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The Business of Human Trafficking

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Executive Summary

Human trafficking has been a social justice issue that has been addressed in the past by many scholars in the social sciences fields and has recently started to be acknowledged by academics in business fields. Exploited labor assisted in building almost all civilizations and while is no longer as blatant as it once was, it is just as prevalent and the market is becoming more aware of the issue. As with profit performance and environmental sustainability, consumers are starting to demand that the third pillar of sustainability – people – be addressed by organizations. In this paper, the current status of human trafficking is explored and compared with its past and business' role is looked at. The business of human trafficking is looked at and why it is attractive for both legitimate and illegal organizations to use. International, national, and local governments have started passing statutes that businesses have recently implemented which have yet to stand the test of time and there are some organizations who have taken leadership roles in this area. Why for businesses should assume more of a leadership role in addressing this issue is explored. The capital and structural resources businesses have can be used with the knowledge and expertise of nongovernmental organizations and governments in addressing the issue of human trafficking.

Introduction

Human trafficking is a social justice issue that is just now making its way into the business world. Most companies receive a competitive advantage using slave labor, whether it is consciously utilized or not. Just as with renewable energy sources, companies are realizing how it affects the communities where they operate and consumers are becoming more aware of its prevalence and demanding something be done.

Trafficking is the movement of people for exploitation through slavery. Modern day slavery was originally defined by the 1926 League of Nations Slavery Convention as "the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised" including being forced to work via threat; owned or controlled by an "employer" through mental, physical, and/or threatened abuse; dehumanization and treated as a commodity; subjection to economic exploitation through under payment; and being physically constrained or restricted in the freedom of movement (Crane, 2011, 50).

The most commonly known form of slavery people are trafficked for is the sex industry; but there are around 15 people, including men and children, under another form of enslavement for each woman or child enslaved in the sex industry (Skinner, 2008). The idea that "all slaves are prostitutes" and vice versa is what Western policies have been built on (ibid). Its notability is probably due to its scandalous nature; it is more provocative than the idea of men trafficked to work in the gold mines in Africa. When Americans think of human trafficking they most likely are thinking of sex trafficking due to popular culture references, like the film *Taken* or celebrity involvement on the issue (Haynes, 2014).

The purpose of this paper is not to examine the politics behind the sex industry, but to look into the ramifications of human trafficking in the world of business. The aforementioned idea that "all prostitutes are slaves and all slaves are prostitutes belittle[s] the suffering of all victims" (ibid). People are also trafficked for labor, marriage, begging, service as child soldiers, and for organ harvesting (Shelley, 2010).

This paper will primarily explore the issue of labor trafficking because businesses play a more direct role in it, rather than in the commercial sex industry. First, the paper will look at a historical perspective of slavery and human trafficking, what it is like today, business's role, the industry of human trafficking, the attractiveness of the industry, international and national government intervention, organizations making a difference, gaps that still exist, and proposed solutions.

Historical Perspective

Slavery is a part of the world's history. Ancient Rome, the British Empire, and the United States were all built on slavery and indentured servitude. While the topic has been and continues to be studied by historians, it is something that is largely ignored by academics who research in the business field (Cooke, 2003). The business of human exploitation has grown exponentially, specifically in the last two decades, with no foreseeable end (Shelley, 2010). Some see it as one of the "defining problem[s] of the twenty-first century" that "will reshape the world's populations and the quality of life and governance worldwide" (ibid, 58). As consumers become more aware of the situation, some are demanding that businesses and the government do something about human trafficking.

Human Trafficking Today

Globalization has been one of the biggest push factors of human trafficking. Globalization has positively impacted the world in many ways, such as connecting remote places on earth to better medical care; the near elimination of polio is a positive outcome of globalization.

Transnational criminal organizations exploit the positives effects of globalization, such as communications that are fast, low in cost, and anonymous, to connect with their suppliers and customers (Shelley, 2010). The Internet has allowed real-time communication for buyers and sellers all over the world. By taking advantage of chat rooms and texting, traffickers can exchange information quickly and efficiently (ibid). "Cell phones are used even from prisons to manage trafficking rings, and instant messaging allows human traffickers to launder their proceeds without a trace" (ibid, 41).

Globalization has also had negative impacts on society. It has increased demographic disparities (Shelley, 2010) created by "problems associated with economic inequality and poverty… and the loss of employment" (Das, DiRienzo, Lanier, & Rich, 2013, 1). These are largely recognized as the biggest push factors in human trafficking (Crane, 2013) that evolve into cyclical events.

Business's Role

Businesses have typically concentrated their responsibility of giving back to their communities by paying taxes and performing well financially by making a profit. Today, there is a shift in the mindset of leaders in the business world that what they are doing is not enough to give back to their communities. Instead of the traditional "bottom line" as a reflector of how responsible a company is, the idea of a triple bottom line is now more relevant (Palmer, 2013).

The triple bottom line consists of the following factors: (1) profit, (2) planet, and (3) people (GeniusWorks, 2011). Natural capital are resources that come from the environment, such as water. Human capital is the labor put into a good or service. These three factors are the basis for the new emphasis on the importance of a business's social responsibility, which is focused on sustainability. Sustainability is defined by *Mastering Strategic Management* as "meeting the needs of the present without compromising the ability of future generations to meet their own" (World Commission on Environment and Development, 1987). It is conducting profitable business without harming the planet and its people (ibid).

Businesses can engage the social aspect of sustainability by getting involved in anti-trafficking programs and organizations. Businesses can benefit from becoming involved with anti-trafficking programs and organizations, not just for sustainability, but also for legal reasons and reputation loss avoidance. Businesses are often unknowingly involved in human trafficking. Through their supply chains, labor providers, and subcontractors, businesses can face numerous penalties for being involved in human trafficking, including costly legal troubles and lost business (Meinert, 2012).

Former United Nations Secretary General, Kofi Annan, stated, "At a time when more than one billion people are denied the very minimum requirements of human dignity, businesses cannot afford to be seen as the problem." The idea behind his statement is that businesses can either supplement the public sector's shortcomings or deal with legal and lost market share as consequences (Valente & Crane, 2010, 52).

Human Trafficking as an Industry

As previously stated, globalization has created a fertile ground on which criminal organizations have grown the businesses of trafficking humans. The geographic distances that used to significantly separate people are now connected by technological and transportation advances which have also created an increase in the trafficking of people (Das, DiRienzo, Lanier, & Rich, 2013). The declining cost of transportation (Shelley, 2010) alongside the low cost of technology has cut much of the overhead costs for the traffickers, allowing them to expand or retain more profits.

The data is not exact because of the secretive nature of the industry, but it is estimated that anywhere between 12 million and 30 million people are trafficked around the world (Crane, 2013). The United States State Department estimates 27 million people are currently being trafficked around the world (Bureau of Public Affairs, 2013). The International Labor Organization (ILO) speculates that area of the world with the most victims is Asia, where roughly 9.5 million people are trafficked (Shelley, 2010). The industry, as one of the fastest growing illicit industries in the world (Crane, 2013; Shelley, 2010), is estimated to be worth about $32 billion (Meinert, 2012).

Attractiveness of the Industry

There are different aspects of the human trafficking and slavery industry that make it so attractive to criminal organizations and even businesses. Two of the main factors that were defined by Crane are labor intensity and elasticity of demand (Crane, 2013). When labor intensity is high, this allows companies to manage their overhead costs, especially in industries where margins are narrow (ibid). For example in the farming industry, there is a lot of labor required and by employing slaves the overhead costs are lower. This is because the employers do not need to pay minimum wage or for any benefits in order for the work to get done. This allows those who utilize slave labor to have higher profit margins to invest in better equipment or more land. It is a competitive advantage that they have over their competitors who do not employ slaves "in a global economy in which consumers seek cheap goods and services" (Shelley, 2010).

Crane states that if the elasticity of demand is high and there is a low elasticity of supply for labor, the industry with these factors will be more inclined to use exploited labor (2013). The Thailand fishing industry is a good example of the elasticity factor. "[A]s a result of the country's growing prosperity, 'many Thai citizens have turned away from hard, manual jobs'" (Das, DiRienzo, Lanier, & Rich, 2013, 7) because compensation and benefits are not attractive enough for the average Thai. If the fishing industry is not willing to raise wages and benefits to attract more workers because consumers are not willing to pay more for the final product, they will find laborers because the work still needs to be done. This creates a cyclical reaction because a company is able to pay lower wages and fix overhead costs, so its competitors must find a way to lower their fixed or variable costs to remain competitive. This could result in lowering the wages for their employees which then reduces the standard of living and the desire to go into that profession, and tends to be the typical reaction of management. As Shelley states, "Many employers, struggling to compete in a globalized economy, want cheap and compliant laborers who will work long under difficult conditions" (2010, 263).

Other factors that influence the amount of human trafficking are the level of economic development and the level of income distribution. Countries which are better off economically are more likely to comply with international laws (Das, DiRienzo, Lanier, & Rich, 2013). The population also does not have as much of a need to get resources to survive, and is therefore less likely to be persuaded into being trafficked in the first place.

The freedom of the press also plays a role (Das, DiReinzo, Lanier, & Rich, 2013). More freedom allows for more exposure of rights violations and allows the market to respond based on its values (ibid). For example, after the scandals Nike faces in the mid-1990s many consumers boycotted its products until executives admitted to human exploitation issues and started to make moves to treat its workers more fairly. Eventually Nike's reputation came back, but there was a lot of lost profits and resources that went to fixing the issue and promoting its success.

Government Intervention

Businesses have not taken a lead on trafficking as an issue because they do not see the market concerned about it. Because of this, governments and NGOs have stepped in as leaders. There have been multiple government statutes passed on the issue of human trafficking and modern day slavery from the United Nations (UN), national-level governments, and state legislature.

United Nations

The first protocol the UN passed in relation to human trafficking was the UN Convention on Transnational Organized Crime defines human trafficking in article 3(a) as

> The recruitment, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, or fraud, of deception, of the abuse of power or of a position of vulnerability or 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 shall include, at minimum, the exploitation, forced labour services, slavery or practices similar to slavery, servitude or the removal of organs. (UNDOC, 2014, 42)

This protocol has been adopted and is "the main international instrument in the fight against transnational organized crime" (UNDOC, 2014). It is a protocol that looks at the issues of human trafficking on a macro level and is thus supplemented by three other protocols: the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children; the Protocol against the Smuggling of Migrants by Land, Sea and Air; and the Protocol against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition (ibid). Because the latter does not apply to the topic of human trafficking as the other two protocols do, it will not be discussed in this paper.

Three years after the UN Convention on Transnational Organized Crime was passed, the UN Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children, was introduced (Das, DiRienzo, Lanier, & Rich, 2013). Its goal is to prosecute the criminalization of traffickers, protect and assist victims, and prevent the crime itself (ibid).

One year later, the UN Protocol against Smuggling of Migrants by Land, Sea and Air article 3(a) defines smuggling as "the procurement, in order to obtain directly, indirectly, a financial or other material benefit, of the illegal entry of a person into a State Party of which the person is not a national or a permanent resident" (University of Minnesota: Human rights library, 2013). As stated earlier, not all smuggling is human trafficking, but it can lead to human trafficking.

The passing and encouraged adoption of these protocols has been the basis for many countries is creating their own laws and regulations.

National Governments

The Council of Europe Convention on Action against Human Trafficking in Human Beings updated by the European Union (EU) every year is similar to the United States State Department's Trafficking Persons Report. Both are nationally funded, in the case of the EU by multiple countries, to bring awareness to the issue of human trafficking and expose those who are in violation of the UN protocols that the countries adopted (Action against trafficking in human beings, 2014). In essence, both parties are watchdog organizations.

The United States criminal statute against human trafficking is the Trafficking Victims Protection Act (TVPA). There are three pillars that this act is based on: (1) Action – the recruitment, harboring, transportation, provision, or obtainment of trafficked peoples; (2) Means – the utilization of force, fraud, or coercion to enslave humans; and (3) Purpose – exploit people for commercial sex or another form of labor services (Johnson & Johnson, 2014).

There is a more specific legislation for conflict minerals. The Dodd-Frank Wall Street Reform and Consumer Protection Act contains legislation requiring companies to disclose if, anywhere in their supply chain, they purchase coltan, cassiterite, gold, wolframite or their derivatives that could be "financing conflict in the Democratic Republic of the Congo or an adjoining country" (Securities and Exchange Commission, 2012, 6). The portion of this legislation is most applicable to the electronics industry because the minerals indicated in the act are primarily found in those goods. The first report of this is due at the end of May, 2014 (ibid).

Within the United States, almost all of the states have adopted some form of anti-human trafficking legislation (Meinert, 2012). One of the biggest leaders within state legislation is California's Transparency in Supply Chain Act. It requires all companies that sell and manufacture in the retail industry that have annual, worldwide gross receipts of over $100,000,000 to publicly state "its efforts to eradicate slavery and human trafficking from its direct supply chain for tangible sale" (Bernaz, 2012, 502).

This act attempts to be as thorough as possible in finding the root cause of slavery in supply chains by asking companies to

> [Conduct] audits of suppliers to evaluate supplier compliance with company standards for trafficking and slavery in supply chain Section 3(c)(2);
> [Require] direct suppliers to certify that materials incorporated into the product comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business Section 3(c)(3); and
> [Provide] company employees and management, who have direct responsibility for supply chain management, training on human trafficking and slavery, particularly with respect to mitigating risks within the supply chain of products. (Section 3(c)(5) (Bernaz, 2012, 502).

Because the act was passed in 2010, it has not yet stood the test of time to determine its effectiveness, but it has at least shone light on the issue of human trafficking and modern day slavery in a way that does not allow companies to completely deny the possibility that there are human rights violations in their business (ibid).

The United Kingdom recently introduced a law that was modelled after California's act, entitled the Transparency in UK Company Supply Chains (Eradication of Slavery) Bill (ibid). It had not completed the process by the end of the previous session (ibid), but it has also brought up the issue of human trafficking to a powerful, developed country.

Even with the watchdog organizations, including state and NGOs, there has been “no measurable decline in the number of slaves worldwide” (Skinner, 2008, 64). There has been an increase in convictions made against traffickers in the US and worldwide, but the country has only liberated 2% of its slaves (ibid). There is room for improvement and this is a place for companies to start taking the lead because of their impact on the communities they touch and the resources they have to pull from.

Organizations Making a Difference

Because human trafficking is starting to become an acknowledged issue in the business world, there remains opportunity for companies seeking to be leaders and differentiate themselves from their competition to take these positions. There are some companies that have been partnering with NGOs, pulling the resources from the companies and the knowledge of the NGO. Hilton and Marriott hotel businesses are two companies who have taken positions of leadership in this area; they partner with NGOs to employ women who have been trafficked (T. Rann, personal communication, October 1, 2013). This gives women jobs that develop a skill set for their future without going back into the trafficking trade.

Microsoft has partnered with NGOs in countries in Southeast Asia to donate $1.5 million in-kind gifts to train women who live in poverty (ibid). The computers they donated give the women a skill set to make them employable so that they can provide for their families and avoid traffickers taking advantage of them. The most successful programs that Microsoft has seen has been in India with 70% of trainees placed into jobs directly after the program is complete and 75% of trafficking survivors finding work (ibid).

Another way to be a leader as a business in the area of human trafficking is by creating an industry standard. Coca-Cola, for example, has been having annual human trafficking conferences between NGOs and businesses (Meinert, 2012). By bringing awareness to human trafficking, Coca-Cola is creating a meeting of the minds for how to best address this topic as businesses. The reason that Coca-Cola hosts these conferences is because it is a founding member of the Global Business Coalition against Human Trafficking, or GBCaT (The Coca-Cola Company, 2013).

Existing Gaps

Crane describes the reason why social injustices like human trafficking still exist is because of factors he has termed “institutional deflections” (Crane, 2013, 51). These are competencies that enable organizations to influence and exploit their surrounding conditions to be favorable to the utilization of slavery and is comprised of two categories: (1) exploiting and insulating capabilities and (2) sustaining and shaping capabilities (ibid).

Exploiting and Insulating Capabilities

Exploiting and insulating capabilities are those that use existing conditions to create and perpetuate slavery; they are protective in nature because the conditions are likely to change with time. The three subcategories of exploiting and insulating capabilities are: (1) access and development of violence, (2) debt management, (3) accounting opacity, and (4) labor supply chain management (ibid).

Under access and development of violence, Crane discusses the use of violence to enforce contract’s and build a reputation in illegal markets (2013). This is especially present in the natural resource model of trafficking used in post-Soviet countries as well as the violent entrepreneur model used in the Balkans in control over the women they traffic.

Organizations can facilitate rapid increases in debt owed to traffickers and debt transfer (Crane, 2013). By exponentially increasing how much a smuggler is owed creates the kind of indentured servitude that may never be paid off. Therefore by allowing debt to transfer, generations can be enslaved to the same organizations for an infinite amount of time.

Accounting opacity establishes control over an organization's workforce and can prevent scrutiny with supply chain audits (ibid). As seen in more recent legislation, though, suppliers are being required to know more about what is going on in their supply chains. When organizations refuse to disclose financial information, it is a red flag to most industries that the organization is either unstable or has something to hide. Most businesses do not want to be associated with either.

This is directly linked with the labor supply chain management portion of exploiting and insulating capabilities. By providing a cheap supply of labor, the organizations become much more competitive with others in their industries because they can lower their prices while remaining profitable (Crane, 2013). It can also build trust because of the reliability of a product or service, but the opacity remains (ibid).

Marketing and transparency play a role in promoting why prices are higher. If the market becomes more aware, some people will be willing to and able to pay higher prices for products and services that are "fair trade". Like fair trade coffee, there is a niche in the market for goods that are produced by workers who are fairly compensated. While price and quality are the two main drivers in the market, more and more consumers are willing to pay extra for fair trade goods.

Sustaining and Shaping Capabilities

Sustaining and shaping capabilities are the preservation and reinforcement of the capabilities that were already established in the exploiting and insulating capabilities (Crane, 2013). Because traffickers know that their line of business is coming under scrutiny, these initiatives are aimed at securing the organization's place in society (ibid). The subcategories are moral legitimization and domain maintenance.

Moral legitimization is the rationalization of an action (ibid). Stating that it is acceptable to use slavery because of the need to remain competitive in an industry, making the action socially acceptable (ibid). Certainly, in some areas of the world people do not think that human trafficking is an issue. This is not to say that they condone it, but they have become so desensitized to it that it no longer affects their daily lives.

Domain maintenance is concerned with the support from the nonmarket portion of the environment in which organizations operate (ibid). The support of communities is the other portion of what traffickers rely on in their business. If it is not there the organization suffers.

The role of businesses here is more about cutting off resources to the traffickers. By building a factory or buying raw materials from the people of this area or using a distributer who does so at fair prices, the community will naturally flourish and their dependency on traffickers will decrease over time.

Socioeconomic Gaps

It is largely accepted that poverty is one of the biggest reasons trafficking exists. People are trying to get out of debilitating situations as either the victim or the trafficker.

Two other factors that are recognized as closely linked with poverty are unemployment and education. Most slaves are not literate nor aware of the laws that outlaw their servitude and provide sanctions against their masters (Skinner, 2008). Root causes are push factors of human trafficking and include a shortage of employment, poverty and economic imbalances as well as pull factors of a shortage of workers, the drive for a higher standard of living, and the perception that there are bigger and better opportunities in large cities or abroad (Shelley, 2010).

This is a natural sign of a country's growth and cannot be controlled by businesses. However, by paying fair wages to employees, businesses are helping the sustainability of the community they are a part of.

Geographic Gaps

While globalization has made the world a smaller place, there are still distances that allow slavery to continue. There are two gaps when it comes to area are geographic isolation and distance (Crane, 2013).

Geographic isolation allows for certain industries to cut themselves off from society by natural boundaries, such as mountains, and makes those who have been trafficked into them not see any way to get out of their situation. The "cultural-cognitive effects… help to institutionalize slavery" (ibid, 56).

Distance can refer to physical, political, or psychological. These different types of distances also cut trafficked persons off from hopes of getting out of their situations. It gives control through heightened dependence on the traffickers, therefore preventing escape (ibid).

When looking at suppliers, their location could indicate the use of slavery. Though not a definite statement, the best way to learn about this is to conduct thorough supplier audits by visiting the supplier's facility.

Cultural Gaps

In some cultures, there are traditions that have allowed slavery to continue into present day (Crane, 2013). It is the rationalization behind the exploitation of people who are minorities and women and children, because they are not considered to be of equal importance to the majority men in multiple cultures. These inequalities are entrenched in different cultures, sometimes supported by religious beliefs, and have been perpetuated in societies for centuries.

Values, such as profit, planet, and people, are seen differently throughout the world so companies run into cultural issues when working with other companies and expanding internationally. It is best to stick with the company's own vision, mission, and values when these issues are discovered.

Regulatory Factors

Though many countries are adopting laws and statutes in response to the UN protocols, there are many countries where human trafficking is very prevalent which are not. Even the new laws that have been or are being made are still relatively new and it is hard to judge how well they will stand the test of time and the power their enforcement will have. One concern in the issue of human trafficking moving into the spotlight right now is that it is "cyclical and will fall from notice, given that slavery affects a small minority with limited voice, the practice is rarely visible, and existing legal solutions are thought to have 'solved' or normalized the problem" (Crane, 2013, 58).

There is not enough reason why criminal organizations should not invest in human trafficking; there are not enough organizations who are regulating others in their industries. The "low start-up costs, minimal risks, high profits, and large demand" are drivers in investing in the business (Shelley, 2010, 3). The market for human trafficking is not as overrun as the market for drugs (ibid), there is room for more traffickers in the industry. Furthermore unlike drugs, humans can be used over and over again (ibid).

Corruption also plays an important role in public governance, especially if there is a lack of resources and/or poor management (Crane, 2013). Governments and NGOs typically do not have the resources or project management expertise that businesses have, and thus remain less effective than desired. Most trafficking is maintained through the corruption of "inspectors, particularly in developed countries" (Shelley, 2010, 47). If those conducting different types of audits did not turn a blind eye, from bribery or not, labor issues could be resolved and slavery would not exist.

When corruption can get around these barriers, policies become distorted so that they stunt economic development and go toward prospering the elite (Shelley, 2010). This circles back to the issue of poverty. Because economic policies become distorted through corruption, people who do not benefit from the system have less employment opportunities and then become desperate to provide for themselves and their families.

The Internet is helping the rapid growth of unregulated escort services (Skinner, 2008). It is a difficult situation because, in the United States, there is much debate surrounding the topic of Internet regulation. Furthermore, it is hard to tell whether a person is trafficked or not, just from the Internet.

An area that is truly lacking in the resources and management area of regulation is victim rehabilitation (Skinner, 2008). There are very little programs through NGOs and governments that have the resources to rehabilitate, retrain, and protect victims of trafficking (ibid). It is unlikely that businesses will have the knowledge of best practices for rehabilitating victims, but this is an area of opportunity for businesses to become leaders in partnering with NGOs.

Gaps in Partnering with NGOs

There are two distinct categories where partnering with NGOs can be improved: (1) mistrust and superficial relationships and (2) pressure for short-term contributions (Crane, 2013). The first is between the NGOs and businesses while the latter comes from shareholders in companies.

Many NGOs do not feel that they can trust companies that partner with them. They see the agenda as short-term and not having a lasting impact on their mission. After interviewing

Tim Rann, it became apparent that those who work in the not-for-profit sector are wary of those in the business world (T. Rann, personal communication, October 1, 2013). However, "[s]uccess is very much dependent on overcoming the mistrust communities typically have for the private sector"; this is especially true "for large domestic and multinational organizations" (Valente & Crane, 2010, 63) who have the most resources to pull from.

Most of this mistrust stems from the short-term agenda that businesses generally have in working with NGOs (Valente & Crane, 2010). There is a lot of pressure from stakeholders to give back. But because of the past standard of the only way of giving back is to give back in terms of money, there is not enough value seen in long-term partnerships with NGOs. However this is not the way to have the best impact on creating more sustainable societies; long-term partnerships are the best approach. To create these long-term partnerships, companies need the support of their stakeholders; and in order to get that support, companies should choose to educate their stakeholders on the long-term benefits and emphasize the "impact metrics rather than evaluative metrics" because long-term relationships with organizations means a larger investment of resources that does not see immediate results, which makes stakeholders uncomfortable (Valente & Crane, 2010).

Proposed Solutions

The first step in creating a solution to human trafficking slavery in the business world is awareness (Crane, 2013). It is the basis for the other proposals, as well as looking at what most see as the root cause to trafficking: poverty. Because this is an issue that is just now starting to enter the conscious thought of those in business, most efforts have been mostly experimental (Crane, 2013) due to the fact that no one knows the most effective way to address the issue. This means that there is room for innovation and leadership.

Large corporations are employing different models that are most value-added for the communities they impact. Some larger companies are growing their corporate responsibility programs to address “deep-rooted social problems in developing countries” because of their global impact and small, start-up companies are using “business models that aim to improve the livelihoods of the poor” (Valente & Crane, 2010, 54), such as benefit corporations.

Large companies have an influence over industry standards while small companies can have an impact on the structure of their businesses. Both have valuable resources that can be used when partnering with NGOs.

Industry Standards

Because many multinational companies have locations and/or do business in developing nations, they can have an impact on many areas around the world. Moreover, there is an idea that human rights violations can be moderated by supply chain interventions downstream, but there are more proactive responses that can happen upstream in the supply chain (Crane, 2013).

Businesses can choose to employ more stringent policies when selecting suppliers so that “money will only be spent on companies that are respectful of human rights, including the rights of people located outside the state’s jurisdiction” (Bernaz, 2012, 498). This would be another standard by which to measure suppliers when conducting audits; it would be in line with International Organization for Standardization (ISO) and Six Sigma certifications. It is starting to become a new standard practice (ibid). It is more effective than government bodies involvement because, just like asking for financial records, those companies who were unwilling to disclose human rights records during an audit would raise red flags for their auditors.

It seems that much of supplier standardization is coming from governments instead of businesses being proactive and setting up sustainable business practices. As Feldman states in his article, “the expansion of the government to solve ‘social problems’ has often weakened social networks and the considerable expansion of rights has pushed ‘emancipation’ to the point of undermining community” (2013, 237). If businesses made it an incentive to not violate human rights, there would be no need for government statutes. This would help to create self-sustaining communities.

Small Business Structure

One form of structure that is being employed more often in the entrepreneurial sector of businesses is that of Benefit Corporations. This type of business “[works] towards the achievement of public goals… represent[ing] a pivotal component of the company’s core operations… firms leverage their products and services or their set of value chain activity or regulatory behavior that directly or indirectly contributes to the achievement of public goals” (Valente & Crane, 2010, 57). One of the most successful businesses that employs this model is Toms Shoes. Consumers purchase a pair of shoes, and every time they do, the company donates a pair of shoes to a child in the developing world. While this models is not perfect, it is a representation of businesses whose primary objective is to give back to society.

Partnering with NGOs

As previously stated Marriott, Hilton, Dell, and other companies are already partnering with NGOs to give people who are trafficked, or at risk of being trafficked, marketable skills. Partnering with organizations that offer slaves a path out of bondage (Skinner, 2008) is probably the most effective way to have an impact.

The best partnership is one where the values of a company and an NGO are in line (T. Rann, personal communication October 1, 2013). With acknowledging the shared responsibility that businesses have in addressing global challenges (Palthe, 2013), they can give their resources and NGOs can give their expertise. The partnerships will help businesses transition into a world where business' role in society is no longer one where it only functions financially for society, but where it also must advance in interest of humanity (ibid).

With relative ease, businesses can seek to be more transparent with their corporate responsibility reports. Much of what businesses are doing is getting lost in these reports (Shelley, 2010). Business "leadership that is visible in the anti-trafficking movement would probably be of much greater value in changing the culture of the business world" (ibid, 309) because it would normalize the behavior for many corporations. It would also make the efforts more visible to the consumers who would have a higher opinion of the businesses if the matter were known.

Internal Business Initiatives

Some businesses may not be able to be involved in the previously mentioned ways. There are initiatives organizations can establish on an individual level that would help in the awareness of human trafficking. Organizations can educate their employees and train them to be alert for trafficking. Upper level management can evaluate the company's practices and their impact, develop policies to prevent human trafficking, build a culture of protecting human rights by linking its activities to values, create procedures to monitor and enforce policies, track and publicize results, and join industry groups like the Global Business Coalition Against Human Trafficking to share best practices and establish industry standards (Meinert, 2012). Human resources can establish methods for handling grievances (ibid). Supply chain professionals can establish requirements for their suppliers and hire a third party inspector when conducting audits (ibid).

Conclusion

In sum, human trafficking is prevalent in virtually every corner of the world today. This analysis has reviewed the basic statistics of human trafficking, compared current trafficking practices to its historical role, as well as looked at the traditional and changing role of business in relationship to trafficking. The human trafficking industry is a fast growing industry. A primary reason for this is because people can be worked multiple times; there is not over-saturation on the seller side of the market, as there is in the drug market. While the practice of slave labor is not new, there is little governmental regulation because attention from the public is new and therefore does not have many resources from which to draw. NGOs that are addressing the issue of human trafficking also do not have many resources. By sharing resources, businesses and NGOs can have a greater impact. This will help in creating self-sustaining societies because there will not be as much reliance on government mandates, and communities will develop higher standards of living from fair pay.

The human trafficking market is an ever-changing phenomena. It is no longer "enough for organizations to merely seek to reduce unethical behavior and human rights abuses worldwide or to simply comply with human rights standards", but neither does "a human rights initiative… have to be a huge billion-dollar project" (Palthe, 2013, 121) as shown in the different internal business initiatives. There are many reasons for businesses to take a leadership position on the issue of human trafficking. Most significantly, once a violation is brought to light, businesses are stuck with a damaged reputation instead of being industry leaders as demonstrated by Nike in the 1990s (Johnson & Johnson, 2014). This illustrates that organizations will benefit by being proactive in addressing human trafficking violations within themselves and their supply chains.

While human trafficking has being a growing topic of observation, there have been minimal studies on the topic of human trafficking and business. Moving forward, it would be of benefit to show businesses and consumers the impact of more ethical business practices. Since it is widely assumed that there would be a dramatic increase in prices when using fair labor, a study on the end cost of a smart phone or computer should be conducted, comparing the cost of companies that comply with the Conflict Minerals Act of 2009 or similar legislation and those who do not, to determine the overall price impact of materials fairly supplied. As seen in this research, empirical studies would aid the prevention of human trafficking.

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