruption Perceptions Index 2006* (Berlin: Transparency International Secretariat, [2006]), [http://www.transparency.org/news\\_room/in\\_focus/2006/cpi\\_2006\\_\\_1](http://www.transparency.org/news_room/in_focus/2006/cpi_2006__1) (accessed March 19, 2007).

<sup>35</sup> *Worldwide Governance Indicators Snapshot*, (Washington DC: World Bank, 1998-2005) [http://info.worldbank.org/governance/kkz2005/sc\\_chart.asp?bid](http://info.worldbank.org/governance/kkz2005/sc_chart.asp?bid) (accessed April 18, 2007).

As a crime of opportunity, any individual in Ukraine can trick a fellow citizen into a trafficking web. Take the example of Katia, a business woman accompanied by a male acquaintance to Turkey to purchase supplies for her company. Once there, she was sold to a group of Turkish men that raped her and intended to force her to work as a prostitute.<sup>36</sup> People that have fooled victims like Katia may choose to do it repeatedly by tricking people they know or by claiming to know about an opportunity for a migrant to find employment. Slavery in this fashion may be organized in the demand country where exploitation actually takes place, but it requires no organization on the part of the initiator and very little in the way of established relationships between criminal elements.

Slave trading is also organized. One route of transportation of Russian and Eastern European women has been described in recent research. Women are lured and flown to a major Egyptian airport. From there, they are conducted by automobile into the Sinai where Bedouins escort them through the desert. Through established Bedouin relationships, the victim is then transferred to the Israeli side of the border where they are handed over and transported to work in the Israeli brothels.<sup>37</sup> Obviously, this takes a significant amount of coordination in order to circumscribe the more secure points of entry into Israel, but it still involves a variety of relationships that are extremely difficult to trace, and any connection between sender and receiver is speculative.

Little information exists on how much “organized crime” is involved in trafficking schemes as they have evolved. Russian criminal organizations that may be involved do not appear to be based on “familial or community relationships”, but do seem to have deep connections with professional relationships inside security and political organizations. It is thought that they could not operate on a large scale without “employing present and former security personnel” and that the “FSB’s ability to monitor telephone communications, e-mail, and traffic over websites allows its personnel an ideal

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<sup>36</sup> "Interview with Katia," PBS: Frontline, <http://www.pbs.org/wgbh/pages/frontline/slaves/map/katia.html> (accessed March 19, 2006).

<sup>37</sup> Giuseppe Calandruccio, "A Review of Recent Research on Human Trafficking in the Middle East" in *Data and Research on Human Trafficking: A Global Survey*, eds. Frank Laczko and Elzbieta Gozdzik, Vol. 43, International Organization for Migration, 2005), 288.

advantage to participate in trafficking and profit from its continued existence.”<sup>38</sup> This being said, direct evidence connecting organized crime to trafficking is very sparse, and while indeed highly likely, the relationship is still in its investigative stages.

What is known is that criminal power structures involved in slavery vary from Katia’s so-called friend that sold her to pimps to complex trading patterns that are difficult to investigate. The criminals are bold and violent, and they thrive on threatening not only the victim, but the safety of the victim’s family in the supply country. Unlike the slow, corrupt, and inefficient national government that is attempting to enforce its weak laws against traffickers, the criminals are flexible, difficult to identify, difficult to convict, and can disappear as fast as they appear.<sup>39</sup> Given the slow progress to curtail their efforts, the answer to the slavery web is going to have to address fundamental structural causes on both the demand and supply side, because the effort against criminals is not going well.

## **F. CHAPTER SUMMARY**

Slavery has flourished in Ukraine because governance has failed. The Soviet system, if nothing else, provided a guaranteed level of governance even if it had historically brutal roots. Government has been weak since the Soviet system folded, and has been complemented by corruption. Slavery-related criminal structures vary in complexity and have flourished in this era of weak governance, and little has been effectively done to increase the capacity of the government to stop them. While Ukraine has had laws against trafficking on the books since 1998, a lack of training, difficulties associated with investigation and prosecution, corruption and structural problems in the

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<sup>38</sup> Louise I. Shelley, "Russian and Chinese Trafficking: A Comparative Perspective" in *Human Traffic and Transnational Crime: Eurasian and American Perspectives*, eds. Sally W. Stoecker and Louise I. Shelley (Lanham: Rowman & Littlefield, 2005), 71.

<sup>39</sup> One of the best summaries of the challenges of transnational criminal networks in the face of existing governments can be referenced in: Moises Naim, "The Five Wars of Globalization," *Foreign Policy*, no. 134 (January/February, 2003), 28, <http://proquest.umi.com/pqdweb?did=278453641&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

organization of prosecutions has led to a situation where the number of convictions nowhere nears the proliferation of the crime.<sup>40</sup>

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<sup>40</sup> Pyshchulina, *An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking*, 403.

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### **III. THE RELATIONSHIP BETWEEN SOCIETY, GOVERNMENT, AND SLAVERY**

#### **A. SUPPLY-SIDE SOCIAL WEAKNESSES**

The solution to any massive social problem like slavery resides with society. Society creates the momentum that forces changes in human rights conditions, and holds the government accountable for its progress in making changes. The end of legal slavery and the civil rights movement were largely brought about by societies with powerful leaders like William Wilberforce, Abraham Lincoln, and Martin Luther King, Jr. A spontaneous civil movement that forces such change in Ukraine is a difficult concept to imagine in the short-term, because there are structural problems that ultimately encourage the exploitation of women and children, and these must be addressed.

Under Soviet rule, women enjoyed more freedom in economic and political spheres than they were traditionally allowed. Since the new capitalist culture has taken grip, there have been indications that society is being returned to a male-dominated sphere where women are regulated back into domestic roles. The negative view of women in Ukraine is reflected in the Gender Empowerment Measure (GEM) created by the UNDP. Out of 75 countries, Ukraine ranked 63<sup>rd</sup>, indicating widespread inequality and disparities in economic and political life.<sup>41</sup> This has also appeared to create a reaction from many women that have developed negative views of men that is not healthy for society as a whole.<sup>42</sup>

Women have experienced a difficult existence in Ukrainian society in the post-Soviet era, and they make profitable targets for slave traders and entrepreneurs. It is possible to see them lined up on internet marriage scheme sites, hoping for an escape to a

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<sup>41</sup> Table 25: *Gender Empowerment Measure (in UNDP Human Development Report 2006)* (Hampshire: Palgrave Macmillan,[2006]), <http://hdr.undp.org/hdr2006/statistics/documents/gem2004.pdf> (accessed March 19, 2007).

<sup>42</sup> Oksana Yakushko, "Ambivalent Sexism and Relationship Patterns among Women and Men in Ukraine," *Sex Roles* 52, no. 9-10 (May 2005), 589, <http://proquest.umi.com/pqdweb?did=871028741&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

better life. They are paraded to “marriage-seeking” western men<sup>43</sup> who tour Ukraine with specialty tourist organizations that promise that Ukrainian women are not “American women” and that “they do not care about your age, looks, or money.”<sup>44</sup> In a society where women are losing status and becoming marriage migrants, is it really surprising that they are also being exported as slaves? Part of the solution to the trafficking of targeted groups in Ukraine will surely involve government programs designed to elevate the status of women in a society that is becoming ever more male-dominated.

There are additional internal social weaknesses in Ukraine that increase the pool of potential child victims of slavery by relative indifference to the well-being of children. The sexual exploitation of children is widespread and the patterns of victimization of humans for the purpose of sexual exploitation are ingrained early. It is much less likely for a person to resist the plots of sexual exploiters when they have been abused already. By the age of 18, 20% of Ukrainian women and 10% of Ukrainian men are thought to have been sexually exploited in some manner, indicating that the “official” 7,000-8,000 annually documented cases are only the tip of the iceberg.<sup>45</sup> This culture of sexual violence speaks to deeper Ukrainian social weaknesses, and may in part explain the indifference of slave traders to the misery they know they are unleashing on their victims by selling them to criminal enterprises. The systematic exploitation of children in slavery rings can best be summarized by the International Organization for Migration estimates that 10% of victims are between 12 and 18 years of age.<sup>46</sup>

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<sup>43</sup> There have been many cases of happy marriages resulting from marriages to Western men. However, there have also been multiple cases of exploitation and abuse that could qualify as trafficking. Women are often abused.

<sup>44</sup> Kristoffer A. Garin, "A Foreign Affair," *Harper's Magazine* 312, no. 1873 (June 2006), 69, <http://proquest.umi.com/pqdweb?did=1059099261&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

<sup>45</sup> Julia Galustyan and Valentina Novitskaya, *The Situation of Children in Ukraine and their Vulnerability to Commercial Sexual Exploitation*, (ECPAT International and the Ukrainian Institute of Social Research, 2003), [http://www.ecpat.net/eng/Ecpat\\_inter/projects/monitoring/Ukraine/Situational\\_Analysis\\_Research\\_Ukraine\\_March2004.pdf](http://www.ecpat.net/eng/Ecpat_inter/projects/monitoring/Ukraine/Situational_Analysis_Research_Ukraine_March2004.pdf) (accessed February 3, 2006), 7.

<sup>46</sup> Julia Galustyan and Valentina Novitskaya, *The Situation of Children in Ukraine and their Vulnerability to Commercial Sexual Exploitation*, 52.

There are currently over 100,000 children institutionalized in the orphanages of Ukraine. Due to poor social and economic conditions, many children are abandoned at birth.<sup>47</sup> Some of these children will be pushed into the streets as teenagers and face a high probability of ending up in prostitution and crime. In addition, one body of research conducted in Ukraine estimates that only 10% of the parents of runaway children attempt to find them, increasing the number of street-bound children.<sup>48</sup> While the true numbers of street children are hard to estimate, there certainly exists a plentiful pool of victims for slavery networks to exploit.

The depths of the social problems that contribute to slavery are almost unquantifiable. Not only are children abandoned due to difficult circumstances, but women who become pregnant are often expelled from their homes by angry boyfriends and parents. They can turn to some internationally-sponsored programs such as the UNICEF Center of Motherhood and Childhood,<sup>49</sup> but the programs that exist are simply not enough. The families of Ukraine need to develop social sensibilities, and they need larger incomes. In the meantime, the best hope is to facilitate international adoptions into screened families, and to encourage NGOs to expand programs that support single and abandoned expectant mothers. Sadly, a parallel black market in children also thrives. Needless-to-say, every effort must be made to get children off the street before criminal enterprises envelope them.

## **B. WEAKNESSES IN VICTIM RECOVERY**

Even if a Ukrainian victim is lucky enough to escape an exploiter and manages not to be arrested for prostitution, the danger has not passed. A very important aspect of battling slavery is protecting and reintegrating the victim, and evidence suggests that this does not always happen. Social attitudes and corruption in destination countries persist,

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<sup>47</sup> "Poverty in Ukraine Leads to Abandoned Babies," [www.unicef.org/infobycountry/ukraine\\_25468.html](http://www.unicef.org/infobycountry/ukraine_25468.html) (accessed March 19, 2007).

<sup>48</sup> Galustyan and Novitskaya, *The Situation of Children in Ukraine and their Vulnerability to Commercial Sexual Exploitation*, 8.

<sup>49</sup> "Poverty in Ukraine Leads to Abandoned Babies," [www.unicef.org/infobycountry/ukraine\\_25468.html](http://www.unicef.org/infobycountry/ukraine_25468.html) (accessed March 19, 2007).



and an improper response by Ukrainian diplomatic officials and local law enforcement can result in repeated victimization. Corrupt officials in countries such as Greece and Germany have been convicted for assisting slavery networks and the fiscal situation of the Ukrainian government does not help. A poor country such as Ukraine often gives victims a bus or train ticket to return home, because airfares are much higher. However, such an approach also precludes a speedy escape, and victims are frequently recaptured. A report from Greece states that 80% of deported women leaving by train are recaptured within forty-eight hours.<sup>50</sup> NGOs have stepped into to try and fill these gaps, but the failure of demand countries' governments in some of these cases has been beyond embarrassing.

Clearly, there is much work to be done between the demand country governments, the Ukrainian Foreign Service, and NGOs to reduce this problem. With the large-scale movement of NGOs fostering action, a good deal has been done already to set-up shelters and provide assistance in demand countries. But even if a victim manages to return home, social stigmatization may occur and a different type of domestic victimization is possible. This is best summarized by Victor Malarek, a writer on the subject interviewed by the PBS program Frontline: "...in their villages and towns they're known as the local whore or local prostitute. They come home psychologically devastated, with all kinds of medical problems, sexually transmitted diseases. They're HIV positive; they have AIDS; there's nothing for them. And so many of them end up in insane asylums; many end up committing suicide."<sup>51</sup> Their lives are further complicated because there is no state-funded medical program for their recovery due to a lack of funds.<sup>52</sup>

When victims return home they often find that the original reason for their absence still needs to be addressed. One example is a woman named Tania. Tania went to Turkey to earn \$1000 dollars a month when offered a nanny position by a husband and wife trafficking team. Forced into prostitution, Tania was resold three times and required

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<sup>50</sup> Donna Hughes and Tatyana Denisova, "The Transnational Political Criminal Nexus of Trafficking in Women from Ukraine," *Trends in Organized Crime* 6, no. 3&4 (Spring/Summer, 2001), 50-56.

<sup>51</sup> "Interview Victor Malarek," PBS Frontline, <http://www.pbs.org/wgbh/pages/frontline/slaves/needs/malarek.html> (accessed August 25, 2006).

<sup>52</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 152.

to have an abortion. She finally escaped when a client discovered she had been abused and bought her freedom for her and purchased her a ticket home. Even after all this she says she would go back to Turkey to attempt to work because her family is so impoverished, and it would take her mother a year of factory work to repay the medical bills for her brother.<sup>53</sup> Tania returned home to face the same problem the majority of escaped victims face. They are in the same quandary because they lack economic opportunity and job training.

### **C. PUBLIC AWARENESS**

In most of the literature on human trafficking, there is a reference to the need for more awareness about the problem of human trafficking. The state, social actors, and international organizations have been working to increase awareness among the population of Ukraine, and since Ukraine is still largely literate, their efforts have had an impact. A survey run by USAID in Ukraine indicated that most respondents were aware of the issue. However, only 15% think that they are in danger of falling into trafficking snares. This ignorance runs into reality when reviewing the 3,000 Ukrainian trafficking cases assisted by the IOM, because most of them did not think it could happen to them.<sup>54</sup>

However, given the current wave of awareness campaigns, it is no longer possible to say that most Ukrainian women are not aware that they run a risk of being enslaved. A public service announcement now shows a flight attendant with handcuffs, warning passengers to “Please be careful as you may be walking into a trap where you will be forced into slavery and prostitution... You may be stripped of your passport and work for long hours without pay.” Posters with rock stars warn people to be cautious before traveling abroad and to educate themselves against the dangers of trafficking. These are just two examples, and many other efforts are underway. The IOM alone sponsored three drives with USAID to raise the public’s awareness about the pandemic.<sup>55</sup> Therefore,

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<sup>53</sup> "Interview with Tania," PBS Frontline, <http://www.pbs.org/wgbh/pages/frontline/slaves/map/tania.html> (accessed March 19, 2007).

<sup>54</sup> "Rocking Against Human Slavery," USAID: Europe and Eurasia, [http://www.usaid.gov/locations/europe\\_eurasia/press/success/2006-10-01.html](http://www.usaid.gov/locations/europe_eurasia/press/success/2006-10-01.html) (accessed March 19, 2007).

<sup>55</sup> Ibid.

while many Ukrainians are naïve by believing that trafficking could not happen to them, the bottom line is that they are increasingly aware of the nature of its existence.

While international and domestic movements are slowly but surely breaking down the walls of ignorance surrounding slavery, there continues to be a gap in the educational process. Slavery is an issue that must be taught in school in Ukraine, along with AIDS and drug awareness programs. But it is not enough to merely know that it exists and that it could happen to a person; that person must also know what to do to escape when sold into slavery. Some sort of signal leading law enforcement officials to the victims is also necessary because they are largely invisible. People must know that protection exists for them outside of the trafficking web should they fall into it, and that lies told to them by their captors about arrest and deportation if they try to escape are fabricated. Of course, in order for this to happen it is indispensable to have an effort in demand countries to ethically train law enforcement officials to the plight of enslaved people.

#### **D. INTERNATIONAL RESPONSES**

State action in fighting the slavery networks is always going to be burdened by state bureaucracy. Along with bureaucracy comes red tape, fiscal considerations, media reports, and a generally lethargic response. These bureaucracies are pitted against criminal activity that is well-funded, fluid, and violent. Criminal networks like those engaging in slavery are not constrained by geography or ideas of sovereignty, and they are free to branch out into a variety of crimes. In the face of these pressures, is it possible for a state bureaucracy to win against loose criminal networks and black market forces?<sup>56</sup> The lesson of the 1990's must be that states alone cannot win this fight. Part of the answer is going to involve breathing new life into existing multilateral arrangements and coming up with new institutional structures that are not constrained by "notions of Sovereignty".<sup>57</sup>

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<sup>56</sup> Moises Naim, "The Five Wars of Globalization," *Foreign Policy*, no. 134 (January/February, 2003), 28, <http://proquest.umi.com/pqdweb?did=278453641&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

<sup>57</sup> *Ibid.*

Over the last few years there has been a great deal of movement among various organizations against slavery networks at all levels of international society and especially among IGOs, NGOs, and cooperative security organizations like the OSCE. It is thought by some scholars that "...the demand for international regimes in international relations depends on actors' perception of international problems, which is, in part, produced by their causal and normative beliefs."<sup>58</sup> Given the near-universal disgust with the issue of slavery, the movement of institutions against slavery is not surprising. States are threatened by powerful criminal and terrorist organizations that thrive on illicit trading, and therefore pursuing an end to the threat makes sense. Normatively speaking, domestic civil societies in the West expressed their disgust with slavery long ago. The foundations needed to combat slavery are already beginning to flourish in international society, but they have a long way to go.

Different actors at different levels of the international system are responding in various ways. The United States maintains a watch list that incorporates a three-tier system to identify countries not making progress against trafficking. The UNODC has programs dedicated to research and has turned out illuminating reports. The UN's Protocol Against Human Trafficking has been a great starting point for cooperative efforts, though many countries are left to sign on. The OSCE has established cooperative efforts among its membership and has developed its own action plan to combat trafficking in human beings, and it seeks a larger role in the effort against slavery. There are many others involved in the process, including the IOM and USAID. Considering that Ukraine has made some efforts at battling the issue after encouragement through cooperative expression, there is much to be said for institutional cooperative developments.

NGOs have probably become the most motivated actors in the struggle against slavery. On both the demand and supply side of slavery, a variety of NGOs have taken up the effort against modern slavery. From shelters to education, they span the globe and attack the underlying issues. Of particular note in Ukraine are organizations like *La*

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<sup>58</sup> Andreas Hasenclever, Peter Mayer and Volker Rittberger, *Theories of International Regimes*, Vol. 55 (Cambridge, U.K. ; New York: Cambridge University Press, 1997), 137.

*Strada Ukraine* that have actually located and assisted in the recovery of victims by coordinating information between police, informants, and families.

Efforts of international organizations have been persistent, but in the case of Ukraine, they are years behind and not nearly as robust as slave traders and exploiters. More coordination and funding is needed and a special IGO with police powers developed specifically for the combating of human slavery networks internationally may be needed. Indeed, while slave traffickers have the advantage of decentralized networks, the civilized world certainly can develop looser notions of sovereignty to deal with transnational problems, and there are many strategic partnerships yet to be formed between governmental and non-governmental organizations at all levels of the international system.<sup>59</sup> The day is coming when coordination between multiple organizations will be able to approximate decentralized networks and gain the information necessary to pull the slaves from their misery. However, the problem will never go away as long as central economic and ethical issues are not addressed. These will be neither easy nor short-term.

## **E. CHAPTER SUMMARY**

Without a social movement against slavery, solving the problem on the supply side is nearly impossible. Slavery is a social problem, and it requires the people of a nation to muster political will and demand a change for the better. In Ukraine, target groups incur difficult circumstances that suggest that Ukrainian society needs to develop. Women are often discriminated against, and sexual abuse among minors is rampant. There are numerous displaced orphans and women that make prime targets for slavery networks. In the midst of this is a social system that often borders on indifference and has been known to stigmatize escaped slaves as prostitutes upon their return. Post-Soviet society is a difficult place for at-risk groups and without a movement towards compassion, hope for a solution lingers in the future.

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<sup>59</sup> Elena Tiuriukanova, "Female Labor Migration Trends and Human Trafficking: Policy Recommendations" in *Human Traffic and Transnational Crime: Eurasian and American Perspectives*, eds. Sally W. Stoecker and Louise I. Shelley (New York: Rowman & Littlefield, 2005).

There have been movements at the NGO, state, and international actor level that promise some results. At-risk groups in Ukraine can find some shelter and assistance when they are displaced or in trouble from organizations that care deeply about their plight. NGOs and international organizations have been working at the same time as some domestic actors to raise awareness about the problem. As acknowledged by recent efforts and research, building awareness is the first step in combating modern slavery and it is also important for building social will to combat the problem. Lowering the numbers of people trafficked is possible through education, the creation of opportunities, furthering cooperation, and overcoming the limits of bureaucracy in the face of criminal organizations.

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## **IV. ECONOMICS AND SLAVERY**

### **A. OVERVIEW**

Ultimately the single greatest cause of the expansion of modern day slavery in post-Soviet states has been economic hardship in the source country and the parallel development of criminal markets. Economic hardship corrodes the base of social and political stability, and in the absence of an overwhelmingly powerful state or a well-laid social system, economic development and market growth will likely be the best long-term solutions to prevalent problems like slavery. Structural changes and unbalanced growth in Ukraine's economy have caused discomfort among the working population of Ukraine. This process has resulted in periods of wide-spread unemployment with high levels of poverty and particular hardship for women. It has created a roster of migrants while also providing an incentive for formerly employed workers to enter into criminal enterprises. As previously discussed, the Ukrainian state lacks the political mechanisms to effectively combat these decentralized criminal networks and Ukrainian society has not developed enough to stop slavery at the civic level, so the economic factor remains the linchpin that holds the modern slavery structure together.

Economic trends have been significantly improving since the mid-1990s, but have not yet provided a solution. The Heritage Foundation places Ukraine as the 125<sup>th</sup> freest economy in the world, and it regionally ranks at 40 out of 41 on the freedom scale. While taxes and average tariffs are relatively low, Ukraine is weak in property rights protection, corruption control, monetary autonomy, government interference, and freedom of investment. The legal system is pressured by organized crime on one side and the government on the other, making contracts difficult to enforce. With widespread corruption this all equates to difficulty in business operations. In short, promises of



reform following the 2004 elections were lacking, and Ukraine remains a difficult economy to operate in and is not achieving growth rates that are possible.<sup>60</sup>

Since slavery is thought to be caused by a lack of economic opportunity in a globalizing economy, it is interesting to look at the Ukrainian economy in terms of global integration. The Globalization Index published in *Foreign Policy* in 2006 lists Ukraine as the 39<sup>th</sup> (out of 62) most globalized economies right below Botswana. Countries at the top of the list are those typically thought of as demand countries for slaves (the U.S., Netherlands, Canada, etc), while those towards the bottom are thought of as supply countries. This lack of integration means that Ukraine's population is suffering from the externalities of globalization while not reaping all the benefits. Key areas that need attention are building up foreign direct investment, building up technological (internet, telephone) infrastructure, encouraging political openness and integration, and allowing for more personal economic freedom.<sup>61</sup>

Economic trends combined with other indicators of instability keep Ukraine close to failed state status. In the indicators of instability index, Ukraine measures at 38<sup>th</sup> out of 60 and is only two places away from the critical list. It has a particularly acute demographic crisis (which will be discussed later), human flight problem, refugee problem, uneven development, and the constant de-legitimization of the state.<sup>62</sup> Considering the collision of these trends, it is not hard to imagine a future in Ukraine where criminals have their hands in everything and become integrated with government, while humans and every other available illicit item are turned into a commodity and traded wherever and whenever a market exists. It is truly a time of crisis in Ukraine, and this chapter will review both the supply and demand side of slavery. This will involve an

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<sup>60</sup> Tim Kane, Kim Holmes and Mary Anastasia, *2007 Index of Economic Freedom* (Washington, DC: The Heritage Foundation, [2007]), <http://www.heritage.org/research/features/index/downloads.cfm#methodology> (accessed March 19, 2007), 377-378.

<sup>61</sup> "The Globalization Index," *Foreign Policy*, no. 157 (November/December 2006), 74, <http://proquest.umi.com/pqdweb?did=1166820751&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007), 157.

<sup>62</sup> "The Failed States Index," *Foreign Policy*, no. 149 (July/August, 2005), 56, <http://proquest.umi.com/pqdweb?did=857213551&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007), 149.

evaluation on the supply-side of the impact of economic stagnation on structural unemployment, competing black market trade, migration trends, and demographic pressures. This chapter will then conclude by discussing the demand-side issues of the slave trade.

## **B. ECONOMIC DECLINE AND SLAVERY GROWTH**

The economic situation in the Soviet Union had been declining for a long period of time as the centrally-planned economy remained unable to appropriate resources or plan efficiently. The full extent of the decline remains unknown, because statistics were manipulated to hide inefficiencies. At the consumer level, black market activity became a staple of survival and while citizens may have had money, the lengths of the lines to purchase goods and the relationship with the provider were equally important to actually obtaining scarce consumer resources. The Soviet state came to the realization that it could not compete with the West economically, and tried various renditions of reform until the government evaporated.<sup>63</sup>

A period of significant change was well underway by 1990, but economic decline continued. Relative to its estimated GNP in 1985, Ukraine's GNP dropped to 78% of its previous level by 1990, 72% by 1991, and 61% by 1992. While social tensions mounted, Ukraine was left with a per capita GNP in 1992 that was only 22.3% of the United States per capita GNP, and that was on the high end of the CIS countries.<sup>64</sup> As a wealthy few prospered, the population was left to fend for itself without developed market institutions, and the reality of economic conditions provided the foundations of modern slavery in Ukraine and many other countries. There were now large numbers of both criminals and unemployed women and economically-displaced orphans for those criminals to prey upon. Criminals identified the demand from sexual and service-related black markets abroad, and the exports began largely unnoticed while leaders tried to grapple with economic and political problems.

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<sup>63</sup> For an outstanding description of economic life before and during transition, reference: David E. Hoffman, *The Oligarchs: Wealth and Power in the New Russia* (New York: Public Affairs, 2003), 575.

<sup>64</sup> John Barkley Rosser and Marina V. Rosser, *Comparative Economics in a Transforming World Economy* (Chicago: Irwin, 1996), 273-274.

To truly get a feel for how bad conditions were getting for Ukrainians in the early 1990s, the Human Development Index is a good reference point. It is a measurement of the human condition that takes into account health, education, and standard of living. Note in figure one, taken from the Ukrainian HDI report, that the measurement from 1990 to 1995 is starkly downward, putting it behind Latin American and the Caribbean.<sup>65</sup> It is during this period of misery that slavery exports escalated, and if exact numbers were known they could be superimposed upon this graph to show the number of people being driven into the global black market for humans. From 1995 and on, there is a steady improvement in HDI on the graph that is probably supported by strong education levels in Ukraine and an uneven expansion of GDP. However, the story of misery does not stop there, and it is necessary to look into both poverty and unemployment trends to get a true sense of how the economy continued to foster slavery exports.

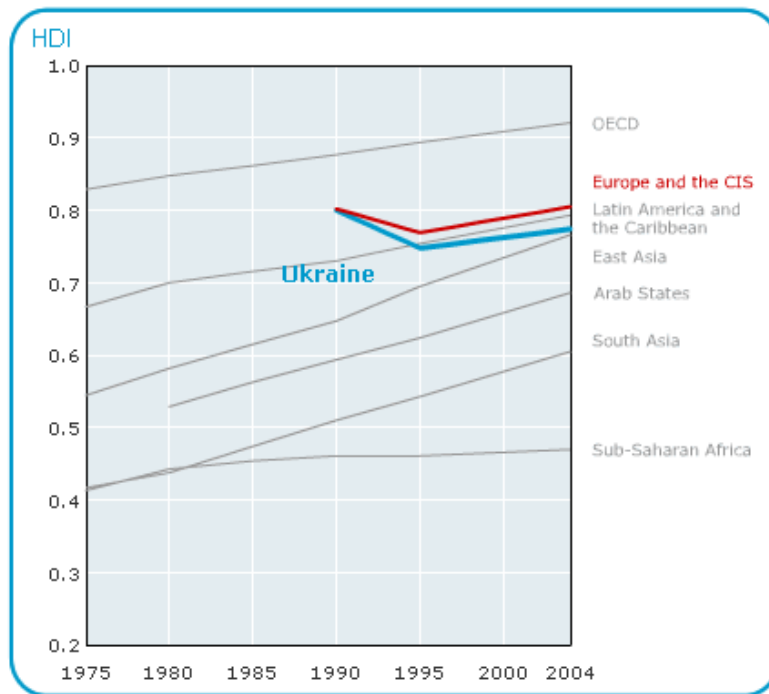


Figure 1. Ukraine's Human Development Index from 1990 in Comparison (From: World Bank Human Development Index)

<sup>65</sup> *Human Development Report 2006: Ukraine Country Fact Sheet* (Hampshire: UNDP-Palgrave MacMillan, 2006), [http://hdr.undp.org/hdr2006/statistics/countries/country\\_fact\\_sheets/cty\\_fs\\_UKR.html](http://hdr.undp.org/hdr2006/statistics/countries/country_fact_sheets/cty_fs_UKR.html) (accessed March 19, 2007).

From 2001 to 2003, Ukraine experienced constant levels of poverty that exceeded 30%. Those levels dropped to just about 25% by 2002 and just below 20% by 2003. In all cases, the numbers are very high considering the definition of poverty in this case is “those individuals whose consumption falls below a level sufficient to cover the cost of a food basket of around 2500 calories per day, plus a significant allowance for non-food goods and services.”<sup>66</sup> While poverty reduction has been accelerating faster than comparable countries, there have been definable imbalances in poverty distribution that probably defines who gets trafficked.

Perhaps most notable has been the difference in poverty between large cities and other areas. The poverty rate in a small town can be twice that of a city, and areas in eastern Ukraine that are more industrially developed have less poverty than their Western counterparts. This means that the majority of poor households are in rural areas, and they have larger families with more children.<sup>67</sup> This is a situation that is favorable to human trade. Rural areas are typically more disconnected from social structures (such as those that warn against slavery), and in the Ukrainian case they are more likely to be poor. The large impoverished households will bleed off occupants that strike out in search of work. It will also run the chance of producing more orphans that could become potential victims.

Aside from the largely rural distribution of poverty, the trends are also closely associated with education levels. While overall Ukraine enjoys a high level of education that has been a legacy of the Soviet system, education levels are not even across the population. In the case of poverty, the less education a head of household in Ukraine has, the more likely that household is to live in poverty. If the head of household in Ukraine is unemployed, it is twice as likely that the household is living in poverty.<sup>68</sup> Situations of poverty such as these surely contribute to social conditions described in chapter one, where even pregnant women are often expelled from their homes by angry parents and

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<sup>66</sup> *Ukraine: Poverty Assessment, Poverty and Inequality in a Growing Economy*, (World Bank,[2005]), [http://siteresources.worldbank.org/INTUKRAINE/Resources/328335-1138375819937/Full\\_Report.pdf](http://siteresources.worldbank.org/INTUKRAINE/Resources/328335-1138375819937/Full_Report.pdf) (accessed March 19, 2007),Viii.

<sup>67</sup> *Ukraine: Poverty Assessment, Poverty and Inequality in a Growing Economy*, ix.

<sup>68</sup> *Ibid.*, X.

boyfriends. Poverty creates desperation and desperation in turn creates homeless individuals that can easily fall prey to established slavery networks. Every industrialized country that has faced a period of high rural unemployment is well acquainted with the story of the naïve person moving to the city for employment and falling into the hands of criminals waiting at the bus stop.

Given that economic growth stopped falling so rapidly in the late 1990s and actually climbed at around 7% from 2000-2003, unemployment can naturally be expected to fall and general poverty levels markedly decrease. However, as GDP growth rose between 1996 and 2003, employment rates and employment growth remained stagnant. Between around mid-1997 and mid-1998 (likely spurred by a financial crisis) employment rates dropped sharply into the negative range where they leveled off. From around 1997, employment growth began to drop, falling drastically between 1998 and 1999, and then floating upwards and hovering around the zero mark.<sup>69</sup>

While growth has occurred in the economy, it has been uneven in sectors. It is not surprising that one of these sectors reflects the uneven distribution of poverty in rural areas. Large numbers of farms went under private ownership in the early 2000s, and under private ownership they increased in efficiency. Increases in efficiency meant that through modernization and investment there was a logical reduction in the need for labor. Meanwhile industry kept a constant rate of around 19% of the workforce and did not grow to absorb the displaced agricultural workers. Instead, 60% of former farm labor turned to working their own plots of land, contributing to underemployment that has been measured in both the agricultural sector and the retail sector.<sup>70</sup> This coincides with evidence that economic transition has impacted rural areas the most (accounting for 50% of the country's migration) and spurred migration among young women at a higher rate than men (with a 1.5 times higher migration rate in rural female populations).<sup>71</sup>

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<sup>69</sup> *Ukraine: Poverty Assessment, Poverty and Inequality in a Growing Economy*, 19.

<sup>70</sup> *Ibid.*, xii.

<sup>71</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 39-41.

Perhaps the important thing to highlight here is that while still high, poverty rates have been falling but more must be done. Labor restructuring in agriculture needs additional attention, and programs need to target displaced labor from this sector. In addition, while the government uses pensions that help cover the poor population, at least 50% of the poor are not touched by this intervention or any other programs.<sup>72</sup> Better social safety nets and greater monitoring of poverty would greatly enhance the situation of the poor.<sup>73</sup> However, for the long-term health of the entire country there needs to be consistent market-based reform to increase productivity, competitiveness, and provide dynamics in the economy that will foster job growth. Ukraine currently has a comparative advantage in rural labor costs, and entering the WTO to increase the export of its agricultural goods and increasing off farm employment opportunities would gradually improve the situation in the countryside.<sup>74</sup> However, sustainable market-based growth is only going to be possible if Ukraine can attract investment. Over the long-term, corruption is going to have to be warded off and property rights are going to have to be secure to accomplish this.

Economic growth is needed not just to eliminate the poverty levels in the country, but also to level economic differences between Ukraine and its neighbors. In 2005, the average monthly income in Ukraine in U.S. dollars was \$147. The average in Eastern Europe was over twice that amount at \$436. Ukrainians have less healthcare, less consumer goods, and a higher infant mortality rate. While some of these trends are projected to get better, they will likely continue to lag their Eastern European neighbors.<sup>75</sup> With the differential in economic conditions, there is likely to be a continued incentive for movement into the European labor market to improve economic

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<sup>72</sup> *Ukraine: Poverty Assessment, Poverty and Inequality in a Growing Economy*, 49.

<sup>73</sup> *Ibid.*, 53-55.

<sup>74</sup> *Ibid.*, 74.

<sup>75</sup> "Ukraine Economy: Social Indicators & Living Standards," *EIU ViewsWire* (May 5, 2006), n/a, <http://proquest.umi.com/pqdweb?did=1048499221&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

circumstances. As long as there is a push for illegal migration, there will be a sub-set of human trafficking. Moreover, it will continue to worsen for women because of gender inequality in the economy.

The economic hardship involved in the transition from 1991 has fallen significantly harder on women and children. As one Ukrainian poverty report states, “Women are personally liable for children and the whole family, that’s why they suffer many times as much than men from low wages, unemployment, lack of social security, etc.”<sup>76</sup> Women have been more desperate for work and often seek foreign employment. Time and again there have been cases of women that were forced into slavery after seeking jobs to support their children back in Ukraine.

The improvement in urban economic growth has led to some success in employment for women there, but the gender gap is still evident in rural areas where poverty is more prevalent. In village life, a woman is likely to be strapped with low-paying and physically demanding jobs while men venture out in search of migrant positions that pay more. This situation is exceedingly difficult for them, and Ukrainian women commonly perceive the economic inequality and lack of opportunity with which they are burdened.<sup>77</sup> Truly, the post-Soviet period has been a difficult time for women and children. After a brief moment of hope with the collapse of the Communist regime, the 1990’s proved to be a depressing time for many of them. It is not at all surprising that women in the slave trader’s target group attempt to migrate in search of new opportunities.

### **C. MIGRATION PRESSURES**

In a modern context, slavery exists as a part of migration. As the economy in Ukraine tumbled in the 1990’s and gender began to play an increasing role in post-Soviet employment prospects, women became potential migrants. By 2001, two thousand

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<sup>76</sup> Boris Vasylykivssky, Yelena Panina and Tatyana Krucher, *Poverty in NIS* (Kyiv: EcoPravo-Kyiv, [http://www.ecopravo.kiev.ua/epk/docs/povertyof\\_nis.pdf](http://www.ecopravo.kiev.ua/epk/docs/povertyof_nis.pdf) (accessed March 19, 2007), 2.

<sup>77</sup> J.A. Dickinson, *Gender, Work and Economic Restructuring in a Transcarpathia (Ukraine) Village* (<http://proquest.umi.com/pqdweb?did=932463021&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

companies were registered in the country to arrange foreign employment,<sup>78</sup> and as we now know foreign employment organizations are sometimes involved in slavery schemes. Young people are aware of the prospects for a better life by working in a foreign country, and they are ready to venture out of Ukraine's borders. Victims of slavery are a sub-set of migrating people that end up being exploited. Only a fraction of these victims are known to social service agencies and NGOs, and an even smaller portion are represented by law enforcement cases.<sup>79</sup> They represent a 'hidden population' and very little empirical knowledge exists about the population's scope. Current data based on "unambiguously identified" victims are a miniscule proportion of the total population.<sup>80</sup>

The need for women to migrate has coincided with trends in industrialized countries that have worsened the trafficking problem. Immigration has been a major political issue and legal long-term migration has faced increasing restrictions, while short-term visas for work and tourism are difficult to acquire.<sup>81</sup> The political landscape in the United States is wrought with debate on immigration. Some argue that immigrants take away American jobs and drive down wages, but there are not a fixed number of jobs in an expanding and dynamic economy, and any links to feared wage discrepancies is debatable at best.<sup>82</sup> Add to that the debate about border security, and the furor over migration is nowhere close to being solved. Meanwhile, undocumented workers continue supporting low skill and underpaid industries in the United States, and slaves blend into this illicit economy.

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<sup>78</sup> Donna Hughes and Tatyana Denisova, *Trafficking in Women from Ukraine* (Washington D.C.: USDOJ, [2002]), [http://www.ojp.usdoj.gov/nij/international/programs/ukrainetraf\\_finalreport.pdf](http://www.ojp.usdoj.gov/nij/international/programs/ukrainetraf_finalreport.pdf) (accessed February 3, 2006), 29.

<sup>79</sup> Guri Tyldum and Anette Brunovskis, "Describing the Unobserved: Methodological Challenges in Empirical Studies on Human Trafficking", 23.

<sup>80</sup> *Ibid.*, 20-31.

<sup>81</sup> Nora Demleitner, "The Law at a Crossroads: The Construction of Migrant Women Trafficked into Prostitution" in *Global Human Smuggling: Comparative Perspectives*, eds. David Kyle and Rey Koslowski (Baltimore: The John Hopkins University Press, 2001), 259-262.

<sup>82</sup> "Finance and Economics: Myths and Migration; Economics Focus," *The Economist* 379, no. 8472 (April 8, 2006), 86, <http://proquest.umi.com/pqdweb?did=1020672331&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).



Regardless of the fact that the economies of the West require these workers to keep industries going, there is a social trend that is classifying migrants as criminals even though they are often the ones exploited. As part of this disturbing trend, all migrants are socially lumped into one group, and this leads to a perception that is "...often reinforced by law enforcement activities against traffickers that lead to the indiscriminate arrest of traffickers and trafficked persons alike".<sup>83</sup> This trend is a huge problem in the struggle against slavery because in addition to assisting with a failure to identify slaves and their exploiters, it reinforces criminal methods used to gain compliance from slaves (i.e., threats of arrest upon escape).

These social trends have collided with the feminization of migration, and it is not difficult to imagine how a female migrant from Ukraine is forced into slavery. They will research options and seek out some type of legitimate work in the service industry, or they may seek out marriage to a Westerner to improve their circumstances. There is also the possibility that they seek to become prostitutes or continue their work as a prostitute under better circumstances. Traffickers will promise them what they are seeking in disguise as legitimate or well-meaning business people that have been successful in placing workers abroad. They are then taken abroad via different routes, have their documentation taken from them when they reach their destination, and are forced into bonded labor, most likely prostitution. They run very little chance of escape, but there will remain the ever lingering threat of deportation. If deportation occurs, they will possibly be ostracized at home and will constantly face the risk of more exploitation.<sup>84</sup> All this will be in addition to the physical and psychological trauma associated with sexual exploitation.

Obviously, the current trends in migration are unacceptable and contribute to the slavery problem. Females in Ukraine have wage and working condition differentials great enough to make migration a favored option. Meanwhile, migration has become more difficult for them and the atmosphere in the industrialized countries more anti-immigrant.

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<sup>83</sup> Demleitner, *The Law at a Crossroads: The Construction of Migrant Women Trafficked into Prostitution*, 262.

<sup>84</sup> *Ibid.*, 264-265.

These trends make the slave market viable by providing victims that turn to unsanctioned criminal regimes for foreign employment opportunities. The situation for these victims is dire, and the push factors are too great to preclude them from attempting to migrate.

The governments of countries where these women desire to go need to reevaluate their policies and implement working status programs to keep migration of at-risk groups legal so that traffickers cannot so easily prey upon them as a group. Any action in this area is highly political and there are arguments to consider on both sides, but desperation ensures that migration is going to happen and a proactive policy that provides opportunity and limits obstacles would help keep migration legal and out of the hands of criminal networks. The best answer is a global migration policy, but that is a long way off. Part of this may be answered if Ukraine could integrate with the European Union and have more employment opportunities created, but in the meantime the problem persists.

Until the time when workers can find reasonable employment in Ukraine or legal migration opportunities are expanded, the very least that can be done is an attempt to shift social attitudes in industrialized countries. In the America, strict visa polices incorporating even skilled workers since 9-11 have been harmful, costing businesses and industry an estimated 30 billion dollars from mid-2002 to mid-2004.<sup>85</sup> The migrant plays a crucial role in industrialized economies. Turning the migrant (whether legal or illegal) into a villain is uninformed and contributes to the underground trade in human misery.

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<sup>85</sup> L. U. C. E. Edward, "Strict Visa Policies 'Damage US Reputation and Business'," *Financial Times*, January 31, 2007, <http://proquest.umi.com/pqdweb?did=1207281281&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007) .

#### D. THE DOMESTIC BLACK MARKET

For as long as the Soviet economy rusted in inefficiency, there have been black market mechanisms at work to meet the needs of the population. As far back as the Brezhnev period, the black market began turning into a massive shadow economy accounting up to 50% of personal income and 30% of the state service sector. Along with this came all the corruption and embezzlement that can be expected in such a system.<sup>86</sup> This was all part of an economic model that required such a large informal economy. The state simply could not provide all the goods and services the population needed, and the shadow economy grew. With a tradition of large black market operations, it is not surprising that the phenomenon persists.

A 1998 survey of Ukraine described the typology of the economy as 25% black market, 28% household economy, and 48% formal economy. To some extent, informal economic activity can be expected in a transitioning economy as households strive to find a way to survive. However, the informal/black economy exists outside the rule-of-law, and is therefore subject to criminalization.<sup>87</sup> The black market is now more dangerous than its Soviet counterpart, because it has moved into areas that were previously not possible due to Soviet control of the population. With high levels of corruption, a large informal economy, and a mobile population, slavery networks can easily find avenues of operation that allow them to expand and no government structures to stop them.

Consider for a moment what a slave trader needs. The first thing is to recruit a victim, and that has not proved to be a challenge. The second step is to move that person out of the country to a place where a profitable sale can be made. With government corruption, it is likely that the slave trader will be able to get reasonably-priced documents. But if that is not possible, an entire black market economy serving illegal

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<sup>86</sup> Hedrick Smith, *The New Russians*, 1st ed. (New York: Random House, 1990), 266-68.

<sup>87</sup> Claire Wallace and Rossalina Latcheva, "Economic Transformation Outside the Law: Corruption, Trust in Public Institutions and the Informal Economy in Transition Countries of Central and Eastern Europe," *Europe - Asia Studies* 58, no. 1 (January 2006), 81, <http://proquest.umi.com/pqdweb?did=1002698851&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

migrants is already in full swing. In this case, a counterfeit Western passport can be procured for under \$1000, and crossing the border illegally could cost between \$500 and \$1000.<sup>88</sup> With such a penetrating system of illegal migration and corruption, the black market economy has become a major problem in the fight against slavery. Unfortunately, there appears to be no short-term cure because the black market is lucrative. Perhaps this is one more reason to liberalize world labor markets and offer expatriate employment opportunities to at-risk groups so that employment can be found legally and within the jurisdiction of the state.

#### **E. DEMOGRAPHIC IMPLICATIONS**

Slavery has become part of a vicious circle that involves economic conditions, public health, and demographics. Trends in population growth will threaten future economic growth in Ukraine and will ultimately threaten its national security if it is not reversed. A stable population is the cornerstone of a stable country, and trends in post-Soviet Ukraine have not been positive. The loss of people to slavery networks, while not yet credibly calculated, will ultimately make these trends much worse.

The period of 1991-2003 saw a massive drop in annual births from 630,000 to 408,000. The death rate in Ukraine is twice the rate of births. This means that Ukraine is losing its population at a rate of 300,000 thousand people per year, making it one of the fastest rates of depopulation. This trend has been exacerbated by diminishing health standards increasing death rates in the entire adult population, with the working age groups taking the brunt of the decline. This is all before projected forecasts of the impact of HIV on population growth, which is anticipated to drop life expectancy among males another 3.2-4 years and among females 2.9-4.8 years. The spread of HIV will also

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<sup>88</sup> Leonid Polyakov, "Illegal Migration: Ukraine," *European Security* 13, no. 1/2 (Spring, 2004), 17, <http://proquest.umi.com/pqdweb?did=712114751&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007), 5.

negatively impact the fertility rates of males and females, as well as increase the number of orphans by 2014 to between 105,100 and 169,300 due to parental death related to AIDS.<sup>89</sup>

If Ukraine remains a slave-exporting state, it will further impact demographics negatively in three major ways. First, the group most likely to be exported includes the people most needed for population growth. These are the nation's women and children that provide the foundation for subsequent generations. Second, the increasing pool of orphans due to health-related circumstances will continue to provide a likely and easily accessible target for exploiters. We already know that orphans on the street are a lucrative target for slavery networks, and demographic trends will insure this continues. Third, the health of slaves is likely to diminish, and even if they manage to escape and become repatriated, they stand the risk of not being able to contribute to population growth. This could be due to any number of atrocities that happen to slaves, from rape and forced abortions that impact reproduction, to the fact that many former slaves have reported being forced into prostitution without basic protection from sexually transmitted diseases. This means that socially and personally disastrous diseases like HIV stand a high probability of being passed to victims.

Because the clandestine nature of slavery networks will keep the true number and nature of victims from academic scrutiny, it will be impossible to know what long-term impacts slavery will have on the stability of the Ukrainian population. Whatever the number, it is likely to be significant. Whether it matches the impact of other major social trends like domestic crime or alcohol abuse remains to be seen, but the world should not wait and see. Demographic concerns are just one more in a long list of national security threats and human rights issues increased by the existence of slavery, and it requires the urgent attention of the international community.

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<sup>89</sup> *Socioeconomic Impact of HIV/AIDS in Ukraine* (Washington, DC: World Bank, [2006]), [http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2006/09/07/000160016\\_20060907115742/Rendered/PDF/372110UA0aids1eng01PUBLIC1.pdf](http://www-wds.worldbank.org/external/default/WDSPContentServer/WDSP/IB/2006/09/07/000160016_20060907115742/Rendered/PDF/372110UA0aids1eng01PUBLIC1.pdf) (accessed March 19, 2007), 10-18.

## F. THE DEMAND SIDE OF THE EQUATION

While this paper has addressed several issues on the supply side, the demand side is, in reality, the reason that supply even exists. This paper has emphasized that many trafficked Ukrainians are women and children forced into sex industries and related services with brutal measures. If the UN definition of human trafficking is accepted as a guideline for policy makers, it does not matter if the exploitation takes place within Ukraine or in the Western world, but it is quite clear that Ukrainian law does not consider domestic exploitation trafficking. Either way it is approached, the lion's share of demand for the sexual services of Ukrainian slaves is habitually by richer, often Western, clients. So while Ukrainians are also at risk for other types of exploitation, the demand for prostitutes is the driving demand-side factor behind the problem in Ukraine. Even if prostitution disappeared slavery will persist because if there is another way to make a profit off human suffering, established criminals will find it. However, if demand for prostitutes did fall then it would hypothetically reduce trafficking from Ukraine and associated health risks.

The issue of prostitution is contentious, with plenty of proponents for legalization and many for making it illegal on moral and exploitative grounds. Either way, slaves cannot be easily separated from willing prostitutes, and even willing prostitutes are often engaging in sexual services because they lack opportunity or have a drug addiction of some type depleting their financial resources. Perhaps it could best be expressed by this quote by the Coalition Against Trafficking in Women (CATW) and the European Women's Lobby (EWL) that can largely be proven by the evidence in this paper: "We, the survivors of prostitution and trafficking gathered at this press conference today, declare that prostitution is violence against women. Women in prostitution do not wake up one day and 'choose' to be prostitutes. It is chosen for us by poverty, past sexual abuse, the pimps who take advantage of our vulnerabilities, and the men who buy us for the sex of prostitution."<sup>90</sup>

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<sup>90</sup> Monica O'Connor and Grainne Healy, *The Links between Prostitution and Sex Trafficking: A Briefing Handbook* Coalition Against Trafficking in Women and the European Women's Lobby, [2006], <http://action.web.ca/home/catw/attach/handbook.pdf> (accessed March 19, 2007).

Prostitution and the slave market are largely issues of gender economics. The demand comes from men and has a historical reputation. Men have been perceived as biologically inclined to need sexual services, and the women who become the object of their demand as “fallen women”. It has been repeatedly referred to as the “oldest profession,” and it has knowingly continued even where it is explicitly illegal. In the West, it is certainly a moral issue and an economic issue. But it seems impossible to legislate against an economic phenomenon on moral grounds. It simply continues to exist because the demand has not diminished and personal moral systems have not improved enough.<sup>91</sup>

Whatever the outcome of the moral issue, prostitution cannot be legalized at a time when slavery is spreading, because it feeds the industry with cheap and abused slaves. The eradication of slavery will not happen with the legalization of prostitution, and even Amsterdam is now not renewing licenses for brothels because of their connection to crime.<sup>92</sup>

Since it is largely impossible to separate a slave (either trafficked or by addiction) from a willing participant because of the coercion involved, it is a human rights dilemma to allow legal prostitution. But even where prostitution is illegal, the focus has traditionally been on the prostitute and not on the demand-side (the customer and the exploiter). This is a completely backwards situation both morally and legally. Even trafficked prostitutes have been labeled as such and often faced quick deportations due to illegal immigrant status, violating both their human rights and forestalling the prosecution of the slave-owner.

The focus of the legal process has to shift from the prostitute exclusively to the exploiters. In other words, the customers of prostitutes where it is illegal, as well as their pimps, need to be arrested. Prostitutes have to be considered victims since there is a

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<sup>91</sup> Demleitner, *The Law at a Crossroads: The Construction of Migrant Women Trafficked into Prostitution*.

<sup>92</sup> John Tagliabue, "World Briefing Europe: The Netherlands: Crackdown in Red Light District," *New York Times*, December 1, 2006, <http://proquest.umi.com/pqdweb?did=1171951531&Fmt=7&clientId=65345&RQT=309&VName=PQD> (accessed May 18, 2007).

probability that they are, and they need programs that will assist them in integrating legally into the economy and escaping the cycle of violence that has arisen from the demand for sexual services.

## **G. CHAPTER SUMMARY**

The economic conditions underlying slavery are complicated. Economic transformation since the collapse of the Soviet system has been very difficult with rapid drops in the well-being of the population. This resulted in an environment where the best opportunities for at-risk groups were outside the country. However, migration on a legal basis has become ever more difficult, and this has played into the hands of slave traders offering 'legitimate' work. Meanwhile, high levels of corruption and a black market catering to illegal immigration have made it plausible and easy for a slave trader to move victims.

The movement of victims has coincided with demand in the West for slaves. Based on victim recovery the demand appears most likely to be for women and children in prostitution and related services, but there are also other areas of labor exploitation.<sup>93</sup> The criminalization of prostitutes and illegal immigrants in Western countries serves the machinations of demand-side exploiters well, as they continue to brutalize and threaten their victims with beatings and arrest.

Long-term solutions to the economic facets of slavery are likely to come from sustainable economic growth that translates into higher employment opportunities and greater wealth for at risk groups. While poverty has been significantly reduced, higher economic growth rates have not yet translated into employment opportunities for all sectors of the economy.<sup>94</sup> In addition, long-term dynamic growth is going to require a reduction in corruption, a globalization of markets, better protection of property rights, and an attraction of investment. These solutions are all going to take time and will not be cured over night. Ongoing failures to realize Ukraine's economic potential continue to be

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<sup>93</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 63.

<sup>94</sup> *Ukraine: Poverty Assessment, Poverty and Inequality in a Growing Economy*, 91.



its “market-unfriendly institutional base.”<sup>95</sup> In the meantime, lack of employment opportunities and differentials in standards of living between Ukrainians and other Europeans is likely to continue to encourage migration of all types.

In the short-term, potential victims could be best served by legal expatriate employment opportunities, and by decriminalizing prostitutes and providing meaningful economic opportunities in the place of deportation on the demand side.<sup>96</sup> Since it is unlikely they are going to testify against their violent exploiters, seeking a solution to the systemic cause of their original intent in migration is the most compassionate course of action.

The proposition of this chapter that economic conditions are the linchpin that holds the slavery in place is supported by a recent survey by the International Office of Migration that included Ukraine. Among the 79.2% of urban respondents and 74.4% of rural respondents in Ukraine that had heard about human trafficking, 33.2 % percent attributed its prevalence to unemployment and 32.5% attributed it to the low level of wages.<sup>97</sup> These perceptions far outweighed other potential causes, and they suggest the natural level of understanding that Ukrainians have about the underlying causes of slavery.

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<sup>95</sup> Andrew Tiffin, *Ukraine: The Cost of Weak Institutions*, International Monetary Fund, [2006]), <http://www.imf.org/external/pubs/ft/wp/2006/wp06167.pdf> (accessed March 19, 2007), 25.

<sup>96</sup> There are multiple interviews on this subject. For some written support, see Demleitner, *The Law at a Crossroads: The Construction of Migrant Women Trafficked into Prostitution*, and. Monica O'Connor and Grainne Healy, *The Links between Prostitution and Sex Trafficking: A Briefing Handbook*.

<sup>97</sup> *Human Trafficking Survey: Belarus, Bulgaria, Moldova, Romania, and Ukraine* (Kyiv: International Organization for Migration, [2006]), <http://www.childcentre.info/projects/traffickin/dbaFile13968.pdf> (accessed March 19, 2007).

## V. CONCLUSION

### A. SUMMARY OF RESEARCH FINDINGS

The rapid expansion of modern slavery exports from Ukraine occurred because of a cataclysmic collision of variables that resulted from the sudden absence of Soviet governance. While optimism about the future was high, a series of political, social, and economic weaknesses in Ukraine manifested themselves in a way that ensured slavery exports to the global market in human misery boomed. Governance has continued to be weak, particularly in law enforcement and prosecution efforts against human trafficking,<sup>98</sup> and corruption is so widespread that criminals can operate freely when they know the correct people to pay off. In the face of rapidly growing and decentralized criminal networks that easily respond to external challenges,<sup>99</sup> weak state bureaucratic structures have provided no competition for influence in Ukraine. The law on the books against human trafficking in Ukraine was implemented poorly, half-heartedly pursued, and has resulted in negligible conviction rates.<sup>100</sup>

In the absence of appropriate governance, it is theoretically possible for a society to be strong enough to maintain control over a population and limit the export of slaves through community standards. Unfortunately, weakness in Ukrainian society has instead resulted in larger exploitable populations for slavery networks. Although there may be bias in the numbers, it is known that the primary industry for Ukrainians to be trafficked to is the sex and services industry, and the primary target is young women and children.<sup>101</sup> Ukrainians face a culture where sexual exploitation is widespread, and there

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<sup>98</sup> Pyshchulina, *An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking*, 118-122.

<sup>99</sup> Naim, *The Five Wars of Globalization*, 1-7.

<sup>100</sup> Pyshchulina, *An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking*.

<sup>101</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 43-44; Also reference: *Gender Issues in Ukraine: Challenges and Opportunities* (Kyiv: UNDP, 2003), [http://www.undp.org.ua/download.php?id=1116423783&cm=doc&fn=super%20gender%](http://www.undp.org.ua/download.php?id=1116423783&cm=doc&fn=super%20gender%20) (accessed April 18, 2007), 28-29.

are many young women and children that are displaced from their families and communities. Lacking a domestic social movement strong enough to muster the will to protect these target groups, their best hope is legitimate international adoptions, meaningful international marriages, and assistance from NGOs and international organizations that come into Ukraine to assist them. There has not been nearly enough done here, and unknown multitudes of the target groups have ended up victimized.

The primary catalyst for the human trade in Ukraine was the sudden retraction of the economy after the fall of the centralized economy, and its associated unemployment and poverty rates. Women often targeted by traffickers find the constant need to find employment abroad to improve their lives and opportunities because little meaningful employment exists for them in Ukraine, and they are often discriminated against in the marketplace. Improvements in the Ukrainian economy have not resulted in large scale job growth as the agricultural sector reduced its workforce while increasing efficiency, and other sectors did not create jobs fast enough to absorb these workers.<sup>102</sup> Even those that find work are aware of the acute differences in living conditions and salaries in the West, and the drive to migrate to find work is enormous. Many young women end up fooled into trafficking situations due to their desire to improve their lives, and if they are lucky enough to escape slavery rings, they face a life living with HIV and other sexually transmitted disease, and social classification as a prostitute in their communities.<sup>103</sup>

A long-term solution to the export of humans is going to have to be comprehensive. The prerequisite seems to be meaningful economic growth that translates into decent jobs for at risk groups. In order to accomplish this, a number of things from reduction of corruption, protection of property rights, and WTO accession are going to have to occur. However, given the relative strength and resources of criminals involved in slavery, economic growth is not likely to be enough. The government is going to have to separate itself from criminal influence and reduce corruption within its structures at all levels. Police and prosecutors will have to be more powerful and more motivated to run

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<sup>102</sup> *Ukraine: Poverty Assessment, Poverty and Inequality in a Growing Economy.*

<sup>103</sup> "Interview Victor Malarek," PBS Frontline, <http://www.pbs.org/wgbh/pages/frontline/slaves/needs/malarek.html> (accessed August 25, 2006).

down traffickers, and the penalty for trafficking is going to have to be increased to make it more risky for criminals. Article 149 of the Criminal Code will have to be strengthened to include trafficking within the borders of Ukraine.<sup>104</sup>

These are no small tasks and will require a large amount of political will and social support. While social actors, international organizations, and NGO's have been making inroads against trafficking in the form of awareness campaigns and victim assistance, a large scale social movement against the phenomenon from society is probably needed to motivate the government, and whether that occurs or not is ultimately up to the Ukrainians themselves. If nothing else, better social protection and opportunities for young women and orphans should be provided and international efforts should fully assist such efforts. At the very least the international community should set up a compensation fund to provide for victims during recovery.<sup>105</sup>

## **B. POLICY CONSIDERATIONS**

Looking ahead, U.S. policy is moving in the right direction to help countries like Ukraine. The battle against human trafficking essentially got underway during President Clinton's term, and gathered strength and priority under President Bush. The U.S. State Department, the CIA, the FBI, members of Congress, and other actors at the federal level have been involved in this global struggle and in helping countries like Ukraine. This has varied from providing incentives to battle the problem to providing training to Ukrainian law enforcement officials. In addition to the federal government, NGO's and international organizations have been heavily involved in education and victim recovery. Lately, victims can expect more assistance and opportunity if and when they escape slavery networks. These are all important and essential steps in the right direction.

As stated in chapter two, a great deal of anti-trafficking activity can be described by either the prosecution-oriented model or the victim-oriented model. These delineate the important function of the state in tracking down and prosecuting the criminals, and

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<sup>104</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 1-220; Pyshchulina, *An Evaluation of Ukrainian Legislation to Counter and Criminalize Human Trafficking*, 158.

<sup>105</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 152.

the now more recognized important tasks of helping the victim recover.<sup>106</sup> These are state level and assisting-actor tasks, and they will forever remain important. However, there are also long-term, macro-level tasks that U.S. policy should continue to emphasize to battle slavery in countries like Ukraine.

The long-term emphasis should be on expert assistance in moving Ukraine towards more liberalized trade agreements, better property protection, lowering corruption, and accomplishing all the tasks normally required to attract foreign investment and spur economic growth. There should also be assistance made available for social growth that focuses on finding solutions to displaced orphans and women. As part of this process, states like the U.S. should be willing to provide funding to NGO's providing social protection and education to at risk groups, because these NGO's are often staffed by dedicated and professional individuals that truly care about the problem. Just as the criminal organizations are proving they have flexible networks, governments are going to have to expand their networks to include non-traditional relationships in order to better use available resources.<sup>107</sup>

Overall, long-term success will not be easy. Stability that was lost in a very short period of time is difficult to rebuild when criminals have grown so much in relative strength. However, there are some meaningful short-term strategies to improve the situation of Ukrainian target groups that should be pursued. The first is the most obvious and also one of the most necessary strategies: education. Teach women how to avoid falling into the trafficking snares, and teach them about the resources available to them. An appropriate universal curriculum for students about to graduate from secondary school could have an impact. Along with teaching target groups about danger avoidance, education should also focus on what to do when victimization has occurred. What are the best strategies for survival? How do you signal someone for help, and how are you most likely to survive while escaping? How does one maintain mental strength under terrible

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<sup>106</sup> Haynes, "Used, Abused, Arrested and Deported: Extending Immigration Benefits to Protect the Victims of Trafficking and to Secure the Prosecution of Traffickers", 221-272.

<sup>107</sup> Elena Tiuriukanova, "Female Labor Migration Trends and Human Trafficking: Policy Recommendations" in *Human Traffic and Transnational Crime: Eurasian and American Perspectives*, eds. Sally W. Stoecker and Louise I. Shelley (New York: Rowman & Littlefield, 2005), 109.

conditions? These are all things that organizations like the military have thought about in prisoner situations, but they need to be translated into a civilian curriculum for at-risk groups to improve their chances for survival and escape.

Such a program would be complemented by a universal international emergency victim-assistance hotline available worldwide that is staffed by national law enforcement representatives. Sponsored hotlines have already been implemented by NGOs and have met success, but they are not universal in reach and they are not staffed by law enforcement representatives.<sup>108</sup> What is needed is a type of international 911 number for slavery situations. It would help western law enforcement agencies identify these hidden populations, and it would increase cooperation between states.

A very effective short-term strategy is to provide meaningful paths for expatriate employment opportunities for at-risk groups in Ukraine. Instead of having to go through questionable employment agencies or seek illegal migration opportunities, what if at risk individuals were able to gain meaningful temporary employment in another country when their efforts at meaningful employment at home failed? By not providing such opportunities, the countries where these women are trafficked to are in fact assisting the traffickers in their schemes. If there were a legitimate international organization to quickly coordinate work visas and transportation abroad for these women, demand for criminal middlemen that sell them into slavery would fall. In addition, such an organization could coordinate with NGO's in destination countries to follow up on temporary migrants to make sure they have not fallen prey to demand side criminal operations. Surely such an operation would not be perfect, but it would help reduce the existing gaps in population movement and reduce the number of victims available to criminal networks.

The United States could also have a large impact on victim recovery in the short term by setting up a victim recovery fund. A recovery fund is an interesting concept that has been mentioned and described in various places and forms,<sup>109</sup> because it has the

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<sup>108</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 69-72.

<sup>109</sup> Lutsenko and others, *Trafficking in Ukraine: An Assessment of Current Responses*, 158.

potential to alleviate the suffering of victims during their long and often stigmatized journey to recovery. No strings attached money for sustenance and for medical care may be the best short-term contribution rich demand-side countries could make.

### **C. DEMAND-SIDE CONSIDERATIONS**

As globalization continues and distances between countries shrink through interaction, communication, and trade, it is important to pause and examine ourselves in the context of the Ukrainian slavery problem. Ukraine has a slavery problem because there are many people willing to exploit slaves. For Ukrainian criminals, the problem is one of logistics. They need to figure how to transport a victim to another country to sell that person for a profit. The fact that they can so easily sell people in a country that detests slavery sends a clear message that the battle against the sinister side of market forces and underground criminal movements is never over.

As a nation we need to become more socially aware of the problem. For many Americans, human trafficking may have been heard about in passing or in the media, but the fact that the hidden slave trade is thriving at home and abroad is not fully understood. It is still considered by many as a problem “over there”, in a distant country where the people are less educated. In fact, it occurs right here everyday, and the invisible victims are trapped in a cycle of violence simply because they ventured out to seek better opportunities.

Thinking through the demand side of the problem, it seems that two actions are necessary. First, demand-side citizens need to be educated at the primary level about what modern slavery entails and how a person’s actions can contribute to the epidemic. We cannot afford to hand over a country to our children where slavery exists out of ignorance. When someone runs into a person that is believed to be a slave or knows about a sweat shop in some back ally, there needs to be a developed sense of justice that causes that person to lift a phone and call the authorities. Local police are over-tasked as it is, and slavery populations will remain hidden until they receive assistance in locating them.

The second necessary action is the development of a sense of community around the problem of modern slavery. There is reason to be hopeful. Old slavery did end. The

civil rights movement did desegregate this country. Women do have rights now. There is the theme of constant betterment in this country and other western partners, as they refashion the way they think and grow in strength through diversity. There is no reason to believe that a community that has accomplished such monumental feats in human rights is not going to be able to overcome the condition of modern slavery that is universally hated. But it is going to require a sense of community. Slaves have been discovered in Western countries after years of exploitation in private homes, and the neighbors had no idea. Privacy is important and it certainly is a right, but can we afford to let communities become so disconnected that slavery can exist next door for years without the neighbors' knowledge? It is time for a new social movement on the demand side that recognizes and vilifies modern slavery while keeping community vigilance on guard in search of it.

#### **D. CONCLUDING THOUGHTS**

While there remains hope to reduce the level of modern slavery through political, social, and economic development on the supply-side, can it ever be eradicated? The answer to this question is locked away in the minds of the people that demand services of slaves. It requires individuals to change their minds about the way they value people and understand the suffering they are causing. Many people choose to live in dichotomous worlds. The first world comprises all that a person does on a normal day. The other darker world involves exploring the cracks in society where slaves have been profitably placed by criminals. The difference in abusing people rather than drugs is that a person is not destroying their own life; rather, they are destroying the life of another. As long as there remain people that are willing to do that, and the state and society lack the capacity to find and prosecute them, the slaves among us will continue to suffer. Perhaps in the future human rights will become an ingrained ethical ideal that all citizens the world over attempt to achieve.

There is a future free from modern slavery. It is a future of interdependence, cooperative security, and common prosperity where no one is left behind. As the world becomes more interdependent and the global economy grows, transnational criminal activity in the form of modern slavery will decline if states and other actors are able to



learn how to efficiently work together. Transnational threats require common responses, and common responses have to come through decisive joint action and shared information. There are hopeful trends that signify this is happening, as criminal databases are more freely shared, law enforcement techniques improve and are disseminated internationally, and international organizations that focus on the challenges of collective security develop. The only alternative is to irresponsibly leave behind a world that we would not want our children to live in. The time for action is now.

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