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THE DARK SIDE OF INTERNATIONAL BUSINESS?

**Stakeholder Approach to Human Trafficking in Finnish Service
and Construction Sectors**

Master's Thesis
in International Business

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TABLE OF CONTENTS

1	INTRODUCTION	7
1.1	Introduction to the Study	7
1.2	Human Trafficking and Relevant Concepts	9
1.2.1	Human Trafficking and Forced Labour	12
1.2.2	Work-Related Human Trafficking and Related Exploitation Cases	15
1.3	Purpose and Structure of the Study	17
2	HUMAN TRAFFICKING IN INTERNATIONAL BUSINESS	21
2.1	Human Trafficking in Numbers and in Sectors	21
2.2	Supply and Demand of Human Trafficking Business.....	24
2.2.1	Demand of Human Trafficking.....	26
2.2.1.1	Traffickers	27
2.2.1.2	Victims	28
2.2.2	Supply of Human Trafficking.....	29
2.3	Estimations of Profits and Consequences for the Business	30
2.4	Business Prevention Measures against Human Trafficking.....	32
2.4.1	National and International Law and Conventions	34
2.4.2	Ethical Codes and Corporate Social Responsibility (CSR)	36
3	STAKEHOLDER APPROACH TO THE STUDY	38
3.1	Definition of Stakeholder Theory	38
3.2	Management in Stakeholder Theory	43
3.3	From Stakeholder Theory to Corporate Social Responsibility and Beyond	47
3.4	Relevant Stakeholder Groups for the Study	50
3.5	Synthesis of the Theory Part of the Study: Human Trafficking and Stakeholder Approach	52
4	RESEARCH DESIGN.....	54
4.1	Research Strategy	54
4.2	Data Collection.....	56
4.2.1	Interview Selection	58
4.2.2	Interview Description	59
4.3	Data Analysis	62
4.4	Evaluation of the Study	64
5	RESEARCH RESULTS ACCORDING TO THE STAKEHOLDER GROUPS	67
5.1	Definition of Human Trafficking in Finland.....	67

5.1.1	Institutions and Authorities	67
5.1.2	Law Enforcement	70
5.1.3	Management	73
5.1.4	Employees – Potential Victims	76
5.1.5	Synthesis: Definition of Human Trafficking in Finland	79
5.2	Description of Human Trafficking in Finnish Business.....	80
5.2.1	Institutions and Authorities	80
5.2.2	Law Enforcement	84
5.2.3	Management	87
5.2.4	Employees – Potential Victims	91
5.2.5	Synthesis: Description of Human Trafficking in Finnish Business.....	93
5.3	Business Prevention Measures against Human Trafficking in Finland	94
5.3.1	Institutions and Authorities	95
5.3.2	Law Enforcement	98
5.3.3	Management	102
5.3.4	Employees – Potential Victims	106
5.3.5	Synthesis: Business Prevention Measures against Human Trafficking in Finland	108
6	SUMMARY AND CONCLUSIONS OF HUMAN TRAFFICKING IN FINNISH BUSINESS	110
6.1	Definition of Human Trafficking	110
6.2	Description of Human Trafficking in Business Context	114
6.3	Business Prevention Measures against Human Trafficking.....	117
	REFERENCES.....	122
	APPENDICES	
	APPENDIX 1: DEFINITION OF TRAFFICKING IN PERSONS	131
	APPENDIX 2: ABOLITION OF FORCED LABOUR CONVENTION	132
	APPENDIX 3: EXTORTIONATE WORK DISCRIMINATION	133
	APPENDIX 4: TABLE OF THE INTERVIEWS	134
	APPENDIX 5: THEME INTERVIEW	135
	APPENDIX 6: EXAMPLE OF THE DATA ANALYSIS	136

LIST OF FIGURES

Figure 1	Typology of Forced Labour	14
Figure 2	Human Trafficking for the Purposes of Labour Exploitation	15
Figure 3	Spectrum of Working Conditions.....	17
Figure 4	Aim of the Study and its Sub-Objectives	19
Figure 5	Progression of the Study.....	20
Figure 6	Cycle of Supply and Demand of Human Trafficking	25
Figure 7	Demand for Human Trafficking.....	27
Figure 8	Short-Run Supply of Human Trafficking.....	30
Figure 9	How Human Trafficking Affects Business	116
Figure 10	Business Prevention Measures against Human Trafficking.....	119

LIST OF TABLES

Table 1	Process, Means and Goals of Trafficking	11
Table 2	Forced Labour and Human Trafficking Worldwide	23
Table 3	Estimated Annual Profits from Trafficked People in Forced Economic Exploitation	31

GLOSSARY – RELEVANT CONCEPTS FOR THE STUDY

- **Involuntary Servitude:** labouring against one's will in order to benefit another, under some form of coercion.
- **Slavery:** The ownership of one person by another (Misra 2007, 3).
- **Forced Labour:** Work or service exacted from a person under threat or penalty, which involves penal sanctions and loss of rights and privileges and is undertaken involuntarily (Misra 2007, 3; UNODC 2006, 6).
- **Trafficking in Persons:**

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 or 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 (UN General Assembly 2000, Art. 3)

- **Work-Related Human Trafficking:** Appears when forced labour and human trafficking meet (Jokinen, Ollus & Viuhko 2011b, 49).
- **Labour Exploitation:** Profiting from the labour of others without offering a just return, e.g. fair wages, reasonable working conditions, and acceptable labor standards (Misra 2007, 3).
- **Debt Bondage/Bonded Labour:** Demanding a person's labor as a means of repayment for a loan or other form of debt (Misra 2007, 3).
- **Smuggling of Migrants:** The procurement, to obtain, directly or indirectly, a financial or other material benefit, of the illegal entry of a person into a country of which the person is not a national or a permanent resident (UN General Assembly 2000, Art. 3).
- **Extortionate Work Discrimination:** If in the work discrimination an applicant for a job or an employee is placed in a considerably inferior position through the use of the job applicant's or the employee's economic or other distress, dependent position, lack of understanding, thoughtlessness or ignorance it is considered to be extortionate work discrimination (Penal Code 47 3 a § (302/2004)).

1 INTRODUCTION

All human beings are born free and equal in dignity and rights. Everyone has the right to life, liberty and security of person. (The United Nations 1948, Articles 1 & 3)

1.1 Introduction to the Study

The term ‘traffic’ has a connotation of transport and illicit trading (Derks 2000, 2). Then again, ‘to traffic in something’ can be defined, as: “to carry on trade, esp. of an illegal or improper kind” (Longman Dictionary of Contemporary English 1987). When this term is used in combination with human beings, usually in its progressive form ‘trafficking’, it is associated with slavery (Derks 2000, 2) that has existed in various forms for more than thousands of years around the world (Free the Slaves 2010). Today it is prohibited and there are multiple universal conventions and more than 300 international treaties banning slavery (Skinner 2010). Despite all of these conventions it has been claimed that slavery still exists in the form of human trafficking (Bales & Soodalter 2010). In fact, trafficking in human beings is the modern form of slavery in the 21st century (Lagon 2008/2009, 51), and it is considered to be the fastest growing form of slavery (Skrivankova 2006, 229). Thus, human trafficking is often called accordingly “modern day slavery” (Ollus & Jokinen 2011b, 11; Misra 2007a, 5; Dainailova-Trainor & Laczko 2010, 38).

The issue of human trafficking is not a new phenomenon (Ollus & Jokinen 2011b, 11). In fact, it has existed through ages in different forms and thus there are several reasons for trafficking in persons (Misra 2007a, 11; UNODC 2006a, xviii). To begin with, the scale of poverty is inexpressible in today’s world and therefore it is considered to be one of the ‘root causes’ to human trafficking (Dainailova-Trainor & Laczko 2010, 38; Misra 2007a, 12). While development alleviates extreme poverty and deprivation, it raises at the same time people’s hopes for a better life (Danailova-Trainer & Laczko 2010, 68-69). People often start migrating in the hope of well-paid jobs but then end up being coerced to work under exploitative conditions (Misra 2007a, 10) from which they cannot escape (Biaudet 2008, 33). Therefore, even when migration can be seen as a strategy to improve economic outcomes, without adequate information and sufficient safeguards it may increase people’s vulnerability to trafficking (Danailova-Trainer & Laczko 2010, 68-69). In the lack of these protection mechanisms displacement and migration have also increased vulnerability to trafficking (Gupta 2010, 70). Thus, economic hardship, conflict, crime and social violence, and other such pressures expose millions of people to various forms of exploitation and enslavement (UNODC 2006a,

xviii). Moreover, the government corruption allows the growth of human trafficking and organized criminal enterprises (TPVA 2000, 5). In fact, organized criminals have replaced petty criminals in human trafficking, turning it into a large-scale business (Gupta 2010,70).

Moreover, globalization and neo-liberal economic policies, global trade agreements and lack of labor standards, protections and viable economic opportunities in developing countries often expose people to trafficking (Misra 2007a, 11). It can be said that market economy, its constant search for cheaper labour and the increased pressures of competition are also dominant features behind human trafficking (Ollus & Jokinen 2011b, 11). Indeed, globalization has brought more competition for companies (Anonymous 2005, 12), which in turn has forced them to cut costs by outsourcing production lines to less-developed countries or by using subcontracting in the hope of cheap labor. In fact, human trafficking often penetrates the mainstream economic sectors through complex supply chains (Andrees 2008a, 1) or situates at the bottom of the sub-contracting chains (Plant 2008, 18). Furthermore, many economic sectors prefer to use migrant labour since it is a cheaper alternative in comparison to domestic labour. However, sometimes the use of cheap labour causes problems when cost cutting creates unequal labour markets where working conditions of migrant workers differ from those of domestic workers. This in turn might result in exploitation of migrant workers¹, of which an extreme form is trafficking for forced labour. (Ollus & Jokinen 2011b, 11.) Thus, trafficking forms an illegitimate part of the business field and negatively impacts the functioning of the legitimate business sector and puts the development of sound economic systems in jeopardy (Business Leaders Award – –). It has even been claimed that human trafficking is the worst outcome of human development linked to the increased global mobility (Dainailova-Trainor & Laczko 2010, 38; Feingold 2005, 30).

In other words, human trafficking is often considered as a negative consequence of globalization (Heredia 2008, 303; Thaindian News, 2008). On the other hand, globalization has also made it possible to spotlight this nation-wide phenomenon (Masci 2004, 291) and combat it with the help of legal instruments, international tools, conventions, treaties and cooperation between nations. Additionally, globalization has brought more awareness and transparency to global markets. This means that the marketplace dynamics have really changed with respect to discussions about "doing good in society", more commonly known as corporate social responsibility (CSR) (Taylor 2008). Social, economic and environmental responsibilities are changing (Taylor 2008), and an increasing amount of companies are paying attention to values, ethics and CSR (Vuontisjärvi 2006,

¹ In the OSCE region, the victims of human trafficking are most likely to be irregular migrant workers (OSCE 2008, 18) and thus this study discusses for the most part about the exploitation of migrant labour.

286). Indeed, CSR can be summarized as the idea of treating the stakeholders ethically or in a responsible way (Hopkins 2003, 1). In fact, the ever expanding CSR movement has shown companies that their responsibilities do not lie simply in making profits, but more importantly, in how these profits are made (Hopkins 2007, xi-xii, 14).

However, a business involved in human trafficking or forced labour does not see beyond profit maximization. It does not treat its stakeholders equally or follow CSR principles. It violates people's rights in countless ways by depriving their human rights and freedoms, multiplying global health risks, increasing growing networks of organized crime, sustaining levels of poverty and hindering development in certain areas (U.S Department of State 2009, 5). In order to combat human trafficking, proactive cooperation with all stakeholders is needed. It is also important to recognize these essential stakeholders and how to define human trafficking. Thus, it is vital to create a concise and worldwide definition of human trafficking (Wheaton, Schauer & Galli 2010, 133). The next chapter pursues to draw a clear definition of human trafficking and other related concepts in order to gain a proper understanding of human trafficking.

1.2 Human Trafficking and Relevant Concepts

The complex nature of human trafficking derives from its multifaceted forms and many related concepts. This study defines 'human trafficking' based on international research on trafficking and pays closer attention to concepts of 'work-related human trafficking' and 'trafficking for forced labour'². In order to form a comprehensive picture of all of these concepts official definitions of human trafficking are introduced. In the end of the chapter a continuum of exploitation is illustrated in which human trafficking and forced labour represent the most aggravated exploitation, while more subtle forms of coercion stand for less serious exploitation (Andrees 2008b, 39).

As stated before, the issue of human trafficking is not a new phenomenon (Ollus & Jokinen 2011b, 11). In fact, at the end of the 19th century feminist activists like Josephine Butler presented involuntary prostitution under the term 'White Slave Trade'. This term had a reference to the abduction and transport of white women for prostitution. In a similar way as today's campaigns, the issue was discussed widely in newspapers, several organizations were founded to combat it, and national and international legislation was adopted to eliminate the 'trade'. The first international agreement against "white slavery" was drafted in 1902 in Paris and after two years later it was

² This study excludes human trafficking in the context of prostitution. In future the plain concept of 'human trafficking' refers to work related human trafficking.

signed by 16 states. (Doezema 2002, 22-23.) In 1933 a new convention was signed in Geneva, which condemned all recruitment for prostitution in abroad (Gozdziak & Collett 2005, 100). However, many of these instruments refer to trafficking for the purposes of sexual exploitation, but as that topic is excluded from the study perhaps the most important declaration for this study is the Universal Declaration of Human Rights (1948) which states “No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms (Art. 4)” (Ollus & Jokinen 2011b, 19).

Many other instruments prohibiting slavery in all forms have appeared later on but an important cornerstone towards developing more coherent research on trafficking arrived with the establishment of a definition of human trafficking in the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children (Tyldum & Brunovskis 2005, 20). In fact, this study identifies and models human trafficking according to this Protocol (Article 3, paragraph (a) of the United Nations 2000)³.

“Trafficking in persons” shall mean the recruitment, transportation, transfer, harboring 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 abuse of power or of a position of vulnerability or of 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 a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labor or services, slavery or practices similar to slavery, servitude or the removal of organs. (UN General Assembly 2000, Article 3)

This protocol is the first legal definition, which has been valid since 2003 (Heredia 2008, 300). In fact, the definition of the crime of human trafficking in Finnish law is also based on this definition and the EU Framework Decision (Jokinen, Ollus & Viuhko 2011a, 34). The Protocol indicates that the common denominator present in all human trafficking cases is the use of force, fraude or coercion in order to exploit a person for a profit (US Department of State 2008, 7; Du Preez & Marais 2011, 780; Jokinen et al. 2011a, 34). These denominators are also present in the definition of human trafficking composed by the Victims of Trafficking and Violence Protection Act of 2000 (TPVA)⁴

³ This is one of the supplementing Protocols of the general United Nations Convention against Transnational Organized Crime 2000. The Protocol is also known as Palermo Protocol.

⁴ TPVA definition recognises two types of trafficking: sexual and labour trafficking (Gozdziak & Collett 2005, 106). These definitions are presented in detail in the appendix 1.

(Appendix 1). In fact, “force, fraud or coercion” describe two of the most common trafficking scenarios: 1) a scheme where victims are given false promises of job and are forced or coerced into another; and 2) a situation where victims choose or consent to a particular job but are deceived about the working conditions (Gozdziak & Collett 2005, 106).

Generally, trafficking in persons takes place in three different stages; means, mobilization and exploitation. All these three elements must be present and connected to each other before the conduct constitutes to human trafficking (Du Preez & Marais 2011, 780; Misra 2007a, 6) and can be called a crime (Jokinen et al. 2011a, 34). Next table (1) visually demonstrates these three constituent elements and what each of these elements contain. In other words, process plus means plus goals equal human trafficking.

Table 1 Process, Means and Goals of Trafficking (Modified from the chart in Solidarity Center & International Catholic Commission, Misra 2007a, 6)

Process	+	Means	+	Goal	=
Recruitment OR Transportation OR Transferring OR Harboring OR Receiving	AND	Threat OR Coercion OR Abduction OR Fraud OR Deceit OR Deception OR Abuse of Power	AND	Prostitution OR Pornography OR Violence/Sexual Exploitation OR Forced Labor OR Involuntary Servitude OR Debt Bondage OR Slavery	Trafficking

The table (1) above demonstrates that the activities (process) refer often to recruitment, transportation, transfer, harbouring or receipt of a person. Means, on the other hand, refer to force, deception, abduction, coercion, fraud, threats, abuse of power, or a position of vulnerability. Finally, purpose or goal indicate exploitation, including forced labour or removal of organs (Andrees 2008a, 5; UNODC 2006b, 51).

Lastly, in order to define human trafficking properly, it is essential to separate it from smuggling, as it has been done in the TPVA definition (Gozdziak & Collett 2005, 106; Skrivankova 2006, 229). In effect, human trafficking forms a part of the larger picture of international labor migration (Roth 2010, 32) and thus it is often mistakenly compared to smuggling (Skrivankova 2006, 229). Although the United Nations Protocol defines human trafficking clearly, some researchers still argue that it is not always easy to differentiate between smuggling and trafficking, and this has to be remembered when conducting research on trafficking (Laczko 2007, 40). In fact, both human trafficking and smuggling involve moving human beings for profit (UNODC 2006a, xiii). However, smuggling is about the illicit transfer of persons across borders where the person is usually aware of being smuggled, whereas human trafficking refers to exploitation and control over an individual (Lagon 2008/2009 54). The victims are often trafficked unwillingly, or when they have initially consented, they later turn into victims by force, fraud or coercion (Skrivankova 2006, 229; GAO Reports 2007, 1). Lagon (2008/2009, 54) highlights that it is essential to distinguish between trafficking and smuggling because confusion might lead into negative consequences for the victims, and instead of helping, they will be deported or imprisoned without reason. As smuggling and human trafficking are separate crimes they also require separate policy, legislative, and law enforcement responses (Gozdziak & Collett 2005, 106).

In conclusion, based on aforementioned definitions, it can be concluded that human trafficking includes transportation or recruitment of persons who are from poor conditions or have weaker possibilities to success in life. The recruiters use frequently coercion, abduction, fraud or deception to control the victim. As is evident from above, there are many forms of trafficking. However, in relation to the current study forced labour and work-related exploitation are the most relevant concepts. Therefore these concepts will be explored more thoroughly in the following chapter.

1.2.1 Human Trafficking and Forced Labour

Forced labour can be defined as the opposite of decent work (ILO 2009, 1) and according to the Palermo supplementary protocol as one form of exploitation of human trafficking (Jokinen et al. 2011a, 49). In fact, forced labour can be a result of trafficking in persons (Andrees 2008a, 5) but it does not always necessarily relate to human trafficking (Jokinen et al. 2011a, 49; Andrees 2008a, 5). Thus, it can also appear without human trafficking (Jokinen et al. 2011a, 49). Even though there are several definitions of human trafficking, there is only one international and legal definition of forced labour by ILO from 1930.

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

This definition is formed of two basic elements: the work or service is exacted under the menace of a penalty and it is performed involuntarily (ILO 2005a, 5; Belser 2005, 2). To be precise, the concept “all work or service” in the definition refers to all types of work, employment or occupation. The nature or legality of the employment relationship is thus insignificant. “Any person” can mean either adults or children. It is insignificant whether or not the person is a national of the country in which the forced labour case has been recognized. “Menace of penalty”, on the other hand, can be more than just criminal sanctions. It can also mean different forms of coercion like threats, violence, retention of identity documents, confinement or non-payment of wages. (Andrees 2008a, 4.) It can also refer to abusive situations, whether by direct physical force, by threat of penalties, by confiscation of identify documents, by debt bondage or more subtle forms of coercion (Plant 2008, 35-36). Slavery can also form apart of forced labour, which involves absolute control of one person over another, or possibly one group of persons controlling another social group (ILO 2005a, 8). Finally, “voluntarily” refers to the right of a worker to enter a given employment relationship (Andrees 2008a, 4). In other words, a person is in a situation of forced labour when he/she enters work or service against his/her freedom of choice, and cannot get out of it without a punishment or a threat of punishment (Plant 2008, 35).

The Abolition of Forced Labour Convention from 1957 (Article 1, No. 105) (appendix 2) is another fundamental ILO instrument relating to forced labour. It emphasizes that forced labour can never be applied for the purpose of economic development or as a means of political education, discrimination, labour discipline, or punishment for having taken part in strikes. The Convention presents certain purposes for which forced labour can never be imposed, but does not change the basic definition in international law. (ILO 2005a, 5.) In fact, the ILO Convention No. 29 presented above is the key international instrument concerning forced labour and used universally in many studies (Ollus & Jokinen 2011b, 18). It is also applied in Finland although the Finnish legislation has not defined or criminalized forced labor (only Finnish Treaty Series 44/1935). Human trafficking, then again, was criminalized in 2004 (Penal code 25 3 §, 3 a §).

Based on these above-mentioned conventions (1930 & 1957) it is evident that forced labour is not just equivalent to low wages or poor working conditions. It embodies a restriction of human freedom, a violation of human rights, and is the exact opposite of “decent work” or “human development” as presented by the ILO. (Belser 2005, 2.) To understand forced labour more thoroughly ILO (2005a, 10) has categorized situations of

forced labour into three main groups. The first main group is forced labour imposed by the State containing three categories which are 1) forced labour exacted by the military, 2) compulsory participation in public works, and 3) forced prison labour. The second group contains forced labour imposed by private agents for commercial sexual exploitation and the third group includes forced labour imposed by private agents for economic exploitation but excluding commercial sexual exploitation. (ILO 2005a, 10.) The figure (1) below illustrates these three groups and makes a distinction between forced labourers who are trafficked and those who are not.

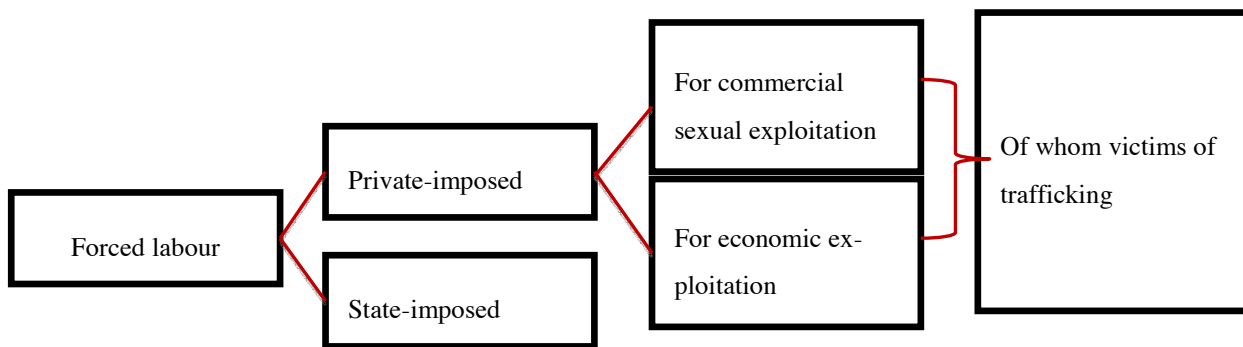


Figure 1 Typology of Forced Labour (adapted from ILO 2005a, 10)

The above figure (1) clarifies that not all forced labour is human trafficking nor does it always have to be illegal. In fact, there is a difference between forced labour where coercion and deception play major roles in retaining the worker and sub-standard working conditions (Andrees 2008a, 5). Forced labour alone is just one, but often the most serious element of the exploitation experienced by trafficking victims. (Dowling, Moreton & Wright 2007, 3.) To be precise, it is the type of engagement that links a person to an employer and defines forced labour, not the type of activity that a worker is actually performing (Belser 2005, 3). Thus it can be concluded that forced labour relates closely to human trafficking and is therefore an important concept for this study. In the following chapter another essential concept of human trafficking for the purposes of labour exploitation is presented.

1.2.2 *Work-Related Human Trafficking and Related Exploitation Cases*

In recent years a wider understanding of trafficking for labour exploitation has started to develop. Today it manifests in several business sectors, in which the types of abuse vary, but the common element is always the denial of the most basic human rights. (Biaudet 2008, 33.) In order to call something work-related human trafficking, trafficking in persons and forced labour have to overlap as demonstrated in the next figure (2).

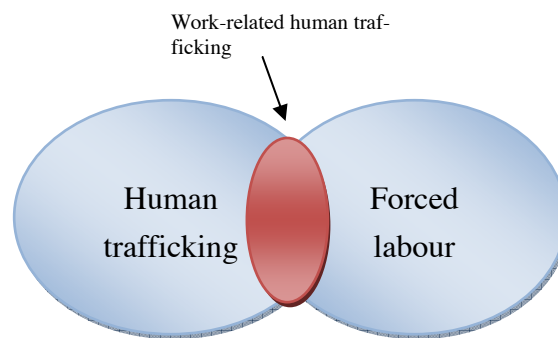


Figure 2 Human Trafficking for the Purposes of Labour Exploitation (adapted from Hauchère 2010)

The point of convergence (red spot) of human trafficking and forced labour in the above figure (2) illustrates where human trafficking for the purposes of labour exploitation is formed. Thus, in order to call something work-related human trafficking, forced labour, in its severe form has to exist. (Jokinen et al. 2011a, 49.)

When thinking about the link between trafficking and forced labour, it is necessary to separate forced labour and exploitation (Plant 2008, 35). A term ‘exploitation’ often refers to migrant workers and their working conditions. Exploitation is the immoral or illegal way to take advantage of others for personal (or corporate) gain. (Jureidini 2010, 157.) People can work under absolutely unacceptable labour conditions, but they have entered in to the situation voluntarily, simply due to the huge differences in standard of living and wages (Plant 2008, 35). Thus, the lack of viable economic alternatives forces people to stay in an exploitative work relationship but it does not absolutely create forced labour, though it may form a position of vulnerability (Andrees 2008a, 5). However, exploitation is always exploitation, despite whether a person has consented to it or not (Jureidini 2010, 151).

The term ‘exploitation’ is not defined in the international protocol of trafficking (Jureidini 2010, 157; Plant 2008, 35). In essence, there is no general definition for exploitation, nor does the ILO give guidance. There are, however, several conventions, which together determine what decent work is. Exploitation can be considered the opposite of decent work, but the concept of exploitation is not used specifically as an entry point in any of the 180 ILO Conventions. (Plant 2008, 35.) Problems also arise when trying to determine what kind of exploitation should be considered as serious enough to fulfill the definition of human trafficking (Finnish National Rapporteur – – 2010, 148). There have been keen debates concerning the concept of ‘exploitation’ as to how it can be captured as a specific offence, how to determine the seriousness of the offence, and how it can be punished (ILO 2009, 8).

Final relevant concept for this study, defined also in the Finnish legislation (2004), is extortionate work discrimination (Penal Code 47 3 a §) (appendix 3) (Jokinen et al. 2011b, 33). The definition of extortionate work discrimination refers to a situation where the salary of an employee is below the minimum wage and where the conditions of work are generally poor. The crime of extortionate work discrimination is regarded to be a crime that resembles trafficking (Jokinen et al. 2011b, 37-38.) and therefore it might be challenging to distinguish between the human trafficking offence and other related crimes. (Jokinen et al. 2011b, 130-131.) In fact, there is a broad spectrum of working conditions and practices ranging from extreme exploitation containing forced labour at one end to decent work, and the full application of labour standards at the other end (ILO 2005a, 8). This study presents a similar spectrum containing at one end of the spectrum decent work and at the other end aggravated human trafficking. The spectrum is similar to the continuum presented in the study of Skrikankova (2010) where the concept of decent work represents the desired standard, and forced labour is a juxtaposition of that (Skrikankova 2010, 4-5). The next figure (3) is drawn in order to facilitate the understanding of many similar concepts concerning human trafficking. Thus, the purpose is not to categorize any of the concepts below or to make legal distinctions among the concepts.

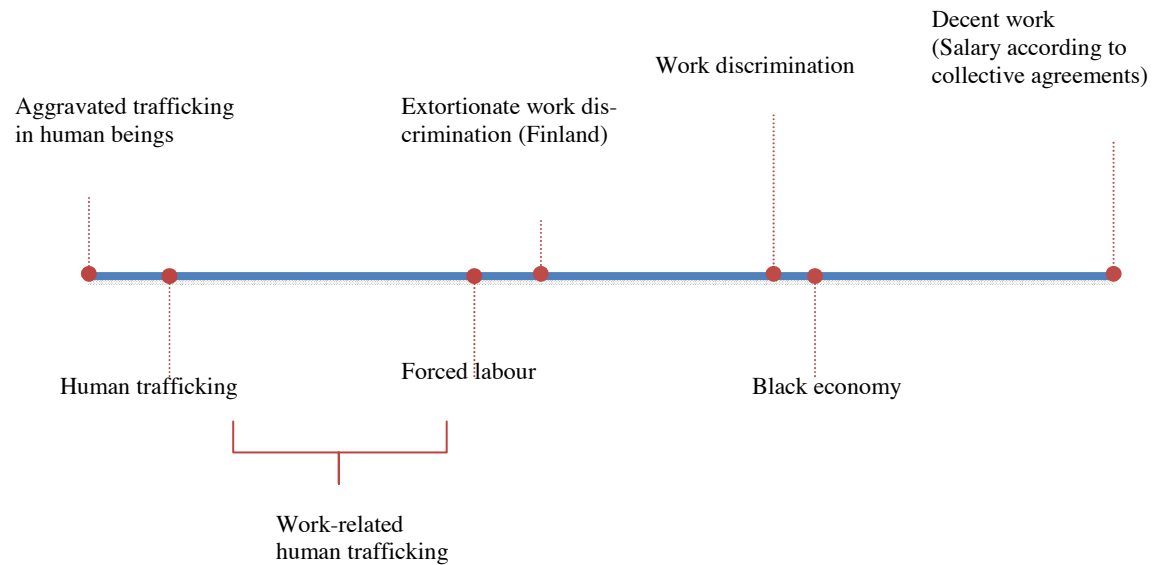


Figure 3 Spectrum of Working Conditions

Skrikankova (2010, 20) states that the space between the two extreme variables in the spectrum is filled with situations that do not comply with the principles of decent work and represent some form of violation of standards, starting from more benign forms (e.g. discrimination, payment under minimum wage, breach of contract), with increasing severity, resulting in the most serious form of violation, forced labour or, in this case, in aggravated trafficking in persons. As noted above, the multiple concepts relating to human trafficking are complex, and therefore it is considered essential to present and define them first before advancing to the next theme of human trafficking in the business context. However, before that, the purpose and the structure of the whole study are introduced.

1.3 Purpose and Structure of the Study

In recent years the amount of research on human trafficking has grown significantly (Tyldum & Brunovskis 2005, 17). Some researchers, such as Gozdziaik and Collett (2005, 121-122) believe that more research should be done not only on the scale of human trafficking but also on mapping routes and relationships between countries of origin, transit, and destinations and reviewing legal frameworks and policy responses to trafficking. In this study, it is believed that more focus should be given to the business side of human trafficking. It is estimated that the worldwide market for labour is much

greater than that for sex since labour trafficking is probably more widespread than trafficking for prostitution (Feingold 2005, 26). Moreover the market economy is in constant search for cheaper labour. Particularly in labour intensive areas labour costs are a dominant feature and can cause employers to look for cost-saving measures. This may result in exploitation of migrant workers, of which an extreme form is trafficking for forced labour. (Ollus & Jokinen 2011b, 11.)

Although trafficking in persons is a multibillion-dollar-business (Gupta 2010, 69), there is very limited amount of empirical research concerning work-related human trafficking, especially in Finland. Therefore it is essential to research the topic more. Most of the research that has been carried out has focused solely on trafficking for sexual exploitation (see e.g. Lehti & Aromaa 2002; Leskinen 2003; Roth 2007; 2010a; Viuhko & Jokinen 2009). (Jokinen et al. 2011, 40.) In fact, work-related human trafficking and similar cases have manifested in Finland several times recently. There has been, for example, accusations of aggravated human trafficking towards a restaurant entrepreneur in Turku (Turun Sanomat, “Kebab-yrittäjää epäillään – – ” 2011). Trafficking has also been claimed to have spread even to the Finnish countryside (Helsingin Sanomat.fi, “Ihmiskauppa leviää – – ” 2011), and it is considered to be a threat especially to the construction firms in Finland, where foreign labour is common (Roth in Turun Sanomat 2010, 5; Yle.fi, Silminnäkijä-ohjelma 2012). In fact, the first court verdict on trafficking for forced labour in Finland was given in March 2012. A Vietnamese entrepreneur couple was condemned to two and half years’ imprisonment. (Helsingin Sanomat.fi, “Kynsistudion pitäjille vankilatuomiot – – “ 2012.) This recent sentence and all of the above accusations demonstrate that work-related human trafficking is a relevant phenomenon even in Finland requiring therefore more investigation.

Thus, the aim of the study is to *define and explore the role of human trafficking in business context, particularly in Finnish business*. This means that the focus is on human trafficking for the purposes of labour exploitation and sex trafficking and related abuses are excluded from the study. In order to succeed in this aim, the next sub-objectives are introduced:

- To define human trafficking as a concept
- To describe human trafficking from business point of view, including the scale, sectors and demand and supply of the phenomenon
- To investigate the prevention measures for business against human trafficking

All of these sub-objectives are investigated later from the stakeholder approach, which forms the theory framework for the study. The fourth sub-objective is to investigate whether the opinions of the different stakeholders differ from each other. The first sub-objective concentrates on defining the important concepts for the study. The second sub-objective investigates more thoroughly the complicated relationship between human trafficking and business. The third sub-objective focuses on the prevention meas-

ures against human trafficking, especially from the business point of view. Next figure (4) illustrates the aim of the study and the sub-objectives.

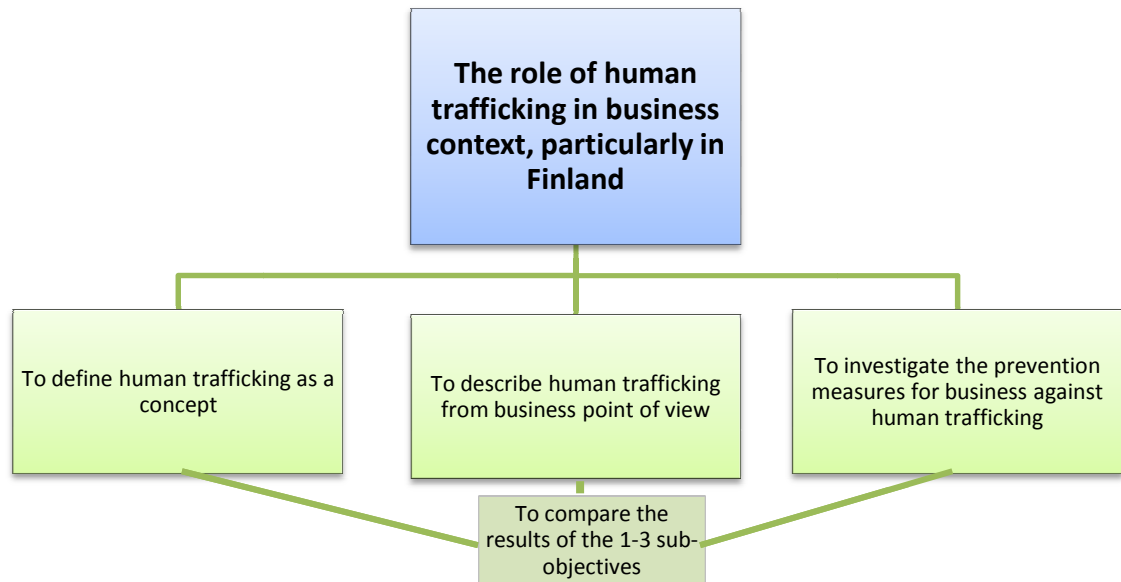


Figure 4 Aim of the Study and its Sub-Objectives

In order to provide answers to these sub-objectives, the study begins by introducing the theoretical perspective that forms the basis for this study. As Eskola (1998, 83) states, a good research begins from theory and returns to it. The purpose of the theory part is to find out some individual problems from general theory, and then, with the help of empirical part of the study, to offer answers to these problems (Eskola 1998, 81). In other words, the first part of the theory is composed of introducing the relevant concepts of human trafficking, which has been already done above, in order to understand better the nature of the phenomenon in business context. Next the complex relationship between human trafficking and business is investigated. Additionally, the scale and the sectors affected are investigated, some estimations of profits are drawn and the growing demand and supply of human trafficking is explained. Furthermore, the consequences for business and the prevention measures for the business against trafficking and forced labour are presented. After investigating human trafficking, the focus is turned to the stakeholder approach and how human trafficking can be seen from their point of view. As mentioned before, stakeholder approach forms the theory framework for the study; it is a thread, running through the study, and has more importance in the empirical part of the study. This part consists of research design where research strategy, data collection, data analysis and evaluation of the study are carefully described. Also the results of the interviews are presented, and after that some interpretations of the results are introduced. The final part of the study concludes the results and makes some suggestions for

the future researches. In this final and most important part, it will be analyzed whether the answers obtained from the interviews support the theoretical part or not. The figure (5) below clarifies the structure of the study and its focus.

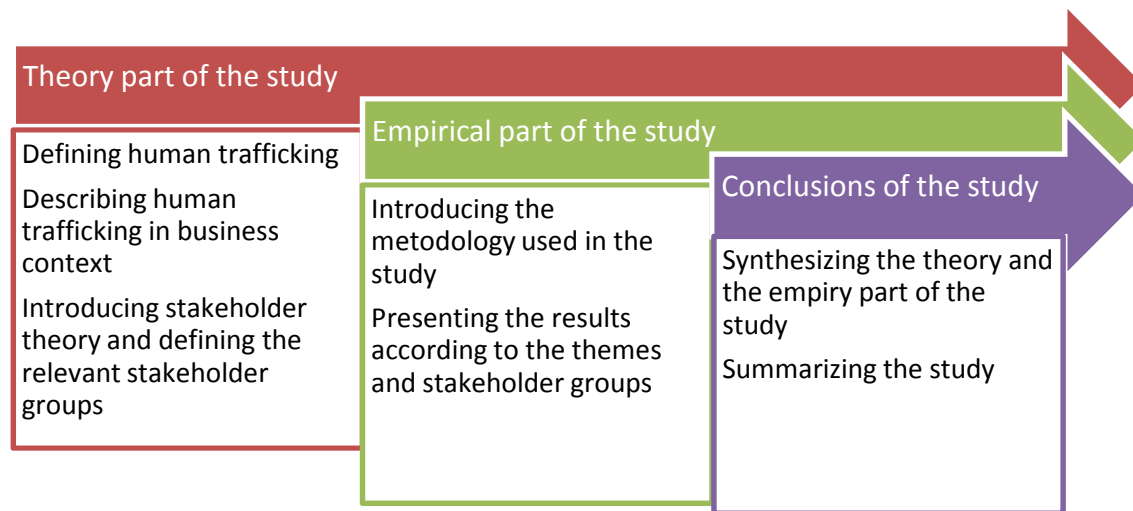


Figure 5 Progression of the Study

Finally, it is essential to mention that the first section of the study, known as the theory part, follows the whole study through, as seen from the above figure (5). It explains trafficking mainly from internal and cross border point of view worldwide, but also makes some references to the situation in Finland. The second section of the study (green line) forms the empirical part of the study and turns the focus on work-related human trafficking in practice in Finland. The third and last section of the study synthesizes everything and concludes the main results from the stakeholder point of view. In the next chapter human trafficking is investigated from the business point of view, starting from the scale of the phenomenon.

2 HUMAN TRAFFICKING IN INTERNATIONAL BUSINESS

Human trafficking may answer a demand, but the cost is too steep for this ever-shrinking world to bear. (Feingold 2005, 30)

From the economic point of view, human trafficking is governed by the laws of supply and demand (Business Leaders Award – –). In many countries the global pressure on cutting costs has created two trends: the increased supply of migrant workers and the deregulation of labour markets (ILO 2005a, 63). These competitive pressures can have an adverse impact on conditions of employment and, in the worst cases, can lead to forced labour and trafficking (Andrees 2008a, 37-38). In fact, trafficking has become one of the most profitable illicit industries worldwide generating tremendous profits due to its low costs and huge profits but at the same time affecting negatively the functioning of the global legitimate business sectors (Business Leaders Award – –).

It is believed to be very important to closely investigate human trafficking in the business context. Besides envisioning the industry and market of human trafficking, this chapter first concentrates on estimating the scale and sectors affected of the phenomenon, and then explains the push and pull factors of human trafficking. At the end of this chapter the consequences of human trafficking for the businesses are presented and some prevention measures against trafficking for the business are suggested.

2.1 Human Trafficking in Numbers and in Sectors

Firstly, the exact scale of human trafficking is difficult to estimate, let alone to calculate the actual number of trafficking victims (World Bank 2009, 4). One of the reasons for this difficulty is the clandestine and hidden nature of trafficking, which leads to the fact that most cases probably go unreported (Laczko 2007, 40; Melito 2006, 13; Wheaton et al. 2010, 118). In fact, the populations relevant to the study of human trafficking, such as prostitutes, traffickers, victims/survivors, or illegal immigrants are part of the so-called *hidden populations*. A hidden population refers to a group of individuals for whom the size and boundaries are unknown, and for whom no sampling frame exists. (Tyldum & Brunovskis 2005, 18.) Especially victims from this hidden population are often reluctant to go to the authorities, or are unable to do so because of intimidation and fear of reprisals (Laczko 2007, 40; GAO Reports 2007, 2). Thus, one of the biggest challenges is to know and recognize the transition between reported and unreported victims (Melito 2006, 13). This in turn leads to the difficulty to obtain first-hand information (Laczko 2007, 39) and even hinders the data-collection and recognition of the victims (Melito 2006, 15). Also the ambiguous definitions of trafficking in persons around

the world complicate the situation (Roth 2010, 4). Although there is agreement at the international level on the legal definition of trafficking, there is still disagreement on how trafficking should be defined and studied (Laczko 2007, 40; Skrivankova 2010, 4).

Furthermore, some countries do not collect information on human trafficking because they have a low priority for human rights violations. This means that in some countries trafficking might be seen as historically and culturally acceptable, while in other countries, it is seen as a human rights violation. (Melito 2006, 15-16.) For example, women and children are often seen as victims but men as migrant workers, which reflects gender bias in collected information (Melito 2006, 15-16; UNODC 2006b, 44). This is the case for instance in Thailand, where men are not qualified as trafficking victims due to the national law of the country (Feingold 2005, 26). In other words, the availability, reliability and comparability of data concerning human trafficking differ among countries and hinder the investigation. (Melito 2006, 15-16.) It is even difficult to estimate the exact scale of human trafficking and forced labor in Finland since there is a lack of valid and reliable information (Roth 2010, 4).

However, the amount of research on the topic has still grown significantly (Laczko 2007, 42; Tyldum & Brunovskis 2005, 17). In fact, it is difficult to find regions of the world that have not been included in a trafficking study (Laczko 2007, 42). Although the research on human trafficking is increasing, there is still an immense variation in global estimates of the number of trafficked victims (World Bank 2009, 4). For example, US Department of State (2008, 7) estimates that about 80 percent of transnational victims are women and girls and up to 50 percent is underage (Du Preez & Marais 2011, 780). Despite the fact that available statistics are limited and controversial, Gupta (2010, 69) estimates that the amount of trafficked individuals has increased, while the ages have declined. In fact, TVPA (2000, 4) estimates that approximately 50 000 women and children are trafficked into the USA each year, while global numbers of victims vary each year between half a million and four million victims of trafficking (Finnish National Rapporteur – – 2010, 6). Free the Slaves (2007-2012) in turn claim that there are 27 million persons in slavery today. However, the estimation of trafficking victims followed in this study is drawn by the International Labour Organisation (ILO 2005a, 10), which has calculated the number of both forced labour and trafficking. According to ILO (2005a, 10) there are at least 12.3 million victims of forced labour globally. The estimated minimum number of persons in forced labour as a result of trafficking is 2.45 million (ILO 2005a, 10, 14). However, before presenting the next table (2) about the number of victims in forced labour and trafficking, it is essential to remember that these estimations should be considered very carefully since overestimating the scope of the phenomenon can contribute to negative consequences such as underestimating it (Tyldum & Brunovskis 2005, 18).

Table 2 Forced Labour and Human Trafficking Worldwide (Andrees 2008a, 7)

	Total Forced Labour	Total Trafficked
Industrialized Economies	360, 000	270, 000
Transition Economies	210, 000	200, 000
Asia and the Pacific	9, 490, 000	1, 360, 000
Latin America and the Caribbean	1, 320, 000	250, 000
Sub-Saharan Africa	660, 000	130, 000
Middle East and North Africa	260, 000	230, 000
World	12, 300, 000	2, 440, 000

The above table (2) indicates that forced labour exists both in industrialized and developing countries. The main area of the phenomena, however, is Asia and the Pacific. The existence of the phenomena in the industrialized and transition economies is also important to notice. (Andrees 2008a, 7.)

As the above table (2) demonstrates, human trafficking is an universal phenomenon and affects all continents. Thus, it can appear in any economic sector or industry (Misra 2007a, 8). In fact, today people are more informed of some of the sectors in which it might occur, such as agriculture, the hospitality sector, construction and domestic service (Biaudet 2008, 33; Dowling et al. 2007, iii). These industries normally require large amounts of low-paid, flexible and seasonal workers, who sometimes work in difficult or dangerous conditions (Dowling et al. 2007, iii). Trafficking workforce has been also found from manufacturing sweatshops, fireworks production and drug trafficking (Gupta 2010, 73). Besides the industries mentioned before, human trafficking or forced labour can also appear in restaurants and catering, sex industry, extraction and many other forms of informal economic activities, such as organized begging or hawking (IOM 2006, 6; Andrees 2008a, 9). The sectors affected in Finland are quite the same, containing at least the construction, restaurant, cleaning and horticultural sectors as well as berry-picking. Other examples of human trafficking or related exploitation have been observed in begging, and neither is trafficking for forced marriages out of the question in Finland. (The Finnish National Rapporteur – – 2010, 7.)

Finally, there is an increasing body of research showing that coercive practices can also result in migrant workers in mainstream economic sectors, such as food processing, health care and contract cleaning. This is a serious concern when coercive labour practices towards migrants can penetrate major enterprises and even the public sector. (Plant 2008, 18.) However, usually these large enterprises are more liable to inspection, which in turn decreases the possibility of them getting involved in trafficking or forced labour. But the situation is different with small enterprises due to the low level of monitoring. (Van Liemt 2004, 10.) In fact, one out of every five cases of forced labour is found in the private economy, often in the informal or underground economy and in quite small enterprises. If trafficking or forced labour appears in the formal economy, it is probably found at the bottom of complex subcontracting chains (Plant 2008, 18). Namely through subcontracting, large companies can take advantage of the low cost immigrant labour without actually irregularly employing them and this way gaining further competitive advantages. (Van Liemt 2004, 10-11.)

2.2 Supply and Demand of Human Trafficking Business

Probably the biggest motivation behind most cases of human trafficking is the economic exploitation (World Bank 2009, 5), aka profit (Wheaton et al. 2010, 117; U.S Department of State 2011, 19; Belser 2005, 2). This is no wonder since it is estimated that human trafficking profits up to 32 billion US dollars annually (Andrees 2008a, 7; Du Preez & Marais, 2011, 780). In fact, demand for goods and services has increased worldwide (Gupta 2010, 70) and businesses continually seek for the lowest-cost labour sources (Wheaton et al. 2010, 114). At the same time globalization has created more competition for companies (Anonymous 2005, 12) and competitive pressures over costs, which can drive companies at the bottom of the supply chain to use forced labour (ILO 2005a, 52). For instance, suppliers often face competitive and cost pressures and pass on the burden to labour contractors, demanding them to provide workers at a cost so low that it makes the use of coercive methods more probable (ILO 2005a, 63). In fact, cutting costs through the utilization of trafficked persons in order to maintain a competitive edge refers to the overall “race to the bottom”, in terms of wages. This refers to traffickers and exploiters who dehumanize their victims, seeing them in terms of cost versus benefit transactions, and as cheap and docile laborers rather than individuals. (Gupta 2010, 70.) In other words, as people become vulnerable to exploitation (Wheaton et al. 2010, 114) and market economy continues its search for cheaper labour (Ollus & Jokinen 2011b, 11), human trafficking earns profit and a market for human trafficking is formed (Wheaton et al. 2010, 114).

Thus, human trafficking only exists because of the fact that there is a supply and a demand for this phenomenon. If there is no demand for trafficking in persons, there will be no purpose in supplying humans. (Du Preez & Marais 2011, 781.) However, in work-related human trafficking everybody are consumers and create demand, as everyone wants to have cheap products and services. Employers cut on labour costs, and consumers prefer to save money and hence pressure to keep the prices down is created. (Burcikova 2008, 50.) In other words, the factors affecting human trafficking exist on both the supply and demand side of the equation. ‘Push’-factors refer to those factors that influence the supply of human trafficking, whereas factors contributing to the demand in human beings are called ‘pull’-factors (Du Preez & Marais, 2011, 781). These push and pull factors can be considered also in contrary, however, the next figure (6) follows the notion of Du Preez and Marais (2011) (contrary to the model of IOM).

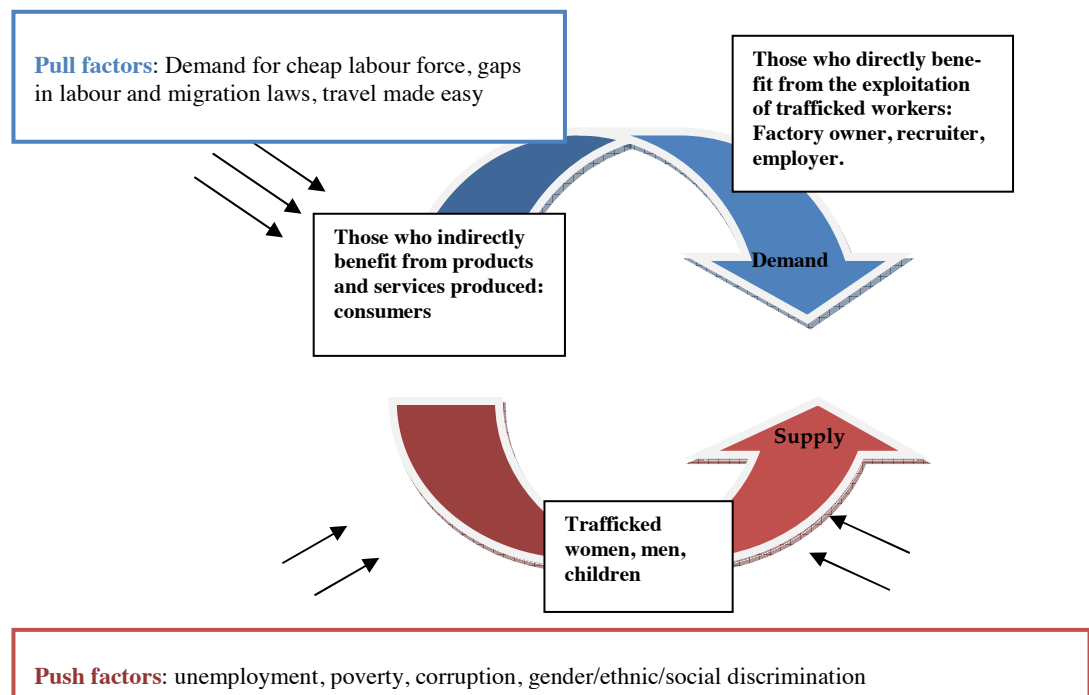


Figure 6 Cycle of Supply and Demand of Human Trafficking (Modified from the figure in IOM 2006, 4)

The next sub-chapters explain in detail the push and pull factors presented in the above figure (6). In fact, a model by Wheaton et al. (2010) is applied in which the human trafficking market is seen as a monopolistic competition consisting of traffickers as intermediaries acting between individuals and employers by supplying differentiated products to employers (Wheaton et al. 2010, 114). The ones that make the choices in the

market are the (1) individuals, (2) traffickers, (3) employers, and (4) users of cheaply produced products or services (Wheaton et al. 2010, 117).

2.2.1 Demand of Human Trafficking

A demand for human trafficking consists of growing need for cheap labour force, deficiency in labour and immigrations laws and the disappearance of geographical borders (International Organization for Migration (IOM) 2006, 4.; Roth 2010, 5). Moreover, one of the consequences of the recent economic recession is an increased demand for cheap labour (Du Preez & Marais 2011, 782), which often creates opportunities for the exploitation of people (U.S Department of State 2011, 19). Usually, migrant workers fill positions that domestic workers have refused because of low wages and harsh working conditions (Misra 2007b, 2). Traffickers, in turn, offer these low-skilled and cheap labourers to the industries that need them (Du Preez & Marais 2011, 782). Thus, it is upon this demand that human trafficking succeeds (U.S Department of State 2011, 19).

As business' goal is to maximize profit, and labour forms a large part of the business costs, even a small increase in these costs can substantially increase the cost of production and hence decrease profit. (Wheaton et al. 2010, 128.) However, when employing migrant workers, the employer's profit potential is much higher than it would be if local workers were employed, particularly in the case of trafficked persons (Chuang, 2006, 145). In other words, trafficked individuals are desired as a cheap labour source in order to minimize the labour costs of the employer (Wheaton et al. 2010, 128). These particular employers face the traffickers' upward sloping supply curve. Because the employer intends to decrease labour costs, the employer's downward sloping demand curve is zero at high. The next figure (7) illustrates that at a price above P_{high} employers employ legitimate labourers because they do not benefit from using trafficked labour. This is marked in the figure (7) by the dotted part of the demand curve. In other words, the viable price region in the below figure (7) refers to those employers who would use and are willing to employ trafficked labour and hence the price would be below P_{high} . (Wheaton et al. 2010, 119.) To clarify, the only legitimate price paid for the employees that does not involve human trafficking or exploitation is the area above the P_{high} , marked with red dots in the next figure (7).

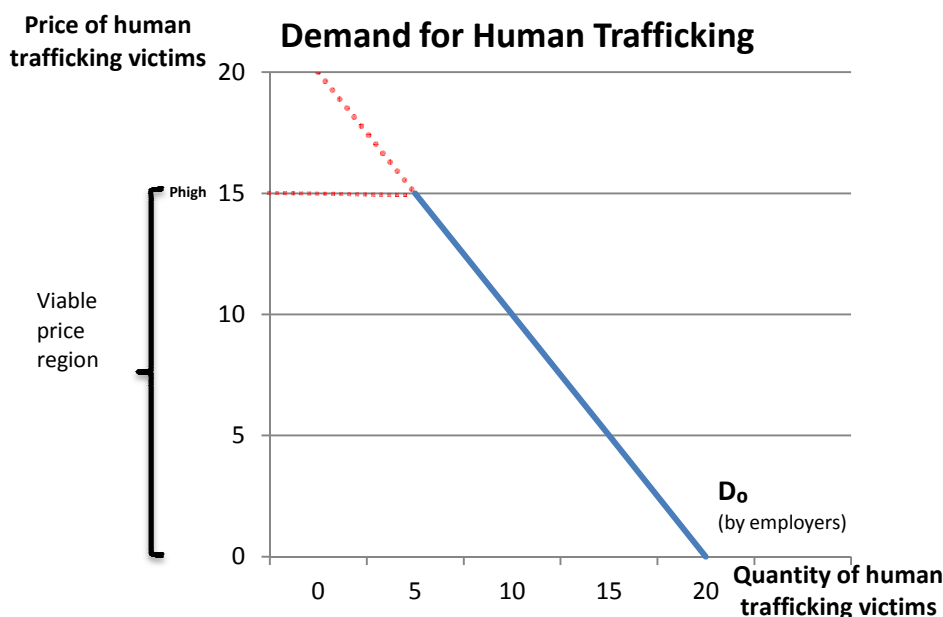


Figure 7 Demand for Human Trafficking (Adapted from Wheaton et al. 2010, 120)

The above figure (7) describes how employers maximize the return on their investments by providing a minimum level of wellbeing for trafficked labour and not paying attention to the government-regulated human rights, constitutional rights, safety issues, or benefits for the workers (Wheaton et al. 2010, 128). Before turning the focus to the supply side of the human trafficking market, it is necessary to describe the characteristics of the traffickers and victims involved in these markets a bit closer.

2.2.1.1 Traffickers

There is no standard profile of traffickers in the human trafficking market. They vary from truck drivers and village “aunties” to labor brokers and police officers (Feingold 2005, 28). They, or their recruiters, acting on behalf of the traffickers, can even be the acquaintances of the victims misleading them to believe in their false promises (Du Preez & Marais 2011, 781). Indeed traffickers are as variable as the circumstances of their victims (Feingold 2005, 28). The only common thing, however, for all of them is that they are opportunity-seeking by nature, and take advantage of the victims in order to make a profit (Chuang, 2006, 141).

Traffickers’ role is to act as intermediaries to provide for employers, who use trafficked labour, differentiated products; limiting the number and type of individuals they traffic to employers. This means that each human trafficker faces an individual demand

curve for his/her product. This demand curve depends partly upon how unique consumers perceive the supplier's product to be in comparison with similar products from other suppliers. (Wheaton et al. 2010, 123.) The price that the trafficker will receive comprises of many things but if the trafficker's costs do not change, an increase in the price received results in increased profit and thus an increase in the number of trafficked individuals supplied (Wheaton et al 2010, 119).

Finally, besides the trafficker and the employer pursue to gain maximum profit also the consumers have the same goal: paying the lowest price in order to receive the highest benefit (Wheaton et al. 2010, 129). For instance employers cut on labour costs while consumers save money, and thus, pressure to keep prices down (Burcikova 2008, 50) creates demand for cheap labour.

2.2.1.2 Victims

The victims of human trafficking are people around the world. They can be young boys kidnapped from their homes in South Asia and trafficked to the Middle East to become camel jockeys; young girls in the West and Central Africa trafficked into forced domestic work; men in the poor regions of Brazil who are trafficked to clear and cut forest in the Amazon; women from Eastern Europe being trafficked to Western Europe for the sex industry. (Skrivankova 2006, 229.) These victims constitute a wide range of nationalities, including Eastern Europeans, Asians, Africans, South Americans and even EU nationals (Dowling et al. 2007, 6). Thus, human trafficking concerns all the continents of the world (Skrivankova 2006, 229) and its victims represent a diverse and complex group including both males and females (Dowling et al. 2007, 6).

Victims are often immigrants who are vulnerable (U.S Department of State 2011, 7; Finnish National Rapporteur – – 2010, 6) due to the fact that they do not have a residence status or no language skills, they are unaware of their rights, isolated, marginalized and discriminated and thus heavily dependent on their exploiters (Biaudet 2008, 33). Traffickers prey on these people and use creative and ruthless measures designed to trick, lure, coerce and win the victim over. Very often these plots include promises of a better life, well-paid work, and a chance for education or something else tempting that the victims are not able to have. (Skrivankova 2006, 229; U.S Department of State 2009, 5.) Although some of these victims are actually kidnapped, many leave their homes voluntarily and become trafficked on their journey (Feingold 2005, 28). However, it is important to remember that majority of migrants who cross borders are not manipulated and exploited to the extent that it can be classified as trafficking (Tyldum & Brunovskis 2005, 26). It is also important to note that individuals can end up as victims of trafficking within a country's own borders (U.S Department of State 2011, 7; Finnish

National Rapporteur – – 2010, 6), and no border crossing is needed. After investigating the victims and the traffickers in the human trafficking market, it is time to focus on the supply side of the market.

2.2.2 *Supply of Human Trafficking*

The supply in the market for human trafficking refers to labour provided by individuals who are trafficked for labour (Wheaton et al. 2010, 115). Factors such as increasing poverty, unemployment, political instability (corruption) and discrimination, create this supply and force people in developing countries or in poor conditions to leave their homes and/or countries in hope of a better future. (International Organization for Migration (IOM) 2006, 4.; Roth 2010, 5; U.S Department of State 2011, 19; Du Preez & Marais 2011, 781.) The people in the developing countries often have heard about the “riches” (Du Preez & Marais 2011, 781), and better working opportunities in urban areas and developed countries (Misra 2007b, 1). As a consequence, this pushes them to migrate and believe the recruiters and the traffickers who promise them a better future (Du Preez & Marais 2011, 781).

In order to understand the supply side of human trafficking better, figure (8) is presented. However, before illustrating the said figure (8), some concepts should be explained. In the short run, a human trafficker earns economic profit by selling at a price above the average total cost (ATC) of trafficking persons. The average total cost contains average fixed costs and average variable costs. Average fixed cost contains the cost of establishing routes, recurring bribes, and forged travel documents. Average variable cost is composed of specific travel arrangements that vary in every case. As the quantity of trafficking by an individual trafficker increases, the average total cost begins to rise because of the increase in average total costs brought about by the complex logistics of illegally transporting larger amounts of people. Thus, at first the average total cost curve is downward sloping and after that upward sloping. (Wheaton et al. 2010, 124.) At very low quantities, the trafficker can demand very high prices from those employers who are in need of trafficked workers. In turn, employers accept to pay lower prices as more trafficked workers become available in the human trafficking market. Therefore, the marginal revenue curve (additional revenue from the last unit supplied) is downward sloping. Marginal cost, on the other hand, is the additional cost to the trafficker of the last unit (trafficked person) supplied. Wheaton et al. (2010, 125) suggest that the marginal cost is very low for each of the first few trafficked individuals after the first one. As the trafficker increases the amount of individuals supplied, marginal cost increases. This means that the marginal cost curve in figure (8) is upward sloping. (Wheaton et al. 2010, 125.)

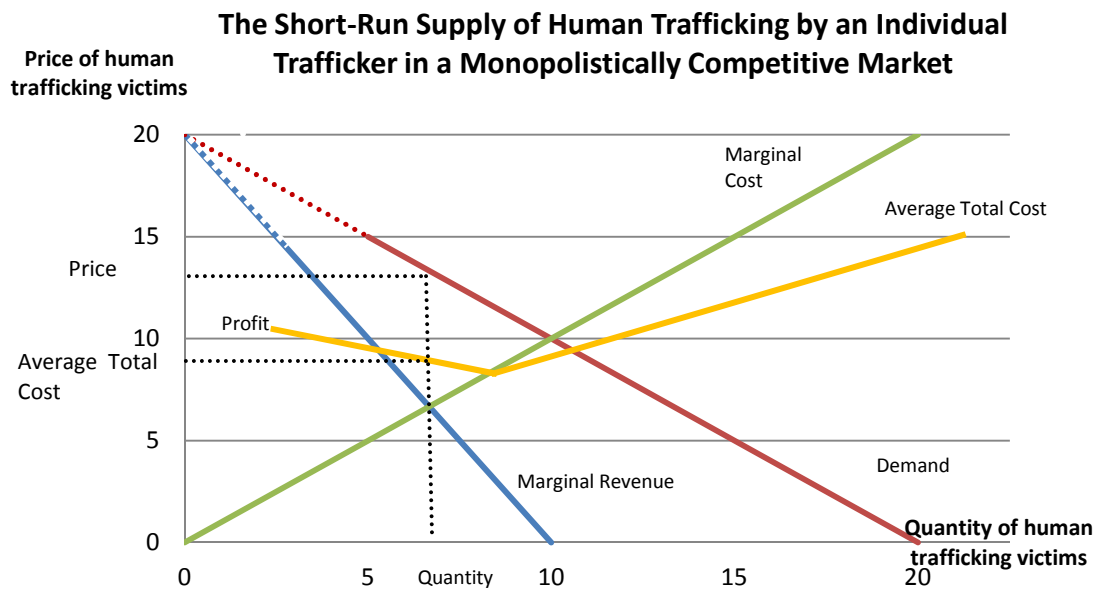


Figure 8 Short-Run Supply of Human Trafficking (Adapted from Wheaton et al. 2010, 125)

A trafficker will choose the amount of individuals to traffic based upon maximizing profit. This can be seen at the point (Quantity on Figure 8) where marginal revenue equals marginal cost. At any quantity above this point, the cost of supplying the individual is higher in comparison to the revenue received from the sale of the individual, thus driving down profit. The profit is illustrated at the area below the demand curve between price and average total cost. Suppliers will exit the market when they are faced with an average total cost greater than price. (Wheaton et al. 2010, 126.) As the cycle of supply and demand of human trafficking has shown, human trafficking is deeply intertwined in business context and creates high profits, which are investigated more thoroughly next.

2.3 Estimations of Profits and Consequences for the Business

From a purely economic point of view, migrants are in search of the best wages and working conditions available in relation to their human capital, whereas employers pursue to find the best workers at the lowest costs possible (Andrees 2008b, 16). To this effect, trafficking generates a flow of profits not only for the agents who provide transportation or cross-border movement of people, but also for the employers who exploit forced labourers in the place of destination (ILO 2005a, 55). Forced labour and human

trafficking produce major profits (Andrees 2008a, 1) and hence it is thought to be the third most profitable criminal enterprise, following only the drugs and guns enterprises (Bales & Soodalter 2010, 3). Trafficking in human beings is the fastest growing source of profits for organized criminal enterprises worldwide (TVPA 2000, 8).

The total illicit profits of trafficking in one year are estimated to be about US\$ 32 billion. Globally this indicates to an average of approximately US\$ 13,000 per year for each forced labourer. (ILO 2005a, 55.) Europol (2004, 12), however, estimates that the global profit of trafficking varies between 8.5 to 12 billion Euros per year. The differences in these estimations demonstrate the difficulty of measuring the exact scale of the human trafficking business in profits. However, as this study focuses on work-related human trafficking the attention is turned on the profits generated from the economic exploitation. According to Belser (2005, 10-11) the estimated total profits from labour exploitation based on the number of victims and their average profits amounts to US\$ 3.8 billion. The next table (3) presents how these profits are divided globally.

Table 3 Estimated Annual Profits from Trafficked People in Forced Economic Exploitation (modified from Belser 2005)

	Number of trafficked people in forced labour	Total Profits (US\$'000)
Industrialized Economies	74,133	2,235,000
Transition Economies	59,096	139,000
Asia and the Pacific	408,969	168,000
Latin America and the Caribbean	217,470	776,000
Sub-Saharan Africa	112,444	40,000
Middle East and North Africa	203,029	475,000
World	1,075,140	3,834,000

As the above table (3) demonstrates the profits are the highest in the industrial countries (US\$ 2.2 billion). In the other regions, such as Sub-Saharan Africa and Latin America, profits vary between US\$ 40 million and US\$ 776 million. (Belser 2005, 11.) Thus, these numbers demonstrate that there is much to gain for employers, pimps, traffickers, sub-contractors and others involved in the exploitation of migrant workers (Andrees 2008b, 33).

It is also important to mention the cost of coercion, which refers to the amount of "stolen" money from people in forced labour (ILO 2009, 31). In order to understand the costs of trafficking, the situation needs to be viewed in terms of the opportunities foregone of a trafficked person versus a person who migrates without coercion, deception and exploitation (Danailova-Trainor & Laczko 2010, 55). In fact, this loss of income

associated with coercion can be traced to two main sources: the underpayment of wages and the financial costs associated with the recruitment process. Based on the available data, which is scarce, ILO (2009) has estimated that the total amount of unpaid wages to people in forced labour reaches to approximately US \$ 19.6 billion. On the other hand, trafficked victims usually pay recruitment costs, which total US \$ 1.4 billion. In sum the lost income amounts to about US \$ 21 billion. (ILO 2009, 31-32.) This confirms that human trafficking is a lucrative business, which provides capital for the expansion of international criminal groups, contributes to corruption and weakens the rule of law (Belser 2005, 17).

Finally, although the profits are high, the consequences of human trafficking are deep and vast. First of all, human trafficking has a devastating impact on its victims violating rights in countless ways by depriving their human rights and freedoms. The impact of human trafficking goes beyond its victims; it multiplies global health risks, increases growing networks of organized crime, sustains levels of poverty and hinders development in certain areas (U.S Department of State 2009, 5)⁵. It also affects the economic relations (Business Leaders Award – –). In fact, trafficking has a destructive impact on labour markets since it contributes to depressed wages for all workers, weakened workforce productivity, loss of remittances, and an undereducated and under-trained generation of workers (Misra 2007a, 5). The negative impacts of trafficking on labour workforce results in losses in human resources; no more skilled or trained workers are developed and the cycle of poverty just continues (Misra 2007a, 14). Hence, trafficking negatively impacts the functioning of the legitimate business sector and threatens the development of sound economic systems (Business Leaders Award – –). Therefore, it is extremely important, also for the businesses, to find measures how to prevent human trafficking. These measures are investigated in more detail in the following chapter.

2.4 Business Prevention Measures against Human Trafficking

The primary responsibility for eliminating human trafficking rests with the State (UN.GIFT 2010, 2) and on its legislation prohibiting all forms of trafficking and exploitation and setting a punishment corresponding with the nature of a crime (Skrivankova 2006, 230). In order to achieve an effective response, a holistic participation of society as a whole is required (UN.GIFT 2010, 2). This means that additional actors need to

⁵ U.S Department of State is annually required by law to make a report to U.S Congress on foreign governments' efforts to eliminate different forms of human trafficking.

take part. So far especially the business community has not been an active participant. (Plant 2008, 18.) However, the private sector is increasingly recognizing its role in eliminating human trafficking, both in preventative measures to make sure that corporations are not supporting demand for forced labour and in proactive initiatives to alleviate or relieve such abuses (US Department of State 2011, 22). Thus, the business community has a fundamental role in combating human trafficking, and its commitment to it is vital for the eradication of this worldwide problem (UN.GIFT 2010, 2).

Business action against forced labour and trafficking is usually attached to company policies on protecting fundamental rights at work. In many businesses, these policies are implemented through social auditing, reporting and in-house training. (Andrees 2008a, 38.) In essence, there are three different duties that business should undertake at the workplace in order to reduce trafficking. Firstly, it should create a prevention strategy that would include different measures, such as adapting or revising the company policy and code of conduct with employees and sub-contractors (IOM 2006, 10-13). Also awareness about trafficking should be increased at the workplace and outside of it (IOM 2006, 8). Moreover, business should make sure that its partners, sub-contractors and supply chains are committed to prevent human trafficking (IOM 2006, 10-13) and have an agreement on the common minimum standards to make sure that flexible employment practices do not degenerate into modern forced labour (Plant 2008, 18). Thus, collaboration between businesses is needed (IOM 2006, 8). Secondly, businesses should create identification mechanisms in the company, which refers to the ability to identify trafficking victims. It should also create reporting mechanisms and request audits and inspections. (IOM 2006, 10-13.) Thirdly, the company should offer remedial measures, such as victim assistance and work opportunities for the victims. (IOM 2006, 10-13.)

As nowadays the customers are increasingly aware of issues relating to trafficking, the companies have to be more thorough in tracing their raw materials and controlling their supply chains. But as these supply chains are very complex (US Department of State 2011, 21-22.), forced labour can become part of the enterprises through their business links with others, including contractors and suppliers (ILO 2008, 21). Therefore collaboration among governments, corporations, civil society, and consumers is needed (US Department of State 2011, 22). Additionally, strong regulatory oversight and accountability over all employers and subcontractors should be ensured particularly over the labour recruiters and gang masters functioning at the bottom of the subcontracting chain (Malpani 2006, 43). As human trafficking involves many underlying labour issues, trade unions have also an important role to play in the prevention of trafficking. They are in a unique position to address many of the root causes and factors that make workers vulnerable to trafficking (Misra 2007, 17). In Finland, trade unions are, for example, in a strong position and they have presence at many companies, which can further improve many consultative and participatory elements within companies (Vuon-

tisjärvi 2006, 287). Besides trade unions, proactive regulation and monitoring of vulnerable sectors by multi-agency groups, including labour inspectors and employers' and workers' organizations is emphasized (Konrad 2008, 28).

Researchers also believe that in order to combat human trafficking, it is important to pay attention to the supply and demand side of trafficking. Indeed, the focus should be more on the demand side of trafficking rather than just investigating at arrests and prosecutions on the supply side alone (US Department of State 2011, 19). One possible way is to demolish the markets generating profits to the criminals. This can include tackling the demand for cheap labour and exploitative service (UNOCD 2006b, 36.) by decreasing benefits to employers who employ trafficked labour, whether on-site or through subcontracting. Another way is to affect the supply side of the market by increasing costs to human traffickers, and to lower the net benefit to persons for relocating illegally (Wheaton et al. 2010, 131-132).

Finally, businesses should adopt zero-tolerance with their own companies' activities (UN.GIFT 2010, 2) and governments will need to make it clear via their policies that the contracting and subcontracting firms are responsible for informing employees about the prohibited behavior, and they should have penalties for violations (US Department of State 2011, 21). The effectiveness and scope of anti-trafficking measures is increased in many ways (UN.GIFT 2010, 2) when proactive co-operation is emphasized, and when better co-operation between stakeholders is involved (Konrad 2008, 28). To this effect this study will be highlighting legislation, ethical codes and social responsibilities as the two most important prevention measures against human trafficking in relation to business. These measures are investigated in the following paragraphs.

2.4.1 *National and International Law and Conventions*

It is always important to emphasize that trafficking in human beings is a human rights issue. Victims should not be seen merely as tools to prosecute traffickers. On the contrary, they are the exact reason to combat this crime (Hartig 2008, 49.) Thus the role of legislation in the combat against human trafficking is essential. Legislation that prohibits all forms of trafficking and exploitation and sets a punishment comparable to the nature of the crime (Skrivankova 2006, 230) is essential for each nation. However, national legislation against human trafficking depends on the country and its willingness to combat human trafficking. Thus, interstate and international law enforcement coordination is needed to reduce human trafficking (Wheaton et al. 2010, 134).

The legal responses to trafficking in persons in EU-countries are mainly based on international and regional legal instruments. These instruments require the states to increase awareness on human trafficking amongst the general public, to cooperate across

international borders, prevent trafficking, assist and protect trafficking victims and ensure the prosecution of traffickers. (Roth 2010, 8.) For example, the UN Trafficking Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, adopted by General Assembly in 2000, and the Council of Europe Convention on Action against Trafficking in Human Beings, adopted by the Council of Ministers in 2005, are relevant tools in combating human trafficking (Roth 2010, 7; Lagon 2008/2009, 54; Hartig 2008, 48). In addition, the Trafficking Victims Protection Reauthorization Act of 2003 is one of the main tools to combat trafficking in persons both worldwide and domestically (Gozdziak & Collett 2005, 101-102). Other important legal instruments are the European Union Council Framework Decision on Combating Trafficking in Human Beings and EU Council Directive on short-term residence permits. (Skrivankova 2006, 230). There are also several international conventions and various forms of cooperation within the frameworks of the United Nations, the International Labor Organisation (ILO), the Council of Europe (CoE), the European Union (EU) and the Organisation for Security and Cooperation in Europe (OSCE) (Roth 2010, 7). Gozdzia and Collett (2005, 101) also mention UNICEF, and the International Organization for Migration (IOM) as anti-trafficking campaigners.

In the case of Finland, there are two National Plans of Action against Trafficking in Human Beings. Finland has also created a special system to help (potential) victims of trafficking through the Act on the Integration of Immigrants and Reception of Asylum Seekers (439/1999). Moreover, special sections has been added to the Aliens Act (301/2004), that permit victims, who stay in the country illegally, to be issued with a reflection time and a temporary or continuous residence permit on certain conditions. (Roth 2010, 179.) In fact, the definition of crime of trafficking is founded on the Palermo Protocol and EU Framework Decision. Trafficking in human beings (Penal Code 25 3 § (650/2004)) is criminalized in Finnish legislation among with aggravated trafficking in human beings (Penal Code 25 3 a § (650/2004)) and extortionate work discrimination (Penal Code 47 3 a § (302/2004)) as a relating crime.

Finally, 'hard' forms of legal regulation need to be 'beefed-up' to be more effective, because quasi-legal regulation (such as ILO codes) seem to be clearly inadequate (Royle 2005, 52). Thus it is also essential to strive for cooperation between law enforcement and nongovernmental organizations (GAO Reports 2007, 26). In sum, business should first of all follow the law, especially the labour legislation, and also draw up ethical codes and corporate social responsibility principles and comply with them in order to prevent getting involved in human trafficking or relative exploitation crimes.

2.4.2 *Ethical Codes and Corporate Social Responsibility (CSR)*

In addition these above-mentioned laws and conventions, it is essential to implement business ethics in the business' strategy and management. Today, consumers, activists, and investors are recommending companies to sign and implement ethical codes of conduct (US Department of State 2011, 22). In fact, the growing power of business and multinationals' massive economic and intellectual resources enable business to use its power in a positive way to improve environmental and human rights conditions (Geer 2002, 68). They can also establish codes of conduct, be on constant alert in the economic sectors most at risk and to fund preventive work by investing in poverty stricken areas and taking part in raising awareness (Plant 2008, 18).

The expanding corporate social responsibility (CSR) movement has shown to many companies that their responsibilities do not lie simply in making profits. Instead, what is important, is how these profits are made (Hopkins 2007, xi-xii, 14). For instance employers have been eager to promote voluntary self-regulation like private codes of conduct and CSR. Private codes of conduct can be thought of the forerunners of CSR, and many other similar codes usually claim adherence to the ILO's core labour standards. As an example, all of the Fortune 500 companies in the USA have private codes of conduct. (Royle 2005, 44.) The companies also in Finland are increasingly paying attention to values, ethics and CSR (Vuontisjärvi 2006, 286).

The commitment to ethical business brings significant gains to companies according to the experiences of many corporations in the past years (Business Leaders Award — —). Furthermore, it improves the public image of business (Evans 1982, 15) and in fact can be seen as a critical driver of stable economies and sustainable growth (CSR Europe 2010). These ethical values, codes of conducts and CSR principles can function as a tool against human trafficking. Moreover, these ethical businesses will benefit their bottom line by protecting their brand and reputation, ensuring and even increasing access to markets, reducing turnover and increasing recruitment and retention rates, as well as decreasing the risk of future litigation or regulatory violations. (Business Leaders Award — —.)

Anti-trafficking policies have emphasized the role of private sectors and business by creating different programs to encourage businesses to combat against trafficking. For example, End Human Trafficking Now!, The Global Initiative to Fight Human Trafficking (UN.GIFT) and the United Nations Global Combat have together established an international award "Business Leaders against Human Trafficking" to honor business leaders who are active in combating human trafficking. (UN.GIFT.HUB 2011). This award emphasizes the business efforts to combat human trafficking, as an essential part of the response. (Business Leaders Awards 2010, — —). Thus, passive resistance is not sufficient anymore in combating human trafficking. Businesses, and especially multina-

tionals, have to be proactive in their actions. They have to promote actions against illegal systems, pressure the governments to change their practices, publicize opposition and support sanctions and other external attempts in order to reduce illegal actions. (De George 1999, 547.) Thus, CSR is not alone enough to secure individual employee rights and benefits (Vuontisjärvi 2006, 288) since the competitive pressures often encourage bad rather than good behaviour, with the more extreme forms of exploitation (Royle 2005, 51). The role of CSR should, therefore, be as far as possible to complement regulations, legislation and the norm, not to act as a substitute for them (Vuontisjärvi 2006, 288). In other words, companies should pursue to make a positive mark upon society through entrepreneurial solutions and build their reputation on a governance culture driven by integrity and transparency, sustainable products and services, and proactive cooperation with stakeholders (CSR Europe 2010). In fact, cooperation with stakeholders should be emphasized in this combat (Andrees 2008a, 27). In order to prevent human trafficking properly the business needs to know its essential stakeholders and recognize them. In the next chapter the concept of stakeholder and its meanings are investigated in more detail.

3 **STAKEHOLDER APPROACH TO THE STUDY**

Stakeholder theory is an idea about how business really works. (Freeman 2009, What is stakeholder theory)

Before the industrial revolution, business was done quite differently from today. At this time organizations were quite simple and “doing business” involved buying raw materials from suppliers, converting them to products, and selling them to customers. At that time the owner-manager-employee did not need to worry about anything else than satisfying suppliers and customers in order to make the business successful. However, this way of thinking has slowly begun to change. (Freeman 1984, vi.) The focus of “doing business” expanded from just customers and suppliers into employees, communities, financiers and shareholders. Suddenly each one of these groups were crucial for the business to be successful. (Freeman 2009, What is Stakeholder theory.)

This change in the way of thinking refers to the creation of stakeholder theory⁶. Since this creation and the introduction of a term ‘stakeholder’, there has been multiple ways to define what stakeholder theory is and who are the essential stakeholders. Thus this chapter will first investigate the academic validity of the concept, aka how stakeholders are identified and defined and what kind of different variations of stakeholder theory there exists. This aids to determine later on the necessary stakeholder groups for this study from human trafficking perspective. After identifying the stakeholders, the focus turns into business ethics because stakeholder theory has been generally approached from the standpoint of business ethics, corporate governance and/or corporate social performance (Jones & Wicks 1999, 206). Moreover, one of the important premises of stakeholder theory is its focus on managerial decision-making (Jones & Wicks 1999) and thus some attention is paid on that too. Before the final chapter, which consists of a synthesis that ties together stakeholder theory from this study’s point of view, the focus is turned into corporate social responsibility and its connection to stakeholder theory.

3.1 Definition of Stakeholder Theory

The term "stakeholder"⁷ has been invented in the early 1960s as an intentional play on the word "stockholder" to indicate that there are other parties having a "stake" in the

⁶ Mitchell, Agle & Wood (1997, 855) have made a distinction between stakeholder theory and stakeholder approach but these concepts are used here as synonyms.

⁷ Academics at the Stanford Research Institute have been credited with inventing the term.

decision-making of the corporation besides those holding equity positions (Goodpaster 1991, 54). Thus, the idea that corporations have stakeholders (Donaldson & Preston 1995, 65) has existed already for many decades. In fact, the original definition of stakeholder term was “those groups without whose support the organization would cease to exist” (Freeman 1984, 31). Nowadays, however, the meaning of stakeholder is quite different as it refers to “any group or individual who can affect or is affected by the achievement of the organizations objectives” (Freeman 1984, 46). Thus, in the last three decades the term ‘stakeholder’ has obtained a specialized meaning in business environment, particularly in discussions of business management and corporate governance (Stenberg 1997, 3). In fact, since the pioneering work of Freeman (1984) *Strategic Management: A Stakeholder Approach* basic features of the stakeholder concept have been outlined and developed (Jones 1995, 405). After this noted publication many more studies by other investigators have been published, and several other related concepts, and theories have been introduced in the field of stakeholder theory (Donaldson & Preston 1995, 65). Since the beginning of 1990s the interest in stakeholder theory has accelerated not only in the academic world, but also in common parlance (Friedman & Miles 2002, 1). It is also worth to notice that the stakeholder idea is still in the 21st century alive, well and flourishing (Agle et al. 2008, 153).

As a starting point, the purpose of the firm is to serve as a vehicle for coordinating stakeholder interests. This refers to key doctrines⁸ of stakeholder theory (see Evan & Freeman 1994, 103), which include the principle of corporate legitimacy and the stakeholder fiduciary principle. The former describes how business should be managed for the benefit of all of its stakeholders: its customers, suppliers, owners, employees, and local communities. The latter in turn refers to the management and its fiduciary relationship towards the stakeholder and the corporation as an abstract entity. (Evan & Freeman 1994, 103.) These key doctrines and their messages have shared opinions among the stakeholder researchers for long. In fact, as the contributions to the stakeholder concept have grown, they have, at the same time, become diffuse (Friedman & Miles 2002, 1), increasingly blurred and confused (Stoney & Winstanley 2001, 604). Indeed, anyone who is looking into the large and evolving literature of stakeholder approach with a critical eye will note that the concepts of stakeholder, stakeholder model, stakeholder management, and stakeholder theory are explained and used by various authors in very diverse ways and supported with different and usually contradictory evidence and arguments (Donaldson & Preston 1995, 66).

⁸ Langtry B. (1994) Stakeholders and the Moral Responsibilities of the Business. *Business Ethics Quarterly*, Volume 4, Issue 4.

One of the most controversial issues among stakeholder theory has been how to identify the essential stakeholders. There has been disagreement about who counts as a 'stakeholder' of a business firm, and thus this is a continuing source of 'conceptual confusion' (Stoney & Winstanley 2001, 623). These multiple ways and theories of identifying stakeholders have not resulted in a single attribute that could guide reliably on issues related to stakeholder theory (Mitchell et al. 1997, 854). Stoney and Winstanley (2001, 605) argue that due to the myriad of interpretations, generalizations and definitions, the term stakeholding has become into content free and can mean almost anything the author desires. Especially the radical shift from identifying stakeholders as those in whom organization had a stake to those who have a stake in an organization (Stenberg 1997, 3) has created a lot of debate. In other words, many scholars criticize the difficulty of identifying a multitude of different views of stakeholders (Orts & Strudler 2009, 606). The before-mentioned definition of stakeholder as "any group or individual who can affect, or is affected by, the achievement of a corporation's objectives" (Freeman 1984, 46) transforms everybody into a stakeholder (Stenberg 1997, 3; Langtry 1994, 432). In fact, stakeholders can be employees, customers, suppliers, stockholders, banks, environmentalists, government and other groups who can help or hurt the corporation (Freeman 1984, vi). This means that the number of groups identified as stakeholders has increased substantially (Stenberg 1997, 3). Thus, the problem of identification of stakeholders relates also to problems of vagueness and over breadth of the concept (Orts & Strudler 2009, 608). Freeman (2009, What are Stakeholders) admits that his definition is sometimes controversial and broad. It derives from the idea that stakeholder theory is about business, it is about strategy. According to the strategy, if a group can affect a firm, then the firm has to deal with it. However, the definition is not so important; what is important is to create value for all stakeholder groups. (Freeman 2009, What are Stakeholders.)

A sharp divide has been made between a 'broad' and a 'narrow' definition of stakeholders (Orts & Strudler 2009, 606; Mitchell et al. 1997, 856–863). Narrow views of stakeholders try to define essential groups in terms of their direct relevance to the firm's principal economic interests. The broad view of stakeholders, in turn, is based on the empirical reality that companies can be vitally affected by, or they can vitally affect, almost anyone (Mitchell et al. 1997, 587). An example of a broad view is Freeman's definition of stakeholders and an example of a narrow view is Friedman's view of stakeholders (Orts & Strudler 2009, 606–607). In fact, the famous argument by Milton Friedman (1970)⁹ in favor of a shareholder primacy model of the firm emphasizes the

⁹ This article was unavailable. Further information: M. Friedman, "The Social Responsibility of Business Is to Increase its Profits", *New York Times*, Sept. 13, 1970 pp. 122–126.

firm's sole objective of maximizing the economic wealth for shareholders. This well-known sentence by Friedman (1970) differs quite a lot from the general thoughts of Freeman (1984) and stakeholder theorists who are seen as taking care of all stakeholders (Freeman 2009, *Shareholders vs. Stakeholders*). In other words, "maximizing profits" is not the only goal of the corporation; it is an outcome of a well-managed company, and stakeholder theory is an idea about what it means to be well managed (Freeman 2008, 165-166). Hence, business should not be run for the financial benefit of its owners, but for the benefit of all stakeholders (Stenberg 1997, 4). To put an end to the discussion of narrow/broad views of stakeholders, there are other efforts to define what constitutes a stakeholder located between these two views (Mitchell et al. 1997, 857). For instance, Hill and Jones (1992) speak of stakeholders as contractors/participants in exchange relationships, and Goodstein and Wicks (2007, 384) define the term through corporate responsibility.

Despite the diverse ways to identify and define stakeholders and their meanings, the stakeholder theory goes well beyond this descriptive observation that "organizations have stakeholders." In fact, stakeholder theory can be, and has been, presented and used in many ways that are quite different and concern diverse methodologies, types of evidence, and criteria of appraisal. (Donaldson & Preston 1995, 70.) Freeman (*Conceptualizing Conscious Capitalism* 2009), for instance, describes stakeholder theory as a big tent and includes within it several disciplines of business. Donaldson and Preston (1995, 75) suggest an integration of types of theories within the classifications as normative, instrumental or descriptive in order to understand stakeholder theory properly. Jones and Wicks (1999, 207) also acknowledge this three-part typology and further group the research in stakeholder theory into two somewhat broader categories: (1) social science-based theory, containing instrumental and descriptive/empirical variants, and (2) ethics-based theory concentrating on normative issues.

As the aim of this chapter is to understand stakeholder approach generally, no deeper attention is paid to these types of theories by Donaldson and Preston (1995). It can be, however, briefly stated that from descriptive point of view, the stakeholder theory is used to describe, and sometimes to explain, specific corporate characteristics and behaviors (Donaldson & Preston 1995, 70). Instrumental theory together with descriptive/empirical data, is applied to identify the connections, or lack of connections, between stakeholder management and the achievement of traditional corporate objectives (Donaldson & Preston 1995, 71). Instrumental theory, thus, obeys contingent theory: the predicted outcomes are contingent on a certain type of behavior (Jones & Wicks 1999, 208). Finally, the normative theory is used to interpret the function of the corporation, encompassing the identification of moral or philosophical guidelines for the operation and management of corporations (Donaldson & Preston 1995, 71). Jones (1995, 406)

summarizes by stating that descriptive/empirical, instrumental, and normative theories include the questions of what happens, what happens if, and what should happen.

The last mentioned typology – normative variant – is categorized under the ethics based theory and leads this study to another controversy issue in business: business ethics. In fact, stakeholding has provided a central point for business ethicists to debate its moral and epistemological significance (Stoney & Winstanley 2001, 601). The point in stakeholder theory is that it is a way to think about business that puts the two concepts of ‘business’ and ‘ethics’ together (Freeman 2009, Stakeholders are people). Not everybody, however, agree with this since the concept of business ethics in itself is still controversial; some counter-arguments question business ethics as a part of general field of ethics and business itself (De George 1999, 17-19). In fact, for more than two centuries there has been a common riddle of whether the corporation qualifies as a moral entity. In spite of copious dialogue the dilemma persists. (Dunn 1991, 4.) Collins (1994, 1), for example, discusses the possibility of business ethics being an oxymoron. This refers to businesses that pursue self-interest and profit maximization, whereas ethics are recognized as taking care of others (Collins 1994, 2). From this perspective, business and ethics are seen separate from each other. Freeman (2009, stakeholders are people) acknowledges this idea but disagrees and underlines the importance of the words ‘business and ethics’ as redundant to each other. In fact, business ethics is an interaction between ethics and business. Business has a moral obligation to make profit, but at the same time it cannot forget its obligations towards stakeholders. (Gini 2004, 29.)

Gini (2004) ties stakeholders and business ethics together, just like Jones (1995) does in his study. In fact, stakeholder theory has been widely offered as a correction to perceived defects of business and business ethics, and as an alternative model of corporate governance (Stenberg 1997, 3). Carroll (1991) also links up the firm’s ethical responsibilities with its stakeholder groups while investigating corporate social responsibility. Another approach among others that ties together business ethics and stakeholder theory is the normative variant introduced earlier in this chapter. This mode of inquiry involves specifying what moral obligations and ethical claims stakeholder theory places on stakeholder groups (Heath 2006, 533; Jones & Wicks 1999, 209). Normative versions rely on ethical claims about the right motives for companies to have, such as how all firms should treat the interests of stakeholder groups as having intrinsic worth (Jones & Wicks 1999).

It can be noted that business ethics is not that simple a subject. Many times discussions for instance about fiduciary relationships, managers and shareholders, turn into discussion of the fiduciary responsibilities of managers and the moral legitimacy of the goals being pursued by shareholders. This, in turn, leads to a discussion of the moral status of profit. It is here that the “ethical” status of business ethics begins to seem problematic. (Heath 2006, 540.) This problematic character of business ethics leads to the

counterarguments of Orts and Strudler (2009) who state that stakeholder theory is not a very good, reliable, or even cogent philosophical approach for handling with ethical problems in business. In fact, the shareholder approach to business ethics suffers, before anything, from the taint of moral laxity. It does not appear to impose enough obligations upon managers to satisfy the moral intuitions of many people (Heath 2006, 542). Another argument against stakeholder theory has been that the “balancing of interests of stakeholders” may be used by managers to enrich or favor themselves at the expense of all the stakeholders. This, as an approach to business ethics, can be used too easily to condone unethical behavior. (Orts & Strudler 2009, 610.) However, stakeholder theory may be useful for some kinds of business decisions – especially in terms of strategic rather than moral thinking. But the recent claims for stakeholder theory as providing a framework for business ethics are seriously overblown. (Orts & Strudler 2009, 606.)

In spite of the disagreements concerning business ethics and stakeholding, this study considers stakeholder theory and business ethics closely related and thus moral foundation can be seen as an essential feature of stakeholder theory. However, this study does not consider stakeholder theory as a framework for business ethics, since there are so many controversies in both standpoints. In fact it is agreed that stakeholder theory is a class of theories (Jones & Wicks 1999, 212) or a big tent that includes within it several disciplines of business (Freeman 2009, *Conceptualizing Conscious Capitalism*). Thus there are many more ways to investigate stakeholder theory than what has been presented here. In fact, Freeman (2009, *Conceptualizing Conscious Capitalism*) states that there is not much usefulness in these discussions about “what is a stakeholder theory or who is a stakeholder” or the distinctions between descriptive, instrumental or normative variants. Instead stakeholder theory can be seen as inherently managerial, just like Donaldson and Preston (1995, 70) do in their study suggesting that from the managerial perspective, stakeholder theory does not only describe or analyze; it also recommends attitudes, structures, and practices that, taken together, form a stakeholder management. This leads the study to the next theme: management and stakeholder theory.

3.2 Management in Stakeholder Theory

The power in business lies in the hands of managers or in the financial interest of shareholders (Evans 1982, 8). Besides managers and shareholders, stakeholders include employees, customers, suppliers, creditors and communities (Hill & Jones 1992, 131). In fact, the stakeholder theory is managerial in many ways of that term (Donaldson & Preston 1995, 67, 87; Freeman 2009). Since Freeman (1984) published his noted book the concept of “stakeholders” has become embedded in management scholarship and in managers’ thinking (Mitchell et al. 1997, 853). For more than a decade the stakeholder

approach has been a powerful heuristic device to understanding the firm in its environment, and to broaden management's vision of its roles and responsibilities beyond the profit maximization function to include interests and claims of non-stockholding groups (Mitchell et al. 1997, 855). In fact, the concept of a stakeholder has become widely used as a tool for strategic management: if there is a need for an effective manager then stakeholders —as well as stockholders— must be taken into account (Langtry 1994, 431). Every stakeholder group is important to the success of the business and the managerial and entrepreneurial tasks involve finding out how the interests of these groups go in the same direction (Freeman 2009, What is stakeholder theory). Management, which pays attention to other stakeholder groups besides stockholders in the decision-making process, has been often called as ethically responsible management (Goodpaster 1991, 53). The stakeholder management perspective provides not only a language and a way to personalize relationships with names and faces, but also useful conceptual and analytical concepts in order to diagnose, analyze, and prioritize an organization's relationships and strategies (Carroll 1991, 48). Thus, one of the important premises of stakeholder theory is its focus on managerial decision-making (Jones & Wicks 1999, 206).

What comes to management in stakeholder theory, two points have been emphasized in the study of Donaldson and Preston (1995, 85): (a) a recognition of specific stakeholders and their stakes by managers and other stakeholders and (b) the role of managers and the management function, as diverse from the persons involved, within the stakeholder model. These two points are closely intertwined (Donaldson & Preston 1995, 85) and refer to the identification of essential stakeholders for managers' decision-making process. A tendency to adopt excessive breadth in definitions of stakeholders such as "anything influencing or influenced by" the firm (Freeman, 1984) opens the stakeholder group to a wide amount of actors that form part of the firm's environment but that have no specific stake in the firm itself (Donaldson & Preston 1995, 86). Thus, it is a challenge for managers to decide which of these numerous stakeholder groups receive and merit consideration in the decision-making process (Carroll 1991, 43). Another thing that makes managers' responsible decision-making difficult is to understand how there can be an ethical relationship between management and stakeholders that is not too weak (making stakeholders mere means to stockholders' ends) or too strong (making stakeholders quasi-stockholders in their own right) (Goodpaster 1991, 54). In other words, it is the responsibility of managers, and the management, to choose activities and direct resources to gain benefits for legitimate stakeholders. The question, however, is, who are the legitimate stakeholders? (Donaldson & Preston 1995, 85.)

There are some answers to this question in the literature, but according to Donaldson and Preston (1995, 85), most of them are too narrow or too broad. Thus, what is needed is a theory of stakeholder identification that can reliably sort out stakeholders from non-stakeholders and also a theory of stakeholder salience that can explain to whom and to

what managers actually pay attention (Mitchell et al. 1997, 854). The firm-as-contract notion views that legitimate stakeholders are identified by the existence of a contract, expressed or implied, between them and the firm. Direct input contributors are included, but environmental interests such as communities are considered to have at least loose quasi-contracts with their business constituents. (Donaldson & Preston 1995, 85.) Similar to firm-as-contract – seen as incomplete by Donaldson and Preston (1995, 85) – is stakeholder-agency theory. The agency theory is used as a nexus of contracts between stakeholders and managers at a central node, where managers have the responsibility to reconcile divergent interests by making strategic decisions and allocating strategic resources in a way that is most consistent with the claims of the other stakeholder groups. Stakeholders are sorted out with respect to the size of their stake in the firm. (Hill & Jones 1992, 133-134.) Also power is mentioned as a way to sort out stakeholders which have either little or significant power over the management due to the size of their investments. Legitimacy can be also a vital criterion. It refers to the extent to which a group has a justifiable right to be making its claim. (Carroll 1991, 43.) In fact, power and legitimacy are different, sometimes overlapping dimensions, and there is a possibility that they exist without the other (Mitchell et al. 1997, 859).

Donaldson and Preston (1995, 86) emphasize the importance to draw a clear distinction between influencers and stakeholders: some actors in the enterprise (e.g., large investors) may be both, but some recognizable stakeholders (e.g., the job applicants) have no influence, and some influencers (e.g., the media) have no stakes. Mitchell et al. (1997, 859) agree and state that it is necessary to differentiate between groups that have a legal, moral, or presumed claim on the firm and groups that have an ability to influence the firm's behavior, direction, process, or outcomes. In fact, classes of stakeholders can be identified by their possession of one, two, or all three of the following attributes: the power to influence the firm; the legitimacy of the stakeholder's relationship with the firm; and the urgency of the stakeholder's claim on the firm. (Mitchell et al. 1997, 854.) According to Carroll (1991, 46) there are often five major stakeholder groups that are recognized as priorities by most firms: owners (shareholders), employees, customers, local communities, and the society-at-large. Such groups as suppliers, competitors, special interest groups, government, and the media can be also embraced, but there might arise specific behaviors and orientations because of the differing nature of the groups. (Carroll 1991, 46-47.) In fact, as stakeholder groups can have different interests, sometimes these interests might conflict (Orts & Strudler 2009, 611). However, stakeholder theory does not say enough about how managers should respond to conflicting interests or values to help resolving these conflicts. It gives no tips to managers as to how to rank or reconcile the conflicting interests of stakeholders. (Stenberg 1997, 5.) Due to the stakeholder theory's focus on the relationship between the manager and different "groups" within society, it tends to privilege the interests of those who are well-

organized over those who are poorly organized (Heath 2006, 545). In other words, the stakeholders winning management's attention will be only those that managers perceive to be highly salient (Mitchell et al. 1997, 871). However, it is a challenge for stakeholder management to make sure that the firm's primary stakeholders achieve their objectives while other stakeholders are also satisfied (Carroll 1991, 43).

Thus, it can be stated that the proper objective of management is to balance stakeholders' competing interests (Stenberg 1997, 4) and to base these relationships on mutual trust and cooperation in order for the firm to gain competitive advantage (Jones 1995, 423). However, before competitive advantage can be gained, the main question is whether a manager believes that treating the interests of stakeholders, as having intrinsic worth and pursuing the interests of multiple stakeholders, will produce higher traditional performance measures, such as return on investment (Donaldson 1999, 239). In fact, managers will need to be convinced that the stakeholder approach presents a more effective form of governance and decision-making capable of improving performance without threatening shareholder value in the short or longer-term (Stoney & Winstanley 2001, 616). The notion that stakeholder management contributes to successful economic performance is insufficient to stand alone as a basis for the stakeholder theory (Donaldson & Preston 1995, 87). Thus, it is also worth to remember that in the absence of commercial success or legislation, stakeholding as an operational model of corporate governance is pure fantasy. This means that both sides are needed – moral issues accompanied with commercial success – in order for the firm to be successful. (Stoney & Winstanley 2001, 616.)

In conclusion, it has been stated that stakeholder theory is managerial (Donaldson & Preston 1995, 67, 87; Freeman 2009). The only obligation of the manager is to create as much value as possible for the stakeholders (Freeman 2009). In order to succeed in this it is essential for the manager to identify the most important stakeholders for the decision-making process. After identifying the essential stakeholders, it is important to think about the fiduciary relationships between the management and its stakeholders. This means that attention should be paid into the interests of all of their stakeholders – not just their stockholders (Jones & Wicks 1999, 208-209). After identifying relevant stakeholders, those managers responsible for that stakeholder relationship must identify the strategic issues that affect the particular stakeholder and must understand how to formulate, implement and monitor strategies for dealing with that stakeholder group (Freeman 1984, 26). Thus, the important functions of stakeholder management are to describe, understand, analyze, and finally, manage (Carroll 1991, 43). This management also includes treating the essential stakeholders equally with ethical and economical principles in mind, and thus controlling and preventing the business of getting involved in amoral business such as human trafficking or similar crimes. In fact, corporate social responsi-

bility as a part of stakeholder theory is an essential prevention measure against illegal business. This will be explored in the following chapter.

3.3 From Stakeholder Theory to Corporate Social Responsibility and Beyond

For the last 30 years, business executives have pondered with the issue of the firm's responsibility to society (Carroll 1991, 39) and debated over the extent and nature of the social responsibilities of the business. These discussions have turned out to be heated and complex. (Klonoski 1991, 9.) In fact, this might be one reason why corporate social responsibility (hereafter referred to as CSR) is a concept that has many definitions, and thus, this confusion is compounded by a great number of terminology in the area of business in society. These include corporate sustainability, corporate citizenship, corporate responsibility, business responsibility, business social responsibility, business reputation, the ethical corporation, sustainable business and so on (Hopkins 2007, 9-10). The most important concept in this study, however, is the CSR and its connection to stakeholder theory. In fact, there are scholars who see these two concepts separates and others who see them inseparables and thus the aim of this chapter is to figure out whether CSR and stakeholder theory are intertwined.

To begin with, CSR is on the global agenda (Royle 2005, 42). As companies are facing the challenges of a changing environment in the context of globalization and especially the internal market, they are more aware that CSR can be of direct economic value (Commission of the European Communities 2001, 4). The USA, the European Union and several other developed countries are all looking to corporations to help highlight problems such as inequality, health and unemployment (Royle 2005, 42). Social, economic and environmental responsibilities are changing, and even small to mid-sized companies must adapt to what is increasingly becoming a new management paradigm. Thus, the marketplace dynamics have really changed with respect to discussions about "doing good in society". (Taylor 2008.) In fact, there is an increasing amount of companies that pay attention to values, ethics and CSR (Vuontisjärvi 2006, 286). CSR can be defined as following:

...A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. (Commission of the European Communities 2001, 6)

CSR refers to the concept of 'stakeholder democracy', which is based on the notion that organizations are formed from a number of different stakeholders with a multiplicity of interests, all of who should affect the organization's activities (Royle 2005, 42). Hopkins (2003, 1) modifies this definition slightly stating that CSR is related to treating the stakeholders of the firm ethically or in a responsible way. Here 'ethically or responsible' refers to treating stakeholders in a manner deemed acceptable by society. Social involves economic responsibility. Stakeholders exist both inside and outside of a firm – the natural environment is a stakeholder. (Hopkins 2003, 1.) Carroll (1991, 40-41) specifies that CSR concept consists of four social responsibilities: economic, legal, ethical, and philanthropic. To be exact, all of these responsibilities have always existed at some level, but the importance of the ethical and philanthropic functions have increased only recently. These four components form a pyramid where the economic performance forms the lowest level. While the business makes profit, it is also expected to follow the law, which is society's codification of acceptable and unacceptable behavior. (Carroll 1991, 40-42.) The law forms the second level of the pyramid (Carroll 1991, 40-42), but being socially responsible refers not only to fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and the relations with stakeholders (Commission of the European Communities 2001, 6). Thus, on top of the law level is business's responsibility to be ethical. In other words, business is obligated to do what is right, just, and fair and to avoid or minimize harm to the stakeholders. The top-part of the pyramid consists of philanthropic responsibility. This refers to business' responsibility to be a good corporate citizen and donate financial and human resources to the community and to improve the quality of life. (Carroll 1991, 40-42.)

All of the above-mentioned definitions of CSR see stakeholders as a part of these definitions. For instance Carroll (1991, 43) argues that there is a natural fit between the idea of CSR and an organization's stakeholders. CSR occurs due to a web or network of relationships that the corporation develops with diverse groups who "have a stake" in the corporation. (Klonoski 1991, 13.) Crane (2004, 50), on the other hand, compares stakeholder theory to CSR and states that while CSR approach strongly concentrates on the corporation and its responsibilities, the stakeholder approach focuses on various groups to which the corporation has a responsibility. In other words, CSR is based on the social nature of business and the corporation (Klonoski 1991, 13). In fact, the word "social" in CSR has always been vague and lacking in specific direction as to whom the corporation has a responsibility. The concept of stakeholder personalizes social or societal responsibilities by determining the specific groups or persons a business should consider in its CSR orientation. Thus, the stakeholder nomenclature puts "names and faces" on the societal members who are most essential to a business, and to whom it must be responsive. (Carroll 1991, 43.)

It appears that stakeholder theory can be applied to CSR. However, there has been many counter-arguments concerning CSR and stakeholder theory. First of all, there is no one good definition for CSR and that creates problems (Anonymous 2005, 12; Hopkins 2007, 17). In fact the concept leaves out some key aspects, such as the word ‘sustainability’; neither does it include that CSR should be a ‘voluntary’ act of companies (Hopkins 2007, 17). Thus, it should be noted that some define CSR as a systems approach taking account of both internal and external stakeholders while others see it as purely voluntary (Hopkins 2003, 9-10). CSR advocates view profits with suspicion, as manifestation of “greed”, and as solely the happy outcome of virtuous conduct (Anonymous 2005, 12). Some also believe that corporations should stick to making profits and governments should only take care of development. According to this, the corporation’s only responsibility would be to provide a maximum financial return to its shareholders (Carroll 1991, 39). Indeed, perhaps the most well noted proponent of claims that the corporation has few if any explicitly social responsibilities is the economist Milton Friedman (1970). However, it should be noted that many scholars often leave out the final words of Friedman’s famous comments concerning the one-sided business’ responsibilities. These words refer to a role —or responsibility— for business that extends beyond profit making. (Carroll 1998, 2.) Thus, it appears according to these statements that profits, in conformity with the law, and ethical custom form the three components of the CSR pyramid – economic, legal, and ethical. This way, Friedman only excludes the philanthropic component (Carroll 1991, 43).

Besides the counterarguments towards CSR, there is also some criticism towards CSR and stakeholder theory. For instance Freeman (2009, *Conceptualizing Conscious Capitalism*) disagrees with the concept of social responsibility and its connection to stakeholder theory. Instead, Freeman (2009) presents a concept of corporate stakeholder responsibility. In a similar way that discussions of corporate social responsibility have brought together the practices of business and ethics, stakeholder responsibility can offer another conceptual vehicle to connect business and ethics (Goodstein & Wicks 2007, 378). Corporate stakeholder responsibility refers to a firm, which has great products and desirable services and great employees who want to work in the firm. This kind of a firm is a good citizen in the community; it treats its suppliers fairly and with dignity and makes tons of money. (Freeman 2009, *Conceptualizing Conscious Capitalism*.) Stakeholder responsibility highlights the interaction of stakeholders with other stakeholders and the firm rather than vice versa. It can take insights from other related theories (stakeholder theory, business ethics, corporate social responsibility) and build on them as part of a larger and more comprehensive way of thinking about organizations. (Goodstein & Wicks 2007, 379.) Moreover, stakeholder responsibility can help to think about the reasons why organizational failures happen more critically and comprehensively. Focusing on stakeholder responsibility reminds that in thinking about why cer-

tain breakdowns occur, the first thing is to start looking at the interactions among key stakeholders if the aim is to really understand what happened and why. (Goodstein & Wicks 2007, 380.)

Especially during these hard times firm needs to pay attention into creating value. Also when times are changing, or when it is highly possible that the products and services might not be the “it” products and services, it is important to focus on creating value for stakeholders. (Freeman 2009, *Conceptualizing Conscious Capitalism*.) The ongoing globalization can complicate, however, some of the stakeholder questions since one of the purposes in respect of globalization is where can production or various business functions be performed cheapest, and how to choose ethically between somebody who will work for three dollars a day and another who wants to earn 45 dollars a day. In other words, there is the European model which takes into account much more actively stakeholder interests and then there is the “third world model” which can be framed “you go where labour is cheapest and exploit inexpensive labour and in some cases labour that is unpaid.” These are the essential issues that have to do with competing pressures on firms. It causes a problem in treating the stakeholders with respect and as partners in the process because it really can end up being costly. (Jones 2011, *Stakeholder theory of the firm*.)

Finally, it can be concluded that CSR and stakeholder theory are closely intertwined. In fact, this study does not make such a big difference between whether it is called corporate social responsibility or corporate stakeholder responsibility as long as the relevant stakeholder interests are taken into account. It is emphasized that companies should integrate their philanthropic contributions into their business functions, and make them a core part of their strategic marketing and communications planning (Taylor 2008). In other words, it can be paralleled with the words of Freeman (2009, *Conceptualizing Conscious Capitalism*) and hope to see a convergence of people interested in social responsibility taking an integrated part of stakeholder interests seriously, in order to dispense of the idea of social responsibility as an add-on to things. These thoughts in mind in relation to stakeholder theory, management and CSR, next they are applied to human trafficking and relevant stakeholder groups for this study are presented.

3.4 Relevant Stakeholder Groups for the Study

The main starting point for this chapter is the claim that corporations are not simply managed in the interests of their shareholders alone but that there is a whole range of groups, or stakeholders, that have a legitimate interest in the corporation as well (Crane 2004, 50). These relevant stakeholders are investigated in this chapter from the human trafficking point of view. In other words, this study does not go as far as Freeman

(1984, 46) when defining stakeholders as “any group or individual who can affect, or is affected by the achievement of a corporation’s objectives” nor does this study merely see shareholders as the only relevant stakeholders for the business. Instead, from this study’s point of view, the relevant stakeholder groups are ‘institutions and authorities’, ‘managers’, ‘law enforcement’ and ‘employees – potential victims’. These stakeholders are chosen because they are believed to represent comprehensively the construction and service sectors in Finland.

As it has been stated earlier in this study, human trafficking has been identified as a complex crime, and thus it needs holistic responses (Andrees 2008a, 27). This study believes that these holistic responses include cooperation between business and several stakeholders. Especially institutions and authorities are identified as one of the most important stakeholders for this study since it is believed that they can offer quality information and advice to business relating to labour issues and especially about human trafficking. In fact, it is believed that with the help of institutions and authorities work-related human trafficking can be observed easier in different business sectors and industries in Finland. Additionally these ‘institutions and authorities’ can increase the awareness of the firms about the risks and threats in different Finnish business sectors and industries. Here these concepts as stakeholders refer to human trafficking specialists, NGOs and the police, which all play major roles in this worldwide phenomenon, especially in combating against it.

The second stakeholder group is formed from the representatives of the law enforcement. To be exact, the law enforcement stakeholder group includes representatives from both the trade unions and employers’ associations. As human trafficking is a crime that violates several laws, including labour, immigration and anti-slavery and other criminal laws (GAO Reports 2007, 1) it is thought to be essential for this study to include representatives of law and labour organisations as one of the stakeholder groups in order to form a complete picture of the phenomenon in Finland. In fact, cooperation with workers’ and employers’ organizations is highlighted (Andrees 2008a, 27) and thus it is believed that this group can offer valuable information on both sides of the business; employers and employees.

As management has a relevant role in the decision-making process of the business, it is considered as a relevant stakeholder group for this study. From human trafficking point of view management is a crucial factor since it can affect how business is conducted and what kind of ethical principles or codes of conduct are followed. In other words, management can decide whether the purpose of the business is just to maximize profits or to create value for all of its stakeholders whilst respecting their rights. If the management pursues big profits and cuts labour costs by using cheap labour it might be at risk of getting involved into human trafficking or related exploitation crimes. If the management does not pay enough attention from which recruitment agency it contracts

labour force or what kind of subcontractors it employs there might be a risk of trafficking. This means that management can affect how the employees are treated in the business and make sure that there is enough transparency in its supply chains and subcontracting relationships. Thus management is as an important stakeholder group for this study.

Finally, employees are considered to be the last and very essential stakeholder group for this study because they are the potential victims of human trafficking. Especially migrant labour force is often in danger of being exposed to human trafficking or related exploitation. The risk is high since they do not usually know the language, the labour laws of the country or are not familiar with the habits and culture of the specific country. The risk is especially high in the business sectors where there is a high demand for cheap labour and the control is low. Hence, this study believes that it is important to include employees as one stakeholder group since it is sure that they offer quite different point of view to the phenomenon in Finland. This way also the opinions and thoughts of the employees will be investigated and tried to understand how these thoughts differ from the other above-mentioned stakeholder groups.

3.5 Synthesis of the Theory Part of the Study: Human Trafficking and Stakeholder Approach

As demonstrated in the previous chapters human trafficking is a worldwide phenomenon that includes transportation or recruitment of persons who are from poor conditions or have weaker possibilities to succeed in life. The recruiters frequently use coercion, abduction, fraud or deception to control their victims. In fact, it is estimated that there are at least 12.3 million victims of forced labour globally (ILO 2005a, 10) of whom 2.45 million are in forced labour as a result of trafficking (ILO 2005a, 10, 14). Thus, it can be stated that human trafficking is a universal phenomenon that violates people's rights in countless ways (U.S Department of State 2009, 5) and affects not just people around the world but also the economies of every nation (Andrees 2008, 7.) In fact, human trafficking can appear in any economic sector or industry (Misra 2007a, 8), including agriculture, the hospitality sector, construction and domestic service (Biaudet 2008, 33; Dowling et al. 2007, iii). It has a negative impact on the functioning of the legitimate business sector and threatens the development of sound economic systems (Business Leaders Award – –). Thus, it is important to find prevention measures in order to prevent creating unequal labour markets and unfair competition for business. However, the problem usually is that cases of human trafficking and its victims are hard to identify due to the clandestine character of the phenomenon and the crimes that resemble it.

One potential prevention measure against human trafficking, already mentioned before in this study, is intensive collaboration between relevant stakeholder groups. Before this can happen, it is important to identify these relevant stakeholder groups. This, however, might not be so easy because generally there has been disagreement about who counts as a ‘stakeholder’ of a business firm (Stoney & Winstanley 2001, 623). The original definition of the term stakeholder was “those groups without whose support the organization would cease to exist” (Freeman 1984, 31). Nowadays, the meaning of ‘stakeholder’ is quite different as it refers to “any group or individual who can affect or is affected by the achievement of the organizations’ objectives” (Freeman 1984, 46). There are many more definitions, and thus a sharp divide has been made between a ‘broad’ and a ‘narrow’ definition of stakeholders (Orts & Strudler 2009, 606; Mitchell et al. 1997, 856–863). This study does not take sides as to which one of these standpoints is the right one. Rather it has defined the relevant stakeholder groups for the study as the ‘institutions and authorities’, ‘law enforcement’, ‘management’ and the ‘employees – potential victims’.

Finally, it can be stated that both of these two concepts – human trafficking and stakeholder theory – presented in this theory part of the study have one common denominator: they are difficult concepts to define. Thus, this study believes that in order to define and identify the relevant stakeholder groups, the stakeholder theory should be seen from the management point of view. In fact, the concept of a stakeholder has become widely used as a tool for strategic management: if there is a need for an effective manager, then stakeholders —as well as stockholders— must be taken into account (Langtry 1994, 431). From this point of view management has an important role in business and in defining who the relevant stakeholder groups are. This way the management can influence how the business is performed and whether the company follows ethical codes and CSR principles or not. In fact, CSR is also intertwined into stakeholder theory since it refers to treating the stakeholders of the firm ethically or in a responsible way (Hopkins 2003, 1). Thus, not only does the stakeholder approach form the theory framework for the study, it can also act as a potential prevention measure against human trafficking. Therefore, it can be assumed that a company that defines its relevant stakeholder groups, collaborates with them actively, treats them equally and additionally emphasizes CSR principles, unlikely gets involved in human trafficking or related crimes. These assumptions are investigated in more detail in the following chapters since what follows is the empirical part of the study in which concrete examples and interview comments are presented.

4 RESEARCH DESIGN

An element affecting to the limited knowledge (of human trafficking) is the fact that development of research methods on human trafficking is in its infancy. (Gozdziak & Collett 2005, 121)

As sound, empirical research data on human trafficking remain elusive; investigations often provide limited size samples of data about case studies or empirical research (UNODC 2006, 37). In this study no exceptions are made, since the empirical part of the study is precisely formed from a sample of limited size of interviews. In fact, this limited sample is investigated through qualitative methods. Although there is a general need for both qualitative and quantitative research on trafficking (Gozdziak & Collett 2005, 121-122), it is, however, believed that in this study smaller and more limited size samples provide more suitable answers than quantitative study would do. The study also follows the theory of descriptive alignment, referring – as the name already reveals – to a study that describes a phenomenon, as it exists. Its aim is to identify and obtain information on the characteristics of a particular issue. In fact, compared with explorative research, descriptive research goes further in examining a problem or a phenomenon and often answers to questions such as ‘how’ and ‘what’. (Anonymous 2008, 5.) Besides being a descriptive study, also some characteristics of exploratory research method can be found due to the novelty of the topic in the Finnish business environment. Finally, the logic used in this study is inductive, since qualitative research often follows this research method (Koskinen et al. 2005, 31-32). Induction is described as interference from the particular to the general and drawing conclusions from observations or a compilation of data (Ormerod 2010, 1210).

Thus, this is a descriptive study, which highlights quality over the quantity and pursues to make general conclusions from the observations and data obtained in the theory and empirical part of the study. In order to succeed in these aims this chapter is started with describing in detail the strategy used in this study. Then the focus is turned to the interview selection and description part. Afterwards some analysis about the data is made and finally the chapter is concluded with the evaluation of the trustworthiness of the study.

4.1 Research Strategy

As mentioned above, the research strategy this study follows is the qualitative approach since it strives to seek the meanings and motivations behind certain types of behavior (Mariampolski 2001, 7). It pursues to describe certain events, understand specific

actions and to give theoretically meaningful interpretations about the phenomena (Eskola 1998, 61). Qualitative approach aims to find answers to questions by examining various social settings and the individuals who inhabit these settings (Berg 2004, 7). Better said, it is a strategy for going beneath the surface. It yields a holistic overview of human behavior, which in turn provides insights into emotions and motivations. (Mariampolski 2001, 55.) Moreover, when a qualitative study is conducted in a business environment, the purpose usually is to increase the understanding of business's actions by classifying qualitative data instead of explaining and controlling the actions of business (Koskinen et al. 2005, 16). These three facts of qualitative research – to seek reasons behind behavior, to understand specific actions and to go beneath the surface, validate why qualitative approach is chosen as the strategy for this study.

In order to understand qualitative research better, it is often contrasted to the quantitative research approach (Koskinen et al. 2005, 30; Mariampolski 2001, 22). Quantitative research differs from qualitative since it answers to questions such as "how many" or "how much" (Mariampolski 2001, 22), whereas qualitative research answers to question such as what, how, when, and where. Qualitative study refers to the meanings, concepts, definitions, characteristics, metaphors, symbols, and descriptions of things, and quantitative research, in turn, to counts and measures of things (Berg 2004, 2-3.; Hirsjärvi 2004, 127-128). This comparison indicates that qualitative study is not based on measuring things or on the intention to change the data to numerical form. In fact, it helps to understand the reasons behind the statistical relations (Koskinen et al. 2005, 24). However, it must be pointed out that sometimes qualitative research, especially in international business, remains undervalued, beset by its low status. It has even been stated that as a methodological alternative, qualitative research is considered second best and even unscientific and too 'feminine'. (Marschan-Piekkari & Welch 2004, 7.) It is regarded as a pre-study, when quantitative research, on the other hand, is considered to be the primary study with scientific goals (Koskinen et al. 2005, 24).

In some cases qualitative and quantitative approaches can, however, complement each other. Thus they should not be considered as each others opposites (Hirsjärvi 2004, 127-8). In fact, when selecting between quantitative and qualitative research strategies the type of questions addressed in the study, the nature of the population being studied and the overall objective of the research should be taken into account (Mariampolski 2001, 22). To be precise, qualitative method is better suited for case based, in-depth analysis (Danailova-Trainor & Laczko 2010, 69) and for describing the phenomenon deeper and more carefully than the quantitative research method would do (Hirsjärvi 2004, 127-8).

Finally, the qualitative research strategy was chosen for this study because a deeper analysis of work-related human trafficking is desired. Qualitative research method is based on data that is composed of text, which is produced either depending on the re-

searcher or irrespective of her/him (Eskola 1998, 15-16). In this case the data is produced depending on the researcher because the research approach used here is an interview. Interviewing is based on linguistic interaction (Hirsjärvi & Hurme 1991, 7) and resembles conversation that has a prearranged goal (Puusa 2011, 73). It gives an opportunity to approach different phenomena that are difficult to study in human behaviour (awareness, intentions and experiences) (Hirsjärvi & Hurme 1991, 7). Interview method fits well to this study since the aim is to investigate, among others, the awareness of human trafficking in Finnish business. This is investigated through different sub-objectives of the study: defining the concept of human trafficking, describing the phenomenon in Finnish business and finding out different prevention measures against trafficking for the business. The interviews conducted for this study also follow roughly these sub-objectives, which also roughly form the themes for the empirical part of the study. Next, however, the data collection process is described in detail.

4.2 Data Collection

As mentioned above, interviewing is used as a method to collect data for this study. This approach is chosen because interview is an effective method to gather information for certain types of research questions and for addressing certain types of assumptions (Berg 2004, 83). In fact, it is normal for a qualitative study to focus on a small amount of cases and try to analyze them as thoroughly as possible. This means that the criterion for scientific material is not the amount, but the quality, of the material, and the scope of conceptualization. (Eskola 1998, 18.) Indeed, researchers often choose to conduct interviews because they prefer to emphasize persons as subjects in the research situation, or because there is an inadequacy of recent researches, or because the subject has a complex nature that requires extra explanations. (Hirsjärvi 2004, 194.) In fact, the most common way to collect qualitative data in Finland, is an interview (Hirsjärvi & Hurme 1991, 85; Eskola 1998, 88; Hirsjärvi 2004, 194).

An interview resembles conversation, excluding the fact that the interviewer has taken the initiative and leads the conversation (Eskola 1998, 86). To be precise, interview is a dialogue where both parties interact with each other to find out the thoughts of the other person (Eskola 1998, 86; Hirsjärvi & Hurme 1991, 84; Puusa 2011, 73). It is about presenting questions and obtaining answers (Hirsjärvi & Hurme 1991, 85), and to correctly interpret the interviewee's answers (Hirsjärvi 2004, 196). However, it is essential to find a balance between presenting questions and obtaining answers (Hirsjärvi & Hurme 1991, 85).

Interviewing method is chosen for this study due to the challenge of obtaining reliable and comparable data on human trafficking. In certain areas, there is a complete lack

of data, and often it does not make sense to talk of “gaps” in knowledge when the evidence base is weak. (IOM 2009, 10.) Thus, it is believed that with the help of the 13 interviews conducted for this study, some of the gaps of information can be fulfilled and a deeper understanding of human trafficking can be achieved. Also with the help of these interviews a subjective aspect is brought into the study (Puusa 2011, 74).

Interviews can be conducted in many ways (Puusa 2011, 74). They can be divided into different types depending on how formally or informally the interview proceeds (Puusa 2011, 80). According to Hirsjärvi (2004, 197) there are three types of classifications for an interview: standardized (formal, structured) interview, theme interview and unstandardized or ‘open’ interview. Standardized interview follows a certain questionnaire and is the most formally structured. This means that there are no deviations from the question order. This kind of interview is easy to conduct after carefully designing and planning the questionnaire. Theme interview, in turn, is situated between the structured and open interviews. (Hirsjärvi 2004, 197.) The topics and questions are pre-arranged but the order of the questions is changeable even in the interview situation (Hirsjärvi & Hurme 1991, 36; Hirsjärvi 2004, 197). In fact, the most typical method for qualitative studies is a theme interview which is also a common interview type for business economics (Koskinen et al. 2005, 105). It should be remembered not to confuse semi-structured and theme interviews as they are two different interview types (Puusa 2011, 81).

Finally, unstructured interviews, known also as open interviews, go without pre-arranged questions and are the opposite of standardized interviews (Hirsjärvi 2004, 197). This means that the interviewer has to develop, adapt, and generate questions and follow-up probes appropriate to any given interview situation, and for the research’s purpose during the interview (Berg 2004, 80; Hirsjärvi 2004, 197-198). In fact, this in-depth interview resembles a lot the theme interview, since its aim is to create a natural and easy conversation and not to follow instructions (Hirsjärvi & Hurme 1991, 78).

All in all, this study follows the theme interview method. It is chosen because the study’s topic can be easily divided into three themes: human trafficking as a concept; human trafficking in business context; and the prevention measures against trafficking. Theme interview is also believed to be a good option due to its efficiency. The efficiency is based on the fact that the researcher can guide the interview without controlling it too much (Koskinen et al. 2005, 105). This is possible due to the pre-arranged themes and the probing questions (Puusa 2011, 81).

Finally, it is essential to mention that the data collection process follows the idea of saturation. This means that the data collection is completed when new interviews do not bring any additional value or information to the study (Eskola 1998, 62-63). In other words, the interviews form core of the empirical part of the study and can be described as the primary data for this study. Generally, the focus often is on gathering and using

primary data, but the value of secondary data should not be undervalued. Though secondary sources may not always reflect the whole reality of trafficking, they are valuable for helping to shape the context and offering a wider perspective on the issue. In fact, in the absence of primary data, such as direct victim testimonies, the use of secondary data can provide good background information. (IOM 2009, 11.) Most researchers often use information from newspaper reports and media investigations to compile a picture of trafficking (Gozdziak & Collett 2005, 116). Thus, this study uses secondary data in the form of documents and reports in order to complete the victim's stakeholder point of view. Next the primary data selection process is explained.

4.2.1 Interview Selection

As the theory framework in this study follows the stakeholder approach, the interviews conducted were selected so that they would represent different point of views of human trafficking and would, at the same time, form different stakeholder groups. The chosen interviews, altogether totaling 13, form three stakeholder groups. The fourth group is formed from the secondary data of documentaries and reports. The interviews were selected from Finnish construction and service sectors. The reasons for selecting these sectors have to do with the already mentioned comments (see chapter 2.1) about those sectors most affected in Finland containing at least construction, restaurant, cleaning and horticultural sectors (The Finnish National Rapporteur – – 2010, 7). In other words, construction and service sectors are selected due to the fact that they represent a big part of the Finnish business industries and supposedly offer quite different views of the phenomenon. Additionally, the employees in these sectors represent rather well both sexes because generally the construction sector is much more masculine than the service sector, which is often dominated by women. There is a detailed list of the interviewees according to their stakeholder groups in the Appendix 4.

All of the interviewees were selected based on their special expertise on human trafficking or the recommendations made by the other interviewees. This means that a 'snowball sampling' technique is partly used in this study. Snowballing refers to a method of locating possible candidates for an interview by asking the other interviewees. These candidates are then contacted and possibly interviewed. The study expands as long as new interviewees are recommended by other interviewees. (Morrill 1995, 234.) In this study the snowball sampling technique is used in the first interview cases in order to select adequate interviewees but the purpose is not to expand the interview field too much. In fact, snowball sampling is a possible data collection method for collecting data about the victims of trafficking or in general about the hidden populations

(IOM 2009). It is a good network approach to find interviewees who know about the subject and are willing to talk about it (Tyldum & Brunovskis 2005, 29).

4.2.2 Interview Description

The 13 interviews conducted for this study form the three stakeholder groups as mentioned above. These stakeholder groups are ‘institutions and authorities’, ‘law enforcement’ and ‘management’, aka companies. Some of these interviewees, at least in the management and law enforcement stakeholder groups, can be said to represent the high positions of the Finnish labour life. In fact, a typical respondent in international business research is an informant who is in a senior or middle management level position and has functional responsibility in an area, which enjoys high status in accordance with corporate values. Often these types of informants have considerable industry experience and frequently long tenure with the company. (Welch, Marschan-Piekkari, Penttinen & Tahvanainen 2002, 613.) The interviewees of this type are referred to as corporate elites, and in fact some of the interviewees in this study can be considered to represent them. Corporate elites are likely to be visible individuals both within and outside their organizations and affect the interview situation and the quality of the data in several ways. Thus, interviewing elites is different than interacting with non-elites. (Welch et al. 2002, 612.) These differences are explained later on in this chapter. Before that, the interviewees are described properly. It is also worth to mention that the interviewees are presented anonymously since it is believed that revealing their identities would not bring any additional value to the study.

The first interviews conducted were from the ‘institutions and authorities’ stakeholder group. This group includes three interviewees. The first interviewee is a researcher at the Office of Ombudsman for Minorities¹⁰. The second one is also a researcher but at HEUNI (European Institute for Crime Prevention and Control). Both of these interviewees are specialists in the field of human trafficking, forced labour and work-related human trafficking. They have also published several studies about these topics. The first interview with from the Office of Ombudsman for Minorities is considered as a pilot interview. The purpose of a pilot interview is to test the structure of the interview, the order of the themes and the design of the questions. This way the time requirement for the interview is established. (Hirsjärvi & Hurme 1991, 57-58.) It is also a good way to eliminate unnecessary and/or poor questions. (Koskinen et al. 2005, 128). In fact, this particular pilot interview gave the researcher the chance to practice her skills as an

¹⁰ Currently (2012) the researcher is on leave of absence.

interviewer. The third interviewee in this stakeholder group is from the National Bureau of Investigation. The interviewee specializes in human rights crimes. He was recommended by the two previous interviewees because of his special expertise.

There are four interviewees in the second stakeholder group ‘law enforcement’. These interviewees represent employers’ organisations and trade unions. In other words, they provide an extensive insight on human trafficking in the service and construction sectors. One of the interviewees works at the Service Union United PAM. She is familiar with the cases of exploitation and extortion and has a wide knowledge of Finnish legislation and practices. This interviewee was recommended through ‘snowballing’ by the first interviewee. The second interviewee is a representative from the trade union of the construction sector. The interviewee has published many papers concerning human trafficking and black economy in Finnish construction sector, and thus has wide professional experience of the phenomenon and its related crimes in Finland. This interviewee was also recommended by three before mentioned interviewees. As the researcher wanted to get both the views of the employees and the employers, a representative of the employers’ organization in the construction sector was also interviewed. This interviewee is in a high position in the Finnish Construction Industries (RT). The final interviewee in this stakeholder group is a specialist for a national industrial association, representing Finnish employers and industries in general. This individual was recommended by all the above-mentioned interviewees for his/her professional experience and extensive knowledge on the matter from business, especially from the employers’ point of view. As this interviewee represents broadly the Finnish employers’ organizations, there was no need to interview any other employer representatives from the service sector.

The third stakeholder group ‘management’ includes six interviews; three companies from both construction and service sectors. These companies represent only big firms such as SKANSKA, SRV and YIT¹¹ from Finnish construction sector and, ISS, RTK and SOLEMO from the service sector (mostly cleaning companies). These companies are selected due to recommendations and because it is believed that a logical starting point is to first investigate the phenomenon from the large companies point of view and perhaps later focus more on the small and medium size companies. All of the interviewees in the construction companies are different type of managers, who the representative of the Finnish Construction Union Trade recommended. The interviewees from the service sector, on the other hand, were harder to find. Eventually they were found through word of mouth and snowballing technique. Likewise, all of these interviewees are managers, and thus, all the interviewees in this stakeholder group can be considered

¹¹ The interviewee does not work in YIT anymore.

as the elites. As mentioned earlier, there are some challenges concerning the elite interviews. Obtaining access to the elites, managing the power asymmetry between the interviewer and the interviewee, assessing the openness of the elites and providing feedback can cause difficulties in the interviews (Welch et al. 2002, 613-614). However, the only challenges the researcher encountered were to do with access to the elites and with assessing their openness. To be precise, in some interviews it was quite difficult to contact the interviewee in the first place and then to arrange a meeting that suited both. On the other hand, in relation to the openness of the elites, they are often regarded as more practiced in fielding questions and more tightly bound to organizational policies (Welch et al. 2002, 614-615). This was considered a minor problem in some of the interview situations; however, this topic is investigated thoroughly in the forthcoming chapter (see chapter 4.4.).

The last stakeholder group ‘employees – possible victims’ is based on the secondary data as mentioned earlier, and thus, this group does not contain any interviewees. All the other interviewees are, however, presented in a table of interviews in the Appendix 4. The table demonstrates that most of the interviews were conducted in Helsinki, at the headquarters of the organizations or the companies. As Hart (1991, 193) states, the location of the interview is important. Most interviewees often propose a quiet office, but in some cases the interview takes place in the reception area, the staff refectory, or an open-plan office (Hart 1991, 193). In this study most of the interviews were mainly held in the interviewees’ offices, but there were some exceptions when the interview took place in the staff refectory or lounge. In these cases, when the location is ‘open’, it can affect the interview quality negatively (Hart 1991, 1993). However, no major negative consequences were noted in these interviews. The average length of the interviews was 50 minutes; the shortest one was 37 minutes and the longest about 80 minutes. Because the interviews were quite long, a tape recorder was an invaluable tool for the researcher. With the help of the recorder some very essential facts can be recorded, such as the tone, breaks or prompting (Hirsjärvi & Hurme 1991, 82). There can be, however, some disadvantages of recording like anxiety or nervousness provoked in the respondent (Hart 1991, 196). No disadvantages were noted in this study as everybody agreed to recording and acted naturally during the interview.

As there are 13 interviews in total, the interview situations varied quite a lot from each other. Some of the interviewees spoke a lot and thus the interviewer’s role was more minor, she just had to make sure that the interviewee did not speak off the topic. There were also some situations where the interviewer had a bigger role in maintaining the conversation because the interviewees did not talk much.

Finally, it is worth mentioning that the interviewing method has also its downsides. First of all, interviews take a lot of time, they require careful planning and training and might contain errors. (Hirsjärvi 2004, 195.) Moreover, interviews can contain a lot of

irrelevant information and they can also be expensive, at least in comparison to surveys (Hirsjärvi & Hurme 1991, 16). The downsides in this research were the travel expenses since the researcher had to often travel by train to Helsinki. Another downside was the time aspect, which Hirsjärvi & Hurme (1991, 21) also mention: interviews require a lot of time, especially when listening to the tapes and transcribing them. The 13 interviews conducted for this study corresponded to total of circa 14 hours of recording. The analysing phase (transcription, ordening and reading the text) took a long time. To transcribe one interview (appr. 50 min) took more or less 5-6 hours. Next this whole analysis phase is investigated more closely.

4.3 Data Analysis

This chapter focuses on the analysis of the theme interviews. The core parts of the study are analysis, interpretation and conclusions (Hirsjärvi 2004, 209). The significance of these parts is to clarify the study and to produce new information about the phenomenon under investigation (Koskinen et al. 2005, 231). We should, however, bear in mind that in the analysis part the respondents' thoughts, experiences and ideas are always in the end the researcher's own interpretations. Although the researcher might succeed in reflecting the respondent's thoughts exactly how she/he meant them (Puusa 2011, 73), the researcher can never transmit them as they are; they are always only interpretations of the respondents' thoughts and behaviours (Puusa 2011, 80). Thus, it is important to summarize the data in the analysis without losing the information that it captures in order to increase its information value (Eskola 1998, 138).

There is no one correct way of organizing, analyzing, and interpreting qualitative data (Hart 1991, 197). One way is to start the analysis by converting the recorded interviews into written form (Mariampolski 2001, 248; Berg 2004, 38). This transcription phase forms an essential part of the analysis (Hirsjärvi 2004, 210). There are two ways to conduct the transcription. The first option is to do transcripts, which means writing down the data that represents a detailed rendition of the oral record. The second option is to make notes, referring to briefer and less specific descriptions of the oral record (Mariampolski 2001, 248; Hirsjärvi & Hurme 1991, 109). Out of these two options, word for word transcription is popular in business economics and in social sciences (Koskinen et al. 2005, 320). Due to the large amount of interviews in this study the word for word technique was not applied to the researcher's own comments. Instead, a lot of attention was paid to the interviewees' comments since they are the object of the analysis, not the thoughts of the researcher.

To be precise, the analyzing phase was initiated by transcribing and listening to the interviews conducted for this study. The interviews were transcribed in the same order

as they were conducted. The transcription phase took a long time (5-6 hours/interview), altogether totaling about 80 hours. However, some time was saved because no attention was paid to the respondents' pauses, tones or the surrounding noises. Normally, after the data has been collected and transcribed, the next phase is to organize it. This can take a long time because reading through the transcribed data is hard work. If the researcher has chosen the theme interviewing method, theme structure is a good tool for organising the data. (Eskola 1998, 151-153.) Theme analysis was, indeed, chosen as the method for analyzing the data in this study since the interview structure followed the same style. Thus, it was thought logical to continue in the same line in the analysis part.

Theme analysis emphasizes the importance of finding relevant themes from the data. In order to succeed in this, interaction between the theory and empirical parts is needed; in other words, they should be interlocked with each other. (Eskola 1998, 175-76.) In order to facilitate the observing of the relevant themes, the characteristics of the data should be thought through carefully, and making notes while reading is recommended (Koskinen et al. 2005, 231). In this study, after transcribing the interviews, the data was read through several times. In this phase also colored pencils and post it notes are useful tools since reduced data is easier to handle and analyze (Koskinen et al. 2005, 232). Hence, different colors were used to facilitate distinguishing the relevant themes from the abundant amount of data (see Appendix 6). After that, the data was grouped according to the three themes that are parallel to the sub-objectives of the study. The first theme included data concerning the definition of human trafficking, similar crimes and the connection between human trafficking and slavery. Also the issues relating to the reasons behind the phenomenon were included in this theme. The color used to mark this theme was blue. The second theme included data relating to human trafficking and business. To be precise, focus was paid on the volume and sectors of human trafficking and the profits it produces. Also, attention was paid to the employer relations and complicated sub-contracting chains. These issues were marked with pink. The third and final theme included data from different prevention measures against human trafficking and the future prognostications of the phenomenon in Finland. This theme was marked with red.

With the help of the above-mentioned three themes, irrelevant data was extracted from the abundant amount of data and only the most important points were included for further analysis. The next phase included the creation of three separate Word documents, one for each theme. For example, all the data relating to the definition of human trafficking were placed in one of these Word documents according to the different stakeholder groups. In the end, there were about 100 pages of transcribed and organized data. After reading the organized data carefully through various times, it was analyzed in order to find out the relevant comments for the empirical part of the study. After organizing, grouping and analyzing the data, the last phase was to translate the comments

into English making sure that the original message remained the same. In order to understand this analysis part of the study better, there is a concrete example of the different phases in Appendix 6. In the next and final chapter of the methodological part, the evaluation of the study is investigated.

4.4 Evaluation of the Study

Trustworthiness is a central character for practicing science; it requires high-quality research that is based on reliable results. A reliable and good research contains grounds that evaluate the trustworthiness of the study. (Aaltio & Puusa 2011, 153.) In fact, there are two ways to do this. The first way to evaluate a study's trustworthiness is to refer to the traditional concepts of reliability and validity used often in evaluating the trustworthiness (Aaltio & Puusa 2011, 153). Reliability refers to repeatability of the study – the probability that a measurement is free from random errors. Validity, in turn, is considered to investigate whether the tool accurately measures what it claims to measure. These terms, however, are perhaps more suitable for quantitative than qualitative research. (Hirsjärvi 2004, 217.) Aaltio and Puusa (2011, 155) disagree stating that the concepts are suitable for both. However, in this study the trustworthiness is evaluated through four measures: accuracy, transferability, security and confirmability developed by Eskola (1998).

Firstly, accuracy means that the researcher has to revise whether his/her conceptualizations and interpretations correspond to those understandings that are under investigation (Eskola 1998, 213). There is always the possibility that the researcher interpretes the respondents' comments incorrectly (Puusa 2011, 78). In this study the researcher aimed to decrease this risk by sending each of the respondents their comments used in the study so that they were able to correct them if some misinterpretations appeared. All the interviewees were given nine days to respond to the email and in total 12 out of 13 interviews responded and wanted to modify somehow their comments. However, most of these changes were small, only one of the interviewees wanted to make bigger changes and did not want to reveal the name of the organisation where he/she works. In total, there was only one interviewee who did not react in any ways to the request to comment his/her own statements. This individual did not even react to a reminder email which was sent to remind him/her about the possibility to modify the comments used in the study. The researcher wrote to this email that if no response is given, it will be assumed that the comments used in the study are correct. Thus, it can be concluded that the interviewees' comments in this study are trustworthy.

Secondly, transferability refers to transferring the research results to other environment, in other words, making generalisations (Eskola 1998, 213). With regard to the current study, it is believed that similar researches could be performed in other Finnish universities or organisations. There has been some related studies in different Finnish universities but none of them has focused on human trafficking from the business point of view. It can be assumed that the reason for this has been the novelty of the topic in Finland. However, it is believed that in the future there will be more similar researches (see Jokinen et al. 2011b, Wheaton et al. 2010).

Thirdly, security in research refers to the facts that cannot be predictable (Eskola 1998, 213). This means that the researcher has to take into account her own assumptions and prejudices. In fact, the researcher might have had some assumptions beforehand about the results since she has already written her bachelor's thesis and a term paper on human trafficking. Therefore the topic was familiar to her. However, the researcher kept in mind that objectivity is one of the central parts of science although it is impossible to reach complete objectivity (Aaltio & Puusa 2011, 153). Thus, it is important that the interviewer is neutral during the interview and avoids expressing too many comments, opinions, leading questions or opposite arguments. (Hirsjärvi & Hurme 1991, 89).

Finally, confirmability refers to other similar researches that support the investigated results (Eskola 1998, 213). For example, Jokinen et al. (2011) have investigated the work-related human trafficking in Finland but from a slightly different point of view. Also Roth (2010) has dedicated herself to the topic but the results are different since the focus in her study is not on business per se.

Besides investigating trustworthiness through these four measures, the researcher has to pay attention also to the language used in the interview and in the research. The interviewer's language must be understandable so that the respondents understand her/him properly (Berg 2004, 87). With the help of the pilot interview the researcher made sure that the language used in the questions and in the interview was understandable. The interviews were conducted in Finnish since the researcher and the respondents were all Finnish and thus it seemed logical to use Finnish in order to avoid misunderstandings. The study is, however, written in English, and thus special attention has been paid on translating the interviews.

It will also need to be taken into account that the trustworthiness of the study can be decreased, or in the worst case, the interview can fail, due to exterior distractions (Hirsjärvi & Hurme 1991, 107). In fact, there was some distracting factors in the interviews. In seven out of the thirteen interviews the respondent's mobile phone interrupted the interview. In one of the interviews the interview situation was interrupted twice by an employee and in another interview occasion the lights went down and interrupted the interview. Thus, there is a possibility that these distractions might have affected the answers and results.

Finally, a few words are dedicated to the challenges related to the openness of the elite interviews mentioned earlier. In fact, the issue of openness is important to mention in relation to trustworthiness since elites are often regarded as more practised in fielding questions and are more tightly bound to organisational policies. Thus the researcher can face the disappointment of gaining nothing more from the interview than could have been found out from the press statements or annual reports. (Welch et al. 2002, 616.) In fact, it was noted that some of the elite interviewees avoided talking about human trafficking and their companies in same sentences. Some of the interviewees tried hard to emphasize how the topic had nothing to do with them and talked a lot about the company's policies and principals in general. These comments might have decreased the quality of their answers. Thus, it is considered important to create a confidential atmosphere and to motivate the respondent to participate in the interview completely (Puusa 2011, 78). This was done in the beginning of the interviews so that the respondents would know the purpose of the study – which was not to find companies that are guilty of trafficking. However, some of the elite interviewees had very laconic answers, perhaps because they were afraid of being misunderstood and accidentally connected to trafficking. In other words, the openness of the elite interviewees might affect the forthcoming results. In the next chapter, these results are introduced starting from the definition of the concept and finishing with the prevention measures against human trafficking.

5 RESEARCH RESULTS ACCORDING TO THE STAKEHOLDER GROUPS

I do not believe that (human trafficking) is a cultural thing at all, it happens everywhere, in any country, also Finnish people know how to do this (exploitation), it is not difficult at all... (Interviewee, a Service Company)

To begin with, this chapter presents the results of the interviews conducted. As the interviews and the analysis in this study follow the theme structure, the forthcoming results are also divided into the three themes presented below. Each of these three themes, in other words, forms a chapter, in which the results are investigated through the four stakeholder groups. It is worth to mention that the comments presented in each stakeholder group may vary depending on the answers of the interviewees; in other words, none of the chapters are exactly the same. Additionally, the interviewees presented here are introduced anonymously, as mentioned before, since no added value is believed to be gained if their identities were revealed.

5.1 Definition of Human Trafficking in Finland

This first theme focuses on defining human trafficking and strives to provide answers to this sub-objective through the interviewees' comments. The interviewees used here are divided into four stakeholder groups in order to discuss with facility the differences and similarities between these stakeholder groups later on. As mentioned before, these four stakeholder groups include institutions and authorities, law enforcement, management and employees – potential victims.

In order to describe human trafficking precisely, its connection to slavery is studied. Also the relevant terms concerning human trafficking, forced labour and work-related human trafficking are examined, and some attention is paid on the reasons behind trafficking.

5.1.1 Institutions and Authorities

As stated in the introduction, one way of describing human trafficking is to compare it to slavery. In fact, it has been stated that slavery still exists in the form of human trafficking (Bales et al. 2010). To be exact, trafficking in human beings is the modern form

of slavery in the 21st century (Lagon 2008/2009, 51), and it is considered to be the fastest growing form of slavery (Skrivankova 2006, 229).

However, when speaking about human trafficking in Finland, the aim is to separate these two concepts from each other. The researcher at the Office of the Ombudsman for Minorities states that as a phenomenon, part of the reality in the society, parallels can be drawn between human trafficking and slavery, but for instance human trafficking and slave trade are different. Thus the interviewee has wanted to take some distance to the word 'slavery'.

This kind of human trafficking is not generally such absolute enslavement. You know such (enslavement) where people would be in chains and constantly physically abused. (Researcher, the Office of the Ombudsman for Minorities)

The researcher from HEUNI adds that the traditional form of slavery where people are sold or bought hardly appears, not at least in work related human trafficking. However, she agrees with many researchers (Ollus & Jokinen 2011; Misra 2007; Dainailova-Trainor & Laczko 2010) that in some way human trafficking is easily perceived as a modern version of slavery. Although, slavery is in itself quite a fierce term.

...It (slavery) aggravates the phenomenon into a matter that everybody understands and knows to be wrong and serious so it is perhaps easy to talk about slavery as modern day slavery. Just like human trafficking (is seen as) modern slavery because it helps people to understand what it is all about. (Researcher, HEUNI)

Human trafficking as a term refers more to the movement rather than the trade in itself. The researcher from HEUNI concludes that the Finnish term for human trafficking, in fact, is the opposite, since it refers more to trade than movement.

Despite the fact that the Finnish term for human trafficking is a bit controversial, both interviewees argue that there exists a stereotypical way of thinking about human trafficking in Finland. The researcher from the Office of the Ombudsman for Minorities emphasizes that human trafficking is not that kind of coercion what people stereotypically think about as slavery. It is more discreet pressuring and coercion. In fact, it is about psychological manipulation and people's subjection, humbling and exploitation. In turn, the researcher from HEUNI states that fulfilling the distinctive feature for the crime of human trafficking does not require that a person has been enslaved, but instead the situation can be much more commonplace. Thus, the situations of human traffick-

ing, and especially work-related human trafficking in Finland, should be seen in relation to the Finnish working life and crimes against the collective agreements.

As stated in chapter 1, human trafficking is not a new phenomenon (Ollus & Jokinen 2011, 11), not even in Finland. The interviewee from the National Bureau of Investigation states that all globally known forms of human trafficking appear also in Finland, just on a smaller scale. Particularly in working life it is about exploiting work force that does not know its rights or the Finnish labour legislation. These workers do not know the Finnish working system, they do not know Finnish or other languages spoken in Finland and thus they are tied up in their working places. This means that these workers seldom have any other viable options since the employer is often unwilling to help them. The researcher from HEUNI agrees with the researcher from the Office of the Ombudsman for Minorities and the theory part of the study when stating that these cases often have to do with contracting foreign work force. Although the victims are foreigners, human trafficking cases do not always have to follow the traditional pattern where the victims are recruited from abroad and transported to Finland. Instead, the victims can already live in Finland, for example, as immigrants.

Based on the statements of the researcher from the Office of the Ombudsman for Minorities, it is important to notice that human trafficking cases can vary from mild to severe, and therefore, the identification of it as trafficking can be difficult since human trafficking is generally associated only to slavery and other related exploitation forms are forgotten. According to the researcher from HEUNI, the human trafficking concept is difficult even for the police and the prosecution because it is generally seen through stereotypes and extreme cases, such as slavery. Thus many cases that could have fulfilled the constituent elements of the crime of work-related human trafficking have been prosecuted for extortionate work discrimination or work discrimination. The interviewee from the National Bureau of Investigation admits that the problem of recognizing human trafficking exists also in Finland.

One possible reason for difficulties in recognizing human trafficking is the lack of a clear definition, which makes drawing a line between the cases difficult. The experiences of a person at work are rarely static making it difficult to describe the problem (Skrivankova 2010, 4). For example, forced labour is not defined or criminalized in Finnish legislation; it comes from the ILO's agreement on forced labour. However, the researcher from the Office of the Ombudsman for Minorities believes that there is no need for this kind of definition since there are already definitions of human trafficking and extortionate work discrimination in Finnish legislation. In order to call something work-related human trafficking, it is required that the exploitation fulfils the elements of forced labour or the circumstances that offend human dignity, the researcher from HEUNI reminds.

Finally, there are many reasons for trafficking in persons (Misra 2007a, 11; UNODC 2006, xviii) as stated in the beginning of the study. Poverty has been considered as one of the root causes for trafficking (Dainailova-Trainor & Laczko 2010, 38; Misra 2007a, 12). Also the market economy and its constant search for cheaper labour are dominant features behind human trafficking (Jokinen et al. 2011, 11). Globalization, neo-liberal economic policies, global trade agreements and lack of labour standards are also mentioned as possible causes (Misra 2007a, 11). In other words, people are pushed to leave their poor home countries in search for a better future and better jobs from abroad. These victims are often lured, for instance, to Finland with promises of good jobs and salaries. According to the researcher from HEUNI, the whole phenomenon of human trafficking is related to the fact that the capitalistic system relies on minimizing costs and earning profits. The researcher from the Office of the Ombudsman for Minorities continues by stating, “if it is possible to cut costs then that is done and then this might fall upon to the work force.” This often means that the wages are not fully paid or in the worst cases the wages are not paid at all.

It can be concluded that according to the ‘institutions and authorities’ stakeholder group, human trafficking and forced labour exist in Finland. It has to do with discreet pressuring and coercion. It is about psychological manipulation and people’s subjection, humbling and exploitation, and often contracting foreign work force. It is also important to notice that work-related human trafficking is not quite the same as slavery, although they might have similar characteristics. Finally, work-related human trafficking derives from poverty, pressures to cut cost and maximize profit with the help of cheap labour.

5.1.2 Law Enforcement

From the law enforcement point of view, the representative of the Service Union United PAM states that human trafficking can be compared to slavery in its extreme forms. There might be cases even in Finland where human trafficking resembles modern day slavery. The representative of Construction Trade Union disagrees and states that the phenomenon in Finland is overestimated because there are still millions of real slaves in the world. In the developing countries there are situations where people work in slave-like working conditions. These cases are extremely rare in Finland and thus it is over-exaggeration to say that the working conditions would in any case resemble slavery. Also the representative of the Confederation of Finnish Construction Industries states that comparing human trafficking to slavery is a fierce statement because slavery would mean that people are merchandise. The specialist for a national industrial association agrees with both of the last mentioned representatives, as indicated below.

... My view is that in our society this (human trafficking) cannot be compared to slavery. It is surely exploitation but slavery would mean that (people) are held inside four walls and in chains and many times the cases we have recognized as human trafficking ... (have to do with) oppressed people and they have had right to move freely and go and come but the exploiter has put the person in such an oppressed situation that he/she did not know how leave (the situation). (National industrial association)

The specialist continues stating that the chains in these situations are often mental. Although there is some disagreement amongst the group concerning human trafficking and slavery, all interviewees, however, agree that the Finnish term for human trafficking is not necessarily the right word for it. According to the representative of the Service Union United PAM, the Finnish version of human trafficking might give a wrong impression of the phenomenon and the interviewee from the Construction Trade Union states that people usually perceive human trafficking to be only connected to prostitution or then relate it to only people from different ethnic backgrounds who enslave persons of same background.

... I think human trafficking is a bad term for this although these (human trafficking specialists) and others like to cultivate it ... in my opinion it is a bad term in this sense because this is an extremely large scale, systematic black economy but the people come here free willingly and they can leave whenever they want, when speaking about the main crowd and then they get that much money that they might even be satisfied with their own situation. (Construction Trade Union)

The specialist for the national industrial association agrees with the above interviewee and states that many researchers use the term ‘human trafficking’ incorrectly and thus there should be an accurate way to express the exploitation. Also the term for extortionate work discrimination, according to the representative from the Construction Trade Union, is bad. In fact, extortionate work discrimination probably appears in Finland and is related to a situation where a person’s vulnerability is taken advantage of. The work is performed with people who do not have money to return home and thus they are underpaid. Forced labour, in turn, differs from extortionate work discrimination since in this case no salaries are paid and the person has to work unwillingly, explain the interviewee representing the employers’ organization in the construction sector and the interviewee from the employees’ organization in the service sector. Work-related

human trafficking in Finnish society, on the other hand, can be related to situation where people are brought from far away, as explained below.

We have so many sophisticated countries around us that it is unlikely to practice work related human trafficking. It should be, I do not know where, from Kazakhstan maybe or somewhere far away. But for example in the Baltic countries or the European countries, I do not believe that we could come across these kinds of cases. (Confederation of Finnish Construction Industries)

Work-related human trafficking is forced labour in which the worker is lured. If it is human trafficking, it surely also has to do with extortionate work discrimination, emphasizes the representative of the Service Union United PAM. The employees' representative from the construction sector, on the other hand, states that there are many ways to see human trafficking and determine who is a victim and who is not. Often, for instance, foreign work force contracted in Finnish construction sites are satisfied with their situations and salaries although they might not follow the Finnish collective agreements. In these cases the Construction Trade Union has to raise their salaries with force because these workers do not complain about their raises. In other words these workers do not consider themselves as victims; instead they are satisfied with their situation, which is better than in their country of origin. They can also leave whenever they want to. In other words, the representative of the Construction Trade Union and the representative of the national industrial association agree in stating that human trafficking is not a broad phenomenon in Finland. But a phenomenon that is extremely widespread in Finland, especially in the Finnish construction sector, is the illicit work by immigrants, aka the black economy.

Finally, the basic reason behind work-related human trafficking in Finland, according to the representatives of both trade unions, is profit. To be precise, the work force in Finland is expensive and the demand for cheaper work force is high. In addition, the competition is harsh and there are high pressures to sell with lower prices and to earn more. The representative of the Construction Trade Union explains that succeeding in this kind of a situation is possible by recruiting foreign work force that is willing to work long hours and receive salaries that are below the Finnish collective agreements. Additional savings are also achieved when occupational safety instructions are neglected and no taxes or social security payments are paid. But according to this interviewee work-related human trafficking does not exist, not at least in the Finnish construction sector, so these basic reasons refer more to illicit work force and black economy. Another reason for human trafficking is unemployment. The employers' representative from the construction sector specifies that in a broader sense there is inequality between

countries. The differences in welfare for example between Finland and Estonia are high, and thus, it pushes people to leave their country in search of a better future.

It can be concluded that there are some disagreements among the representatives of this stakeholder group concerning human trafficking as a form of modern slavery. Representatives from the construction sector and the representative of the national industrial association believe that these two concepts are not comparable while the interviewee representing the Service Union United PAM sees some parallels in them. All interviewees, however, agree that the Finnish term used for human trafficking is inadequate, and in fact, there are many ways to define human trafficking in Finland. The representatives of the Construction Trade Union and the national industrial association strongly believe that the phenomenon of work-related human trafficking is not a part of Finnish business; there are bigger problems in Finnish business than human trafficking and work discrimination. Finally, this stakeholder group agrees with the previous stakeholder group that higher profits for the company and the differences in welfare are the major reasons behind the phenomenon.

5.1.3 *Management*

From the management point of view, one interviewee from a construction company believes that a comparison between human trafficking and modern day slavery is slightly exaggerated. Indeed, it is a strong comparison but if the word ‘slavery’ is changed into adjective or into adverb ‘enslaved’ and is analyzed in more detail, then it might refer to a situation where vulnerable people are exploited. It could be stated that these two concepts are not so far away from each other, points out another respondent from a service company. In fact, other interviewee from a construction company states that human trafficking in international context can be called modern form of slavery; it has just taken a new form.

If there is a discussion about slaves then I get an impression of galley ships where people row in chains or then (I get an impression of) racial discrimination and cotton plantations where dark-skinned people collect white-skinned people’s cotton... so modern slavery, maybe it is a bit.. (Interviewee, a Construction Company)

Following the same thoughts as above, an interviewee from a service company has related human trafficking only to prostitution or slavery as it has appeared in history. Nowadays it has to do more with immigrants and smaller companies where the person in charge is not necessarily from Finland and does not know the Finnish legislation.

Thus, they play according to their own country's rules and this way some malpractices may occur. In other words, human trafficking as a concept is strange for the interviewee since it is irrelevant to the interviewee's company but it cannot be denied that the phenomenon exists in Finland.

According to two of the respondents from the construction and service companies, human trafficking exploits people's vulnerability in different ways creating a situation in which a person is forced to stay and cannot leave whenever she/he wants to. Another interviewee representing a service company continues by stating that in Finnish context work-related human trafficking has to do often with immigrant entrepreneurs who do not follow Finnish collective agreements and in the worst cases they do not pay at all salaries. There can also be situations where firms recruit people from abroad and after arriving in the country they are not integrated well enough into the society. These workers are held in a vacuum without information and they are often threatened in many ways. They are also sometimes blackmailed and lied to about the salaries. This is already exploitation and sometimes even human trafficking. But these kinds of crimes do not appear in the interviewee's company although she admits that aggravated cases exist generally in the service sector. Another interviewee from a construction company states that forced labour and human trafficking do not appear at all in the construction sector. The most serious crime that exists in this sector is extortionate work discrimination.

In other words, the interviewees believe that work-related human trafficking is not to be considered as a part of the construction or service (cleaning) business, at least it is not their businesses' problem. Almost all of them also believe that the term itself is inappropriate. One of the interviewees from a construction company states that the term 'human trafficking' does not suite into the Finnish society at all.

Surely there is a lot of malpractice; a lot of black economy and definitely those kind of salaries are paid that do not anywhere near comply with the collective agreements but what is this all then? In my opinion it is more a question of a solution that is good for both parties in a certain way. (Interviewee, a Construction Company)

In fact, it can be considered that the employee in these situations also benefits from the situation because he/she often earns more than she/he would in the country of origin, even though the salary is below the Finnish collective agreement. Thus, the interviewee from a construction company suggests that it could be even stated that the victim in this case is the Finnish employee and not the underpaid foreigner because the former stays unemployed and misses the work opportunity. It is worthwhile to notice that this viewpoint differs greatly from the before mentioned views of what constitutes a trafficking victim. But the interviewee however, emphasizes that his statements concerning human

trafficking and its non-existence in construction sector concern only the company's own subcontractors, and is not extended to the complete subcontracting chain because it is complicated to speak about the whole chain. In fact, there might be quite terrifying examples of discrimination or related abuses along the subcontracting chain. One of the interviewees from another construction company notes that it is worth to remember that the company ordering the work and recruiting different subcontractors is not the main employer to all of the subcontractors. It is just the orderer and cannot interfere with all of the subcontractors' collective agreements or working conditions. Some of the interviewees admit that piecework often creates a risk due to the complicated subcontracting chains. Thus, piecework is not often performed in service business.

Finally, the focus turns into the reasons behind the phenomenon of human trafficking. According to two interviewees from the construction sector, reasons can be found near to Finland, exactly from Estonia where the level of welfare is much lower than in Finland. To be precise, the social gap between Finland and Estonia pushes people to leave Estonia in hope of a better future. Especially, unemployment and weak circumstances in the country of origin are the main drivers. In fact, often people coming from developing countries are willing to settle for lower wages than agreed in the collective agreements or in the Finnish labour legislation. If these situations are not properly monitored, the problem might expand further. According to the interviewee from the service sector, Finland's strict foreign policy also exposes people. Often foreigners are afraid of deportation, especially if they are jobless and not married to a Finnish person. In this case they are not allowed to stay in the country. Thus, many foreigners, especially immigrant single mothers are at risk of being exploited because they are desperate to find jobs. Also increasing globalization and the easiness to cross borders and travel increases the temptation to go look for better job opportunities abroad. This, in turn, leads to the fact that it is more complicated nowadays to follow who actually is working in the construction site and for how long since the changeability is so high, ponders an interviewee from a construction company. The monitoring of the work force gets more complicated since it is possible to work in a foreign country without tax liability up to six or nine months.

In conclusion, management as a stakeholder group generally does not identify work-related human trafficking as a part of Finnish business, not at least in their business environment. They, however, admit that the problem exists. A few even believe that some extreme cases appear in Finland but that it is not relevant for the service or construction sectors. Moreover, almost all of the interviewees see human trafficking as modern day slavery in a skeptical manner. Some admit that there are similarities between these two concepts but generally speaking this stakeholder group does not differ from the earlier stakeholder groups in denying the similarities. The interviewees also mention similar reasons for the phenomenon as the last stakeholder groups: weak working conditions,

unemployment and lack of social welfare in the country of origin. They also speak about the increasing globalization as a pushing factor and the tightened foreign policies in Finland that might encourage foreign people to accept lower quality jobs in fear of deportation.

5.1.4 Employees – Potential Victims

As mentioned in the methodology part of the study, no interviews were conducted with the employees or trafficking victims, and thus the answers presented in this chapter are based on secondary data. This information includes two documentaries about human trafficking victims and examples presented in the study of Jokinen et al. (2011). With the help of this data the aim is to achieve a complete and reliable picture of human trafficking from the victims' perspective.

As the theory part of the study has demonstrated, the victims of human trafficking are people around the world (Skrivankova 2006, 229), who can be both males and females (Dowling et al. 2007, 6) and who are often immigrants who are vulnerable to exploitation (U.S Department of State 2011, 7; Finnish National Rapporteur – – 2010, 6). In fact, the level of vulnerability is higher with immigrants since they might not have residence status, they might not have any language skills, they are unaware of their rights, and they can be isolated, marginalized and discriminated against (Biaudet 2008, 33). These descriptions fit the interviewees presented in this chapter since they are foreigners, both men and women. They are employed in the service and construction sectors and they come from developing country. Their experiences are different since one has worked as a domestic help in a private home and the others in a public construction site. However, one thing that binds these people together is the fact that they are all treated unfairly and the guilty employers have not been made responsible for their actions.

Human trafficking is about exploiting vulnerable and weak people and using creative and ruthless measures designed to trick, lure, coerce and win the victims over. Often these plots include promises of a better life, well-paid work, and chance for education or something tempting that the victims are not able to have in their current situation. (Skrivankova 2006, 229; U.S Department of State 2009, 5.) In reality more is promised and less is realized. In fact, one of the most common factors in trafficking is the problem with the salary, which is often much less than promised or then there is no salary at all or it is paid randomly. For instance, in the documentary film of “Kalevipojat myytävänä” one of the interviewees was recruited to piecework in Vantaa, Finland. The salary was promised to be good. However, when the interviewee arrived to Finland he discovered that the construction site was not in Vantaa but instead it was in Lappeenran-

ta, which is situated quite far away. The interviewee also learned that the employer was not a Finnish construction company but an Estonian subcontractor with a bad reputation. Moreover, the work the interviewee conducted was also different and more challenging than first promised. The victim was also forced to sign an employment contract where he was supposedly working in Estonia and the salary was only 300 euro per month. At this point the interviewee realized that he was being betrayed. He demanded the salary that he was entitled to but the company refused to pay it and soon after that the interviewee started to receive death threats. As can be seen from this example, human trafficking is much more than prostitution; it can also be work-related human trafficking and exploitation. In these cases a person is held in employment without salary and often is lied to and mentally abused at the same time.

Another interviewee from the documentary film “Poljettua ihmistyötä” describes a situation where the interviewee worked in a private home as a domestic worker. The interviewee first worked in Central America but decided to move along with the family to Finland since she was promised a raise, which in the end turned out to be only 30 Euros. The salary was in total only 230 Dollars per month, which was much less than agreed in her employment contract. The interviewee felt herself betrayed and lost in a foreign country. The working hours followed the normal description of human trafficking: long working days, hardly any days off and the work included all kinds of domestic work. The next example describes another trafficking victim’s working conditions.

Free time has in practice been spent by resting after the day at work. If I have for example worked in the field until 18 o’clock, I have then cooked dinner for all employees, and after that I also cleaned the place before bedtime. As I have told, there have been seven working days to the week, so that there hasn’t even been a real day off (...) No leisure time activities have been organized. [The employer] forbade us to meet anybody from Thailand. I guess he/she was afraid that we would tell them about our working condition... (6239/R/2570/08, 28) (Jokinen et al. 2011, 84.)

Besides the victims having long working days, they are also physically or psychologically abused. For instance, the interviewee working as a domestic help suffered from psychological abuse and in the end she was physically abused, which led her to escape.

Work-related human trafficking cases are more common every day. The exploitation does not always have to be human trafficking; it can be milder forms of exploitation, such as work discrimination or extortionate work discrimination. These are all serious crimes that violate one’s rights and dignity in different ways. As most of the victims are often foreigners and immigrants they have often difficulties leaving the exploitative labour relationship since they do not know the language, the culture, or even the coun-

try. Usually they also want to believe that the situation will get better in the future, as the example demonstrates.

I thought that because we come from the same village [as the employer], I could not believe that I could be exploited in such a way. At first, I also had no clear idea about the Finnish standard of living. Later, when I realized that we had been treated in an unfair manner, I didn't dare to say anything to anybody. Everybody, who had complained about something or threatened to tell somebody, had gone back to Thailand and had not returned... (6800/R/4242/08, 39) (Jokinen et al. 2011, 79.)

The interviewee working as a domestic helper has also similar experiences as in the example above. In the beginning of the employment the interviewee could not believe that any kind of exploitation could be possible. Later she realized that she was being treated unfairly but hoped for the situation to improve and thus did not say anything. As these situations often include also psychological manipulation and exploitation the victims are usually too mentally tired and oppressed to ask for help or leave the situation. Compared to the difficulty of leaving the situation, it is very easy to get in the situation in the first place since there is a growing need for workers in the service and construction sectors. Especially weak economy, recession, growing unemployment in many countries push people to search for jobs and a better future in developed countries. All the interviewees studied in this chapter have left their countries in search of a better future and higher salaries. The interviewees in the documentary “Kalevipojat myynnissä” mention especially unemployment and low minimum wages in Estonia as the main reasons for leaving Estonia and coming to Finland. Thus, the main reason behind the phenomenon is the economical gain. It applies to firms, traffickers and victims: all are in search of a better economical situation. As long as there are vulnerable people, there is always somebody who takes advantage of them.

In conclusion, this chapter describes work-related human trafficking through the experiences of the victims of exploitation. Based on the experiences of these victims it can be stated that human trafficking focuses often on foreign people, especially on immigrants. First these people are promised better salaries and good working conditions, but usually all this turns out to be a lie in the end. In reality the salary is low or non-existent and the working hours are long. There is psychological and sometimes physical abuse. All in all these descriptions of human trafficking from the victim's point of view offer a profound picture of the phenomenon. The experiences of trafficking in this particular stakeholder group clearly differ from the previous stakeholder groups. Victims as a stakeholder group explain how the exploitation can be experienced and how it is not easy to leave the situation of exploitation. Thus, the biggest difference is that the phe-

nomenon is personally acknowledged and seen as a part of the society and business. The reasons behind human trafficking are the same as in the previous groups: economical gain, unemployment and hopes of a better future and higher salaries.

5.1.5 Synthesis: Definition of Human Trafficking in Finland

First of all, it can be concluded that the majority of the interviewees in the different stakeholder groups do not consider human trafficking a modern form of slavery. Many of the interviewees state that it is an extreme comparison. The Finnish term of human trafficking is also criticized; it misleads people. All the stakeholder groups, however, connect human trafficking to foreign work force. The ‘institutions and authorities’ stakeholder group is the only group that states that there are difficulties in recognizing the phenomenon in Finland. They also believe that work-related human trafficking does exist in Finland. The ‘employees – potential victims’ stakeholder group agrees but it is worth mentioning here that the exploitation experiences presented in this chapter did not occur at large-scale Finnish companies, but instead one happened in a private home and another at the end of a complicated subcontracting chain. The ‘law enforcement’ and ‘management’ stakeholder groups, in turn, strongly feel that the phenomenon is not a big problem in Finland. They do not deny it but highlight that it does not exist in their business environment. Rather, these groups emphasize the problem of black economy in Finland and the necessity to create prevention measures against it. All of the stakeholder groups agree on what the basic reasons behind human trafficking are: economical gain is the main driver. Also unemployment, differences in welfare between countries, globalization and hopes of a better life and higher salaries push people to leave their countries.

In conclusion, based on the comments presented in this chapter, the definition of human trafficking in Finland follows the same international definitions as in most other countries. As mentioned earlier (see chapter 1.2) the definition of the crime of human trafficking in Finnish law is based on the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children and the EU Framework Decision (Jokinen, Ollus & Viuhko 2011a, 34). The Protocol indicates that the common denominator present in all human trafficking cases is the use of force, fraude or coercion in order to exploit a person for a profit (US Department of State 2008, 7; Du Preez & Marais 2011, 780; Jokinen et al. 2011a, 34). Most of the interviewees defined the phenomenon according to these denominators and were aware of the United Nations Protocol. Thus, it can be concluded that the Finnish definition of human trafficking does not differ significantly from the international definition of the phenomenon, except when the phenomenon of human trafficking is compared to modern day slavery. In

other words, work-related human trafficking in Finland is not seen as a synonym for modern day slavery unlike in many international researches. This might result from the novelty of the phenomenon and its smaller scale in Finnish society.

5.2 Description of Human Trafficking in Finnish Business

It has been demonstrated in the beginning of this study that human trafficking forms part of the world business. Trafficking is a big business with an illegal character. Thus, this chapter aims to provide more information about the phenomenon in the business context and how it really appears in the Finnish business. In order to provide this information a complete and diversified picture is formed following the same structure as the previous chapter; relevant issues are investigated through four stakeholder groups. First hand information is composed of the interviewees' comments that form the diverse stakeholder groups and are presented next. Second hand information is used in the last stakeholder group to describe the victims' point of view to human trafficking. The relevant issues covered in this chapter include the scale and sectors involved in the trafficking, the estimated profits and the ways how human trafficking appears in the Finnish business.

5.2.1 *Institutions and Authorities*

Human trafficking is not a new phenomenon. It is considered to be a big business (Feingold 2005, 28) that can appear in any economic sector or industry (Misra 2007a, 8). In order to understand how this illegal phenomenon can form a part of business it is essential first to describe the scale and sectors affected by human trafficking in Finland. As stated before, nearly 2.5 million people who are exploited by private agents and enterprises are in forced labour as a result of human trafficking. This includes not only international cross-border trafficking, but also internal trafficking within a country's own borders. (Belser 2005, 5.; The Finnish National Rapporteur – – 2010, 6.)

According to the interviewees in this stakeholder group human trafficking in Finland has the same characteristics as the phenomenon around the world. However, the only difference from other countries is in its volume and scale. In fact, there has been even corresponding cases, which are just as severe as in other countries and similar aggravated exploitation situations have been also found in Finland. Although the volume of human trafficking is not so high in Finland, the phenomenon has, however, reached many business sectors. As stated in the theory part of the study, the sectors affected in Finland contain at least the construction, restaurant, cleaning and horticultural sectors as

well as berry-picking. Other examples of human trafficking or related exploitation have been observed in begging, and neither is trafficking for forced marriages out of the question. (Finnish National Rapporteur – – 2010, 7.) The interviewee from the National Bureau of Investigation points out that human trafficking appears usually in low-paid business sectors. These sectors include the same sectors as mentioned above. There has also been references of trafficking cases in the logistics sector, especially among the Russian truck and delivery van drivers in Eastern Finland. Both the researchers from the Office of the Ombudsman for Minorities and from HEUNI agree that there have been also cases of exploitation and trafficking in domestic work in Finland. Often the small enterprises face the risk of human trafficking, as stated already in the theory part of the study. In fact, one out of every five cases of forced labour is found in the private economy, often in the informal or underground economy and in quite small enterprises (Plant 2008, 18). However, according to the researcher from the Office of the Ombudsman for Minorities there have been less outright human trafficking cases in the construction sector.

What I have heard, there has also been very outrageous cases (in the construction sector) but these cases do not really proceed anywhere... And it is perhaps partly due to the strong unions in the construction industry. (Researcher, the Office of the Ombudsman for Minorities)

Although these cases do not proceed anywhere in the construction sector, the risk of getting involved in exploitation is high since the volumes are large. Moreover, there is a great amount of workers and a constant search for lower prices, which increases the risk, reminds the researcher from HEUNI. The researcher from the Office of the Ombudsman for Minorities mentions also begging for labour exploitation and forced marriages as possible forms but does not yet include any organ or tissue trading as a part of trafficking in Finland.

Although human trafficking appears in many Finnish business sectors, the exact number of victims is still hard to estimate. As mentioned in the chapter 2.1, the scale of human trafficking is difficult to estimate, let alone to calculate the actual number of the victims (World Bank 2009, 4). One of the reasons for this difficulty is the clandestine and hidden nature of trafficking (Laczko 2007, 40; Melito 2006, 13; Wheaton et al. 2010, 118). The interviewee from the National Bureau of Investigation estimates that there are about 100 cases of similar crimes that relate to human trafficking annually but the actual number of trafficking cases is much smaller. As trafficking is an invisible and hidden criminal enterprise, the recognized cases represent the top of the iceberg, states the researcher from the Office of the Ombudsman for Minorities.

Or then we just do not know exactly the scale in question and thus ... I would not yet expand the problem (without exact information) ... The phenomenon exists in Finland ... but if it was really a big problem there would be also more cases. (National Bureau of Investigation)

As the researcher from the Office of the Ombudsman for Minorities emphasizes, no human trafficking cases are found if they are not actively sought. In order to recognize and expose human trafficking cases it is essential to understand that human trafficking does not necessarily have to be organized crime or “stereotypical mafia operation”.

(Many times) employer and employee at least have heard of each other or even know each other. Or then they know each other's godparent or namesake or something like that, so they know in that sense that they are related... (Researcher, the Office of the Ombudsman for Minorities)

All the interviewees agree that in most cases the employer and the victim know each other. This usually causes great reliance and makes it more difficult for the victim to escape from the situation. Besides the employer and the victim often know each other, the employer can also be Finnish, so it is not necessarily always a foreigner. There is also a possibility, according to the researcher from HEUNI, that part of the exploitation cases are based on unawareness, since small family businesses where the employer is an immigrant, the Finnish labour legislation can be sometimes unclear. However, these cases are rare; often the employer is aware of the exploitation conducted in the work place. It can be about ordinary employers who have invented a great way to deal with the lower costs, notes the researcher from the Office of the Ombudsman for Minorities.

These employers and companies profit from lower labour costs and unpaid wages. As stated earlier in the study, profits from trafficked people in forced economic exploitation amount to US\$ 3.8 billion (Belser 2005, 11). These are calculations of profits done all over the world about exploiting forced labour for purposes of human trafficking. Although there are no exact calculations on the profits concerning Finland, the researcher from the Office of the Ombudsman for Minorities states that in the cases where an employer pays too low wages or do not pay anything, a big crime benefit is caused, and thus, the whole business is only made possible due to this cheap labour. It should be possible to confiscate these profits to state, but because this does not occur in practice, it makes human trafficking for labour exploitation a profitable business. It is this financial benefit that drives employers into this kind of crime.

In fact, human trafficking often penetrates the mainstream economic sectors through complex supply chains (Andrees 2008a, 1) or is situated at the bottom of long subcontracting chains (Plant 2008, 18). In these complicated subcontracting chains it is

very difficult for the main contractor to know what exactly happens at the bottom of the chain. Especially in the construction sector the risk is high due to great amount of ‘rented workforce’, highlights the researcher from HEUNI.

...If big companies have (complicated) subcontracting chains, at the bottom of that subcontracting chain or in some parts of it there is this possibility (of getting involved in trafficking) ... The further the subcontracting goes, the more probable the exploitation is. (National Bureau of Investigation)

However, it is unlikely that large Finnish companies get involved in these exploitation cases via subcontracting since they have strong governance and legislation. Of course the risk is higher when the companies use outsourcing, the interviewee from the National Bureau of Investigation reminds. In fact, the company’s role in human trafficking can vary a lot. The researcher from the Office of the Ombudsman for Minorities points out that the firm can either get involved in human trafficking directly by contracting employees and exploiting them or indirectly by using recruiting firms abroad. Both researchers from the Office of the Ombudsman for Minorities and HEUNI agree that when recruiting is done indirectly, the risk of getting involved in human trafficking increases. Usually, these recruitment agencies are situated in developing countries and offer jobs for unemployed people. These unemployed people form part of the supply of the human trafficking. The Finnish firms using these foreign recruitment agencies in order to save in labour costs form the demand of the human trafficking.

In addition to the risks found in complicated subcontracting chains and foreign recruitment agencies, both researchers from HEUNI and the Office of the Ombudsman for Minorities mention the risk of developing “two labour markets” in Finland. This refers to foreign people who work with worse employment terms and in poor working conditions. These people do not know their rights and they do not speak about this problem, which makes it more difficult to recognize this rising phenomenon. In fact, some say that these ‘two labour markets’ already exist, at least in the Finnish construction sector. Thus, the both interviewees emphasize the responsibilities of the employers and their efforts in stopping the polarization of labour markets.

Finally, it can be concluded that business has a very complex role in work-related human trafficking. This complex role derives from the financial gains and from the demand for cheap labour that employers, firms, middlemen and recruiting agencies pursue through exploiting potential victims. There is also a great supply of employees who desire to leave their home countries in the hope of a better future and better jobs from developed countries. This cycle of demand and supply of human trafficking (see chapter 2.2) explain the driving forces behind human trafficking and also describe the complex

role of business in this phenomenon. As all the interviewees have pointed out, the volume of human trafficking is not as high in Finland as in other countries but still the phenomenon has reached many Finnish business sectors, especially underpaid ones. In these sectors business can either be a part of the human trafficking process directly, controlling victims, and in the most extreme cases violating their rights. Business can also get involved in human trafficking due to leaks in their subcontracting chains or through unreliable recruitment agencies. Thus, if there is a hole in the firm's transparency then the exploitation may be possible and human trafficking can be a risk for the business.

5.2.2 *Law Enforcement*

As mentioned in the previous chapter, human trafficking is not a new phenomenon. It exists in many business sectors in Finland, especially in the labour-intensive sectors such as construction, industry and cleaning, where there is a constant demand for employees, points out the interviewee from the Service Union United PAM. All of the interviewees agree that human trafficking is a risk particularly in ethnic restaurants, where for example, immigrant entrepreneurs often employ their relatives from their countries of origin. These recruited employees do not know the country's language and are, therefore, very dependent on their employers. For example, restaurant chefs without language skills are in danger of exploitation since this kind of work does not require language skills and the work is "hidden" from the public. It has also been suggested that the phenomenon appears in the metal and chemical industry and agriculture. The last one mentioned is an especially high-risk business as indicated below.

I would dare to claim that the most miserable cases could be found in the Finnish farms ... in agriculture also the working conditions are quite ascetic and the housing can be very bad so there can be real human trafficking. (Construction Trade Union)

Besides agriculture, the specialist for the national industrial association agrees with the previous stakeholder group that especially domestic helpers are in danger of exploitation. Thus, it can be stated that the phenomenon appears in many Finnish business sectors according to most of the interviewees. However, some of the interviewees believe that it is not properly part of the Finnish business yet. In fact, the representative from the Construction Trade Union disagrees with the other interviewees about the phenomenon being a part of the construction sector: "We never speak about human trafficking because it never comes across construction sector".

Based on the comments above, work-related human trafficking is not thought of as a significant phenomenon, at least not in the construction sector as indicated in the following.

But when it comes to the use of illegal or underpaid foreign work force then that is extremely broad. Alone in the construction sector there are estimations of more than 30 000 illegal construction workers... (Construction Trade Union)

Thus, the real problem in the construction sector is the black economy, which today consists almost totally of foreign workforce. The use of illegal workforce might result in some kind of exploitation in the worst case, but rarely to human trafficking as noted above. Another interviewee, representing the Service Union United PAM, disagrees stating that the scale of human trafficking is much broader than realized in Finland. This might be due to the “hidden” nature of the phenomenon, which means that the victims are often hard to recognize. In other words, the representatives from the labour organizations in the construction and service sectors share almost opposite opinions about the scale of work-related human trafficking in Finland. The specialist for the national industrial association, in turn, states that it is not good to exaggerate the problem like many experts and researchers of human trafficking do. The phenomenon exists in Finland but it is not that big of a problem that it could not be handled.

The fact, however, is that the competition is intense in many Finnish business sectors and this pushes firms to reduce their prices in order to sell more products. This way firms pursue to gain more profits than their competitors. In fact, the search for high profits is one of the main drivers behind human trafficking as mentioned earlier.

Worldwide they gain unbelievable profits from human trafficking. It is a really big business in fact. It is something like ten billions of (dollars) what they (profit). (Service Union United PAM)

The interviewee continues by stating that the amount of the unpaid salaries is high. As the study conducted by ILO (2009) estimates the total amount of unpaid wages in forced labour extend to approximately US \$ 19.6 billion. All together the lost income amounts to about US \$ 21 billion. (ILO 2009, 31-32.) In many cases these high profits include also the high transmission costs that the foreign employees have to pay to the recruitment agencies. The interviewee from the Construction Trade Union brings up about the foreign workers, for example from China, who often have to pay high amounts for the recruitment agencies in order to work in Finland. It is precisely these transmission costs and unpaid salaries that encourage people to exploit employees.

What comes to subcontracting, all of the interviewees agree that the risk of exploitation increases in these long and complicated chains. In fact, they agree with the previous stakeholder group when stating that especially small firms at the bottom of the subcontracting chains might cause problems if they are not familiar with Finnish legislation and the collective agreements. The problem gets even more complicated if these foreign subcontracting firms get main contracts. In these cases their problems might spread further to other firms and also to the main contractors. In this case it is more difficult to catch the principal offenders and force them to obey Finnish legislation and collective agreements. Also there are cases where the subcontractor invoices the main contractor according to the agreements, but in the end the employee only receives a part of his salary. This means that the recruitment agency, or in the worst case the trafficker, gains illegal profits from these arrangements, which allures them to continue their business and exploitation. In other words, besides the complicated subcontracting chains also the recruitment agencies can be a risk for a company, especially if the company does not know the recruitment firm well.

... It is very difficult to present, or in any ways to make sure, that these subcontractors really operate honestly and that they take care of their obligations and they pay their bills etc... (Construction Trade Union)

Indeed, the biggest problem is being unaware of the subcontractor's actions. For instance, in one construction site there can be multiple construction firms and therefore it can be impossible to know what happens in each of the firms along the subcontracting chain, points out the employers' representative from the construction sector. For example, many times Estonian firms offer their services with much lower prices than their Finnish competitors do. In these cases the buyer should be very careful because if the prices are too low then the firm should suspect something. In fact, the interviewees admit that these situations create unfair competition because most of the Finnish companies are not able to offer their services with equally low prices as these foreign firms do. The specialist for the national industrial association states that in most cases the Finnish main contractor does nothing wrong. Both the representatives of the employers' organizations believe that Finnish companies rarely exploit their workers; often it is the foreign recruitment agencies or the small firms at the bottom of the long and complicated subcontracting chain who profit for not paying enough salaries to their workers. However, the interviewee from the Service Union United PAM mentions the companies' responsibilities in the extensive subcontracting chains; indeed, how far reaching is this responsibility?

Finally, the interviewees also in this stakeholder group take sides about the ‘two labour markets’, which according to the last stakeholder group already exists in Finland. A number of the interviewees in this group share the same concern, as indicated below.

Hardly anybody wants that ... a lot of foreign employees would be brought (to Finland) and this would form these two labour markets or then the Finnish wage level would decrease substantially because then it would be possible to hire for example a cleaner with three Euros, ... who would then hire anymore Finnish workers with a hourly wages of eight Euros? (Service Union United PAM)

The interviewee continues by stating that comments such as “they earn more here than in their home countries, which makes it justified to pay them less” are increasing today in Finland and it is worrying. This kind of thinking forms unequal labour markets for workers. The representative of the Construction Trade Union, on the other hand, states that “two labour markets” already exists in Finland in the form of different working contracts such as permanent workers, temporary workers, rented workers etc. Thus, there is a risk that this becomes a more popular phenomenon in the future.

In conclusion, this stakeholder group is not so unanimous as the previous one with their opinions of human trafficking in Finnish business. However, all of the interviewees recognize the problem and agree that it can be a risk in the labour-intensive business sectors. There is, however, some disagreement about the specific sectors; for instance, one of the interviewees does not see human trafficking or related crimes as a part of the construction sector at all; according to him the problem is more about the black economy. Additionally, most of the interviewees do not believe that the scale of the phenomenon in Finnish business is very considerable. In fact, only one of the interviewees believes that the phenomenon can be much more extensive than expected. The general opinion, however, is that exploitation or trafficking appears rarely in Finnish companies. Instead, the exploitation often occurs in small foreign subcontracting firms or through recruitment agencies involving Finnish companies indirectly.

5.2.3 Management

Following the example of the two previously presented stakeholder groups, this chapter also starts with presenting the scale and the sectors of human trafficking. However, only few of the interviewees in this ‘management’ group mention the scale of the phenomenon; and instead all of the interviewees highlight the irrelevance of the phenomenon for their business. One of the interviewees from the construction sector agrees with one

interviewee from the previous stakeholder group by stating that human trafficking as a crime does not exist in the construction sector, at maximum there can be milder cases such as work discrimination and extortionate work discrimination. These cases can appear also in the logistics sector but work-related human trafficking belongs more to the service sector or restaurant business. An interviewee from a service company disagrees with this and believes that human trafficking is a bigger problem in the construction sector. It can be noted that in this stakeholder group there are various disagreements concerning the sectors involved in human trafficking.

All of the interviewees, however, agree with each other and the theory part that the phenomenon might appear among the small businesses in case where monitoring is insufficient. One of the interviewees from a construction company mentions for instance small renovation targets and one-family house construction sites where nobody monitors how the work is performed.

... The smaller the employer (company) the easier it is to ignore certain obligations. You can imagine if you build a detached house there and you contract a couple of Estonians, who are good constructors in itself, but (in these cases) the money moves roughly from one pocket to another pocket. It is sure that they do not follow these things (agreements and law). There are some, of course, who do things right but then when you see the situation...from the payer's point of view the temptation is quite big. (Interviewee, a Construction Company)

In other words, the problem in the construction sector has to do with the economic malpractice and the exploitation of foreign workforce. According to one of the interviewees there has been cases where the employer offers an apartment for the employees and then collects too high rents in order to profit. There has been also some extreme cases in the construction sector where the employer pays the salary but then accompanies the employee to the cash machine and takes a part of the salary back. In most of these cases the employee does not tell anyone about the abuse, which complicates recognizing the malpractices. Often the silence of these employees tells about physical and emotional abuse. In fact, victims might also suffer threats against themselves and their family or even death threats (U.S Department of State 2009, 5).

The scale of the phenomenon according to most of the interviewees is quite limited. The use of foreign workforce is common in the regions of the metropolitan area, meaning in southern and eastern Finland generally and in some parts of northern Finland. Thus in these areas there might occur exploitation or related crimes but it is not easy to say how much of these cases result in human trafficking. In fact many interviewees state that it is hard to estimate the scale of the phenomenon because it does not appear in their

business environment. However, one of the interviewees from a service company suspects that the phenomenon in general is much widespread than thought. Thus, according to this interviewee human trafficking exists in the Finnish business, and in fact, it does not always have to be foreign employers who exploit their workers as indicated below.

... I believe that Finnish businessmen do the same. I do not believe that this is a cultural thing at all, this happens everywhere, in any country, also Finnish people know how to do this (exploitation), it is not difficult at all... (Interviewee, a Service Company)

The general opinion, however, is, that human trafficking is not a part of the Finnish business. All the interviewees admit that the complicated subcontracting chains can create risks for the companies as pointed out in the following.

... This is only limited to our own subcontractors because we do not simply know about the (subcontracting) chain. There are quite horrible examples, there are (cases) where they have taken the passports away from the people in the service sector and held them in captivity...in a sense that they cannot get away and have to work overlong days and the compensation is what it is... (Interviewee, a Construction Company)

In these long and complicated subcontracting chains there are multiple employers, which makes it harder for the main contractor or the authorities to follow and monitor the situation at the bottom of the subcontracting chain. On the other hand, an interviewee from a construction company points out that the main contractor is not the employer of the firms at the bottom of the subcontracting chain. The main contractor has to make sure that all the employees, for example in a construction site, are listed as workers in the particular site and their length of stay is marked. Additionally, their identities and work permits should be checked, but the main contractor is not obligated to check the salaries of the employees in the subcontracting chain.

Most of the interviewees agree that the employer has the main responsibility for its own employees. This means that the employer is the one who pays the unpaid salaries in the end if the subcontractor does not follow the collective agreements or labour legislation. Thus it is important to find honest and reliable subcontractors. Several interviewees, however, comment that this is even harder if the companies use recruitment firms, especially if the firms are from abroad. For instance, during the economic boom a few years ago some employers from the service sector contracted employees through recruitment firms. One of the interviewees recalls that there was a great demand for workers especially in the cleaning sector and thus some firms used recruitment agencies

without checking their background and got into trouble. Hence, these recruitment firms can be a risk for a business. In fact, one of the companies interviewed in this stakeholder group has been accused of using an unreliable recruitment agency, which exploited its work force. The interviewee representing the company comments this incident as follows.

It is difficult for me to comment anything concerning this since it relates to the period before I worked for the company ... it was a couple of years ago but it had to do with this Chinese workforce... as contracting... they had certainly chosen a wrong partner in cooperation so when these accusations were introduced it was stated that X did not do anything wrong instead ... the recruitment agency was not so reliable... (Interviewee, a Service Company)

It is worth noting that all the charges against the above company X were dropped in autumn 2011. Thus, it can be concluded that it is challenging to know whether a recruitment agency or a subcontractor is reliable or not. Also a subcontractor contracting other subcontractors is mentioned as a risk for the companies, and thus this practice is prohibited today in many companies.

In conclusion, it can be stated that some disagreement appears in this stakeholder group. The opinions differ especially when talking about the existence of human trafficking in their business sectors. The interviewees representing the service sector believe that the phenomenon is more common in the construction sector when, in turn, the interviewees from the construction sector feel the opposite. All of the interviewees, however, agree that work-related human trafficking and related exploitation cases might appear in small companies where monitoring is insufficient. In fact, it is almost impossible for human trafficking to appear in larger companies where the legislation and control is strict. This stakeholder group also agrees, as the other stakeholder groups agreed before, that human trafficking can be a risk in the complicated subcontracting chains. Also some concerns are expressed relating to the recruitment agencies and “subcontractors contracting other subcontractors”. However, the majority of the interviewees believe that the scale of the phenomenon is very limited; only one suspects that it can be more extensive than thought. In the end, all the interviewees make it very clear that work-related human trafficking is not in any way relevant for their company and it does not exist in any form in their business environment. Many, however, worry about the effect of the black economy, increasing money laundering and related crimes concerning the business. These crimes bring along unhealthy competition, dishonest business and decrease the level of costs, which in turn hinders the competition in the market. This illegal business hurts the companies that act according to the rules.

5.2.4 *Employees – Potential Victims*

This stakeholder group is very unanimous. All the interviewees agree that human trafficking exists in most countries, including Finland. According to the interviewees in the documentary “Kalevipojat myytävänä” human trafficking and related crimes are common phenomena in the Estonian construction sector and through the long and complicated subcontracting chains these crimes can also reach Finland. In fact, it is estimated in the documentary “Poljettua ihmistyötä” that the amount of trafficking victims annually depends on the fact how well the victims are recognized. For instance, there are approximately 10-15 identified cases in the Monika center¹² annually. These victims are from all over the world and work in diverse Finnish business sectors such as domestic work, cleaning and restaurant business. Especially domestic work is considered to be a risky business, based on the experiences of one of the interviewees in the documentary “Poljettua ihmistyötä”. She is, in fact, considered to be a victim of human trafficking.

Exploitation is also a risk in the construction sector. Although the experiences of the interviewees in the documentary “Kalevipojat myytävänä” are not so severe as in the document “Poljettua ihmistyötä” it is calculated that today there are about 30 000 Estonian workers in Finland. In reality the number is much higher, reaching up to 100 000 Estonian workers. Particularly these illegal workers are in danger of exploitation as there are rarely employment contracts to protect them. Often in these exploitation cases the employer does not pay proper wages, the workers work long hours and in extreme cases the workers have to find other means to provide for themselves since the actual work does not support them.

As the employee is often oppressed in the exploitative working relationship it is common to think that the employer is cruel and crooked. However, one of the interviewees in the documentary “Kalevipojat myytävänä” states that this is not always the case. In fact, the relationship between the employer and the employee does not necessarily have to be hostile. The employer can be very nice, offer meals and accommodation but he/she does not pay the salary. In fact, this situation is one of the most common forms of exploitation, points out one of the interviewees. However, not all cases are similar. There have even been situations where the employer and the employee go together to the cash machine, withdraw the employee’s salary and the employer takes a part of that salary back, as described in the next example.

¹² Monika, the multicultural Women’s Association helps victims of human trafficking and exploitation in Finland.

I have needed the passwords in order to make transactions on behalf of the workers. Or more exactly, in order to be able to take back incurred costs from their bank accounts. The [ATM] cards have not been in the possession of the workers at any stage. They gave the cards to me because we have made an agreement to the effect that if I pay for all their costs, I'll keep the cards and their passwords...The workers have however not been very interested in these documents (bank statements) because they don't understand anything about them. The workers know that they are being paid 250 euro every month. I did not think it was necessary to give the bank statements to the workers because I know what I am paying them. (6800/R/4242/08, 78.) (Jokinen et al. 2011b, 98)

In fact, one of the interviewees in the documentary “Kalevipojat myytävänä” states that there still exists a “law of the jungle” in the construction sector and thus hardly any exploited employees speak about their experiences in public.

Most of the interviewees also mention that the subcontracting chains create higher risks for business, especially in the construction sector. One of the interviewees explains how it is a habit in Estonian construction business that the employer takes the employee's last salary. However, this rule does not appear in the Estonian labour legislation. These deceptions and malpractices occur often in Estonian subcontracting firms and extend to Finnish construction sector, as these firms are a part of the long subcontracting chains. The documentary “Kalevipojat myytävänä” also questions the reliability of many Estonian recruitment agencies. The documentary describes one situation where an agency disappeared all of a sudden when the workers started to demand their unpaid salaries. In this case also a Finnish main contractor is claimed to have lost a lot of money due to the problems with this particular agency.

In conclusion it can be stated that similar thoughts about human trafficking and related crimes appear in this stakeholder group as in the three previous ones. More attention is paid on describing the relationship between the employee and the employer. In fact, it is interesting to notice that not all these relationships have to be always hostile; there are also very friendly and kind employers who deceive their employees by not paying them proper wages. In these cases the crime is often milder and it is not always about human trafficking. The scale of the phenomenon, however, is hard to estimate due to the difficulties in recognising the victims. The interviewees, as the other stakeholder groups before, also emphasize the risk of long and complicated subcontracting chains. Especially employees from the construction sector mention that the crimes usually occur in these chains and thus many Finnish construction companies avoid contracting single Estonian workers because it is more difficult to make sure that these workers fol-

low the same rules as the other firms in the business. In the end, it can be concluded that this stakeholder group strongly feels that human trafficking is a part of Finnish business.

5.2.5 *Synthesis: Description of Human Trafficking in Finnish Business*

The comments concerning work-related human trafficking in Finnish business presented by the four stakeholder groups in this chapter are not as unanimous as expected. There is clear disagreement concerning the scale and existence of human trafficking in Finnish business. Most of the stakeholder groups agree that the phenomenon exists in labour intensive sectors such as construction, service (restaurant, cleaning etc.), horticulture and berry-picking. Also the logistics sector and domestic work are mentioned. There is, however, disagreement in the ‘management’ stakeholder group about the existence of the phenomenon in the construction and service sectors. Additionally, most of the interviewees in the ‘management’ and ‘law enforcement’ stakeholder groups believe that work-related human trafficking is not an extensive phenomenon in Finland. In fact, a couple of the interviewees state that it is not even part of Finnish business at all. Moreover, all of the interviewees in the ‘management’ stakeholder group make it very clear that the phenomenon does not exist in their business environment. On the other hand, the ‘institutions and authorities’ and ‘employees – potential victims’ stakeholder groups believe that the phenomenon is quite widespread and forms a part of Finnish business. All the stakeholder groups, however, agree that the phenomenon is a risk for small companies where monitoring is insufficient. Additionally, everybody agrees that complicated and long subcontracting chains increase the risk for the businesses. There is also concern relating to foreign recruitment agencies and the ‘management’ stakeholder group mentions also the risk of subcontractors contracting other subcontractors, which is generally prohibited. Finally, there is some disagreement about the role and the responsibilities of the main contractor in the subcontracting chain; some believe that it is the responsibility of the employer while others state that the main contractor should be responsible for the whole subcontracting chain.

It can be concluded that human trafficking exists in Finnish business as most of the interviewees have stated. The characteristics of the phenomenon in Finland are similar to those in other countries. It can appear in any economic sector or industry (Misra 2007a, 8). In fact, the most common business sectors include agriculture, the hospitality sector, construction and domestic service, etc. These industries normally require large amounts of low-paid, flexible and seasonal workers who sometimes work in difficult or dangerous conditions (Dowling et al. 2007, iii). As mentioned in the previous chapters the exploited victims are often foreign work force. This applies to the cases in Finland also, as seen from the interviewees’ comments above. Thus, the only significant differ-

ence between Finland and many other countries is the size of the phenomenon. It is estimated that there are at least 12.3 million victims of forced labour globally (ILO 2005a, 10) of which about 2.5 million are in forced labour as a result of trafficking (ILO 2005a, 10, 14). Although there are no exact numbers of human trafficking cases in Finland, the scale of the phenomenon is believed to be much smaller in Finland than in many other countries. There is, however, always the possibility that more cases exist in Finland than expected but they are not recognized due to the clandestine character of the phenomenon. Finally, as suggested in the theory part of the study, human trafficking hardly appears in large enterprises since they are more liable to inspection. The situation is, however, different what comes to small enterprises due to the low level of monitoring. It is also probable to find human trafficking cases at the bottom of complex subcontracting chains. These comments can be applied to the situation in Finland also. Hence, the phenomenon exists in Finnish business and has the same characteristics as in many other countries; the only difference is the size of the phenomenon.

5.3 Business Prevention Measures against Human Trafficking in Finland

In the two previously presented theme chapters the definition of human trafficking and its relation to business have been investigated. As has been stated, human trafficking is a complex phenomenon that appears in many business sectors and it gains large profits. It is a worldwide business that touches many countries, including Finland. Due to the comprehensive scope of human trafficking, more measures are needed in order to combat against it. It can be said that the primary responsibility to combat trafficking lies with the state (UN.GIFT 2010, 2) and the legislation prohibiting all forms of trafficking (Skrivankova 2006, 230). However, more holistic participation has been called for recently and thus the focus has turned more on to the business community. In fact, the role of the business community is fundamental in order to fully combat human trafficking. (UN.GIFT 2010, 2.) This chapter aims to provide a complete and versatile picture of the prevention measures available to business through the same four stakeholder groups as in the previous chapters. These different stakeholder groups are used in order to fully notice the differences and similarities between the opinions of the diverse stakeholder groups. The issues investigated closer in this chapter are: the business' role in preventing human trafficking, the importance of corporate social responsibility and the future scenes of work-related human trafficking in Finland.

5.3.1 *Institutions and Authorities*

As stated before in this study, the first step in combating human trafficking is drafting legislation that prohibits all forms of trafficking and exploitation. The second step is setting a punishment comparable to the nature of the crime (Skrivankova 2006, 230). The researcher from the Office of the Ombudsman for Minorities agrees with these measures by stating: “The first thing is to follow the laws and adhere to collective agreements.” Thus, all wages should be paid according to the collective agreements and not according to the minimum wages. General rules of working life should be followed and controlled, and also discrimination, unfair treatment and other illegalities should be monitored in the work place. When society operates according to these general rules, it naturally helps to combat against human trafficking and related exploitation.

The level of awareness should be also increased at the workplace and outside of it (IOM 2006, 8), as indicated in the following quote.

... Always, whenever a foreign worker is met, who is in some way in a vulnerable position and there are some signs of (exploitation) ... (in this case it) should be noted that it could be about human trafficking. So it is not (always) only about work discrimination, it can also be human trafficking. (Researcher, HEUNI)

In other words, special attention should be paid to immigrants and their working conditions in Finland. They should be informed about their rights relating to work, about collective agreements, trade unions, people to contact if something goes wrong and their rights to earn a living. Also conditions of employment should be monitored in advance as well as after the work has begun. The interviewee from the National Bureau of Investigation highlights the importance of properly checking out the company’s background in order to know what kind of a company it really is. Also the phase of granting the work permits should be comprehensive enough so that it would offer the employee relevant information about the country’s working policies and labour legislation. However, the researcher from the Office of the Ombudsman for Minorities remarks that the labour legislation should be revisited and developed in order to prevent exploitation and to facilitate the recognition of the potential victims. To be precise, a new law for assisting the victims should be established since the current law is not transparent enough – it has holes and it is ambiguous.

Besides paying special attention to employees and possible victims, the before mentioned researcher specifies the versatile role of the employer in the combat against trafficking. The employer should cooperate closely with trade unions since they are uniquely situated to address many root causes and factors that make workers vulnerable

to trafficking (Misra 2007, 17). In fact, trade unions can pressure firms and employers to function according to the collective labour agreements and support employees and their rights. The researcher from HEUNI agrees with the researcher from the Office of the Ombudsman for Minorities but reminds that the participation of the trade union is not enough; also employers' associations have to take actions against trafficking.

...A really important partner in cooperation is the employers' association. At present there has been a lot of talk about the trade unions and of course they have in Finland ... an interest to defend Finnish collective agreements and Finnish workers' (rights) ... the principal, for the time being, has been to protect their own members and Finnish working life. But I would see that now it would be very important to get the employers' associations to participate also. (Researcher, HEUNI)

Thus, both of the interviewees above emphasize the employer's role in the prevention of trafficking. The researcher from the Office of the Ombudsman for Minorities, in fact, adds that the employer should participate in the immigrants' language training since they are in a greater risk of exploitation.

Language training is something that I have also thought about... I understand that the (most of the) employers' representatives would oppose this (idea) but I think that if the employer wants to benefit from the employee as much as possible, it is also the employer's advantage if the employee knows the language used in the working place or at least knows English. (Researcher, the Office of the Ombudsman for Minorities)

As the comment above indicates, the responsibilities of the employer are wide-ranging. For instance, the employer should inform and instruct the employees about their labour rights and their rights to form or belong to a union. Additionally, the importance of training and communication between both parties is emphasized.

Besides the employer's responsibilities in respect of the subordinates, also collaboration between employers and authorities is highlighted, as mentioned also in the theory part of the study. The authorities should consider preventing human trafficking as one of their responsibilities. Moreover, the government should prioritize this issue and allocate more resources to preventing and informing about human trafficking in Finland.

And of course I think that state and the municipalities have essential roles, as they are big employers as well as purchasers of services and deliveries. (Researcher, the Office of the Ombudsman for Minorities)

The interviewee from the National Bureau of Investigation agrees with the researcher from the Office of the Ombudsman for Minorities and admits that more resources are needed in order to effectively combat human trafficking in Finland. In other words, proactive regulation and monitoring by multi-agency groups, including labour inspectors, trade unions and employers' associations is emphasized (Konrad 2008, 28).

In addition to emphasizing intensive collaboration between all actors, the researcher from the Office of the Ombudsman for Minorities mentions the risks relating to the recruitment agencies and subcontracting chains.

I would be quite careful in using recruitment agencies if you cannot be quite sure what kind of a firm it is that you are collaborating with and I would also think about both parties' responsibilities (in this collaboration). (Researcher, the Office of the Ombudsman for Minorities)

The researcher from HEUNI adds that the responsibilities of the employer should be extended further along in the subcontracting chain. The employer should also make sure that every firm in that chain follows Finnish labour legislation. In other words, a prevention strategy for the company should be created, including different measures such as adapting and revising the company policy and code of conduct with employees and subcontractors (IOM 2006, 10-13).

Both researchers from HEUNI and the Office of the Ombudsman for Minorities state that the ethical codes and CSR principles of a company could include the concepts of human trafficking and related exploitation cases as an example of their awareness of the risks relating to these crimes. As mentioned in chapter 2.5, ethical companies benefit their bottom line by protecting their brand and reputation, ensuring and even increasing access to markets, reducing turnover and increasing recruitment and retention rates, as well as decreasing the risk of future litigation or regulatory violations. (Business Leaders Award — —.)

Finally, it can be concluded that the role of business in combating human trafficking is complex. It is not, however, an impossible task since the companies can take action in many ways. First of all, companies can combat against exploitation from the legal point of view by complying with legislation and collective labour agreements. Besides following the general rules and norms, the role of the employer is multifaceted. Employers should have good relations to the employees, trade unions, employers' associations and authorities. In addition, employers and firms should be cautious when contracting foreign work force through recruitment agencies and they should pay special attention to monitoring the long subcontracting chains. All the interviewees agree that proactive co-operation is needed, as stated in the theory part of the study. Majority of the interview-

ees also believe that human trafficking is likely to increase in Finland but the situation is not hopeless, as there are ways to control it as suggested below.

The world is an unequal place and there will always be those (people) who are extremely poor and then again those who are rich, and there will be a lot of people who are in search for a better life from somewhere else. So there will always be potential (victims) for human trafficking. I would believe that human trafficking will not disappear anywhere but of course ... we can somehow control it ... But I'm not so naive that I would believe it would disappear. (Researcher, HEUNI)

5.3.2 Law Enforcement

... these prevention measures for this (work-related human trafficking) have to do precisely with information ... each foreigner at the border should be ... provided with an information package, in which also Finnish working life, salaries, workers protection and (the places) from where to find help if needed (are described). This (information package) should be (drawn up) in many languages. (National industrial association)

As indicated in the above comment, the prevention measures against work-related human trafficking include sharing information about the phenomenon and increasing people's awareness. Each of the four interviewees in this stakeholder group agrees with these measures. In fact, one of the roles of the national industrial association is exactly about sharing and increasing information about the risks of human trafficking, illegal business and exploitation cases in Finland. According to the specialist of this organisation the companies should keep their eyes open, be alert and have open discussions about work-related human trafficking and similar exploitation cases with their subordinates. It is important to make it very clear to all companies that it is prohibited to collaborate with dishonest partners who do not provide the necessary legal working documents required from companies.

The representative from the Service Union United PAM and the representative of the employers in the construction sector also mention the importance of collaborating with other companies, trade unions, civil organisations and authorities. In this way extensive networks can be built and sharing information becomes easier. The employers' representative from the construction sector points out that also the authorities should exchange information concerning human trafficking with each other more often. In fact,

the interviewee states that the information sharing with different parties has been very challenging. This, in turn, complicates the situation, and makes it more difficult to follow the principle of transparency in the construction sector. Both of the interviewees representing the construction sector's employees and employers emphasize the importance of the transparency principle since it is essential to know who works in a construction site. If the main contractor does not know who works under which employer, then the main contractor is in trouble. In order to increase the transparency, avoid illegal business and increase control, a tax number has been introduced for the construction sector. The law concerning this tax number took effect on December 2011 and during the year 2012 it will be implemented in all the construction companies in Finland. The tax number has to be retrieved from the tax authorities, after which the main contractor checks the worker's tax number and his/her identity. It is now prohibited to work in a construction site without a tax number. Once a month the main contractor provides a list of all the workers in a construction site for the tax authorities. This way the authorities and the construction sector are striving to decrease the amount of illegal workers. However, this also means that the tax authorities have the main responsibility for controlling the workers in the construction site. Both interviewees representing the employees and the employers in the construction sector believe that this is a good method since it is impossible for the main constructor to investigate and control all the employers and their employees in the long subcontracting chain since the volumes are so large. The specialist for the national industrial association agrees with the representatives as indicated next.

One thing that the employee organisations have talked about a lot is that they think Finland should go and make sure that the (employees who work in Finland but are paid abroad) get the right amount of salary from Estonia or Poland. I have always said that we are in the European Union where each country is sovereign, so they should follow their own laws as well as EU laws as we do here in Finland. Therefore it is quite strange to... suspect that Estonian or Polish officers do not know how to (handle) their own issues... (National industrial association)

Based on the above comments, it can be stated that this stakeholder group disagrees with the previous stakeholder group about the range of responsibilities in a subcontracting chain. Only one interviewee in this stakeholder group representing the employees' rights in the service sector agrees with the previous stakeholder group stating that the companies' range of responsibilities should be tightened and the main contractor should be made responsible for the malpractices occurring in its subcontracting chain or in the recruitment agencies it has used. The interviewee also suggests reviewing the legislation

so that the main contractor would be made clearly responsible for its subcontractors' malpractices. The interviewee also states that the companies who have exploited its work force should, at least, pay the salaries they have withheld and in extreme cases they should also pay extra compensations to the exploited work force.

On the other hand, both of the interviewees from the construction sector, one representing the employers and the other employees, state that there is no need for extra compensations or legislation reviews since the construction business already has effective prevention measures against exploitation and similar crimes. First, the main constructor can draw up a strict contract with severe sanctions, which makes it unprofitable for the firm to try to deceive their employees and partners since the consequences will be harsh. Also, in extreme cases the company's right to operate in the particular construction site can be completely withdrawn. Additionally, there is a possibility of paying the piece rate by instalments on behalf of the subcontractor to the employees and this way to make sure that the workers get paid. With the help of these measures and the current tax number the interviewees are confident that work-related human trafficking is not and will not be a relevant problem for the construction sector. However, they both highlight the need to continue combating against illegal work force and black economy. Also, all the interviewees agree that the main contractors should be extra careful when contracting firms for the subcontracting chain. It is important to know whether the contracted firm in the subcontracting chain is reliable or not.

To begin with, there should be certain things that should be checked when subcontracting firms ... (these are) that firm exists and it does not have tax debts and pension payment problems etc. These certain things have to be checked out and this concerns also foreign firms. (National industrial association)

Reliability, in fact, is often included in the company's values, corporate social responsibilities or ethical values. The interviewees, however, are not unanimous about the company's ethical principles and CSR. According to the interviewee representing the Service Union United PAM it would be important to include the concept of preventing human trafficking among these ethical principles. This could promote firms, at its best, to act against the phenomenon more actively in their business environment. Other interviewees, on the contrary, are more sceptical.

Several companies have already these corporate social responsibility programs and often there are, in my opinion, things that can be regarded as truism, (in other words) everybody is treated equally ... I think these are true to us, Finnish people, or (they) should be... I often think (about

these companies) and laugh at what (these firms) have been doing before if you now have to draw up these kind of principles, have you been operating in a different way before? This is why I am quite sceptical towards these principles ... (National industrial association)

According to the interviewees from the construction sector most of the large construction companies have CSR programs as part of their business plan. The interviewee representing the employers' association in construction sector, however, notes that it is not so easy to implement these principles into practise. Often the employers are more interested in the piecework in process and the financial factors relating to this project. It is natural that the employer is more interested in the technical and financial issues than whether all of its subcontracting firms follow the Finnish labour legislation correctly. It should also be remembered that the main contractor is not the employer of these subcontracting firms and thus does not have any legal obligations to make sure that the salaries are properly paid. The interviewee, however, believes that it would be important to find a way to make these employers and workers in the construction sites more aware about the corporate social responsibilities and the foreign workers' rights.

Before turning the topic to the future of work-related human trafficking in Finland, it is essential to say few words about the language matter that was discussed in the previous chapter (see chapter 5.3.1). The researcher from the Office of the Ombudsman for Minorities stated that it would be important for the employer to participate in the immigrants' language training since the lack of language skills can lead to exploitation. The representative from the national industrial association, in turn, states that if the employer contracts a worker directly from abroad it should be his/her responsibility to offer the worker language training. If this is not the case, then the responsibility lies in the hands of the state – not the business. In other words, if the worker has come to Finland, for instance, as an asylum seeker, as a refugee or due to family relations, then it is not the responsibility of the business to integrate and train the worker. In these cases society should take more responsibility of these people in order to integrate them properly.

According to this stakeholder group, work-related human trafficking will probably increase in the future but the interviewees are certain that the Finnish society is efficient enough in preventing it from blossoming.

The future of the work-related human trafficking, I will hope it will not flourish however... I believe that (it) will probably increase due to the increased number of foreigners in Finland ... so with the (help of) education and (training) we could keep it (human trafficking) contained and transparent. (National industrial association)

It can be concluded that the main message of this stakeholder group is to increase the level of awareness and to inform people more about human trafficking. All the interviewees agree on this and also emphasize, as the previous stakeholder group did, the importance of collaboration between different actors. The interviewees are also unanimous about the risks relating to the subcontracting chain but they disagree about the range of the responsibilities belonging to the main contractor. There is also slight disagreement concerning the ethical principles such as CSR and their importance. Despite the disagreements, all the interviewees believe that more control, collaboration and monitoring is generally needed in business in order to prevent human trafficking from spreading.

5.3.3 *Management*

After investigating prevention measures against human trafficking from the ‘law enforcement’ point of view, it is now time to turn the focus on the opinions of the management. First, all the interviewees emphasize the importance to increase monitoring and control in the companies in order to effectively prevent work-related human trafficking and related crimes.

Prevention measures for human trafficking, well, there has to be strict control ... we (should) know with whom we are working with ... these companies have to have their business in order and (this) is one starting point for the prevention of work-related human trafficking because it can be supposed that these companies will be able to pay proper wages (to the employees) and draw up appropriate collective agreements and other agreements ... (Interviewee, a Construction Company)

It is easier to monitor and control the situation if there is collaboration between different actors. In fact, one of the interviewees from the construction sector emphasises cooperation between companies and trade unions, specifying that many construction companies nowadays follow this advice. Another interviewee also from the construction sector states that the state and the government should participate more actively in this operation. Furthermore, it is pointed out that more authorities are needed, especially inspectors of foreign workforce. Today there are 12 of them in all of Finland when there should be at least this amount in the metropolitan area alone. Moreover, all the interviewees from the construction companies talk about the close cooperation between the construction sector and the tax authorities. They all refer to the tax number that is also mentioned in the ‘law enforcement’ stakeholder group. The construction companies’

interviewees all believe that this tax number is an efficient prevention tool against crimes relating to illegal workforce and exploitation. In fact, one of the interviewees believes that the side-effects of human trafficking, such as illegal work force and black economy, are a big risk for the construction sector and if there is no prevention measures against them, then it is possible that they eventually turn into work-related human trafficking.

In other words, all the interviewees agree with other two previous stakeholder groups about the importance of proactive co-operation. This would involve improved collaboration between all the stakeholders (Konrad 2008, 28). Additionally, transparency and open cooperation are the key words here. Special attention should be paid particularly to the selection of the partners in cooperation. As one of the interviewees from the service company states, if the partners are poorly chosen, there can be negative consequences to the company. This happened, indeed to the interviewee's company a few years ago when the company in question did not pay enough attention to the selection of its partners (see chapter 5.2.3). The consequences were not severe for this particular company since it did not commit in any crimes, they just did not pay careful attention to the partner-selection process. The company nowadays, however, follows stricter rules; partners and subcontractors are very carefully chosen and their background information is double-checked. Besides checking out the partner company's background the interviewee states that another way to prevent trafficking is to increase the level of awareness and to follow the norms of the Confederation of Finnish Industries and the Finnish labour legislation.

Some might disagree about the innocence of the before mentioned company and its involvement in illegal business through its partner. In fact, some interviewees have emphasized in the previous stakeholder groups the main contractor's range of responsibilities. They believe that these responsibilities should be extended so that the main contractors would be made responsible for its actions more easily. All the interviewees in this stakeholder group, however, disagree. For instance, one of the interviewees from the service company states that the business is responsible for its own actions; it has to make sure that there are no loopholes in its subcontracting chains or in its partnership relations. However, it is not the responsibility of that company to get too involved with the business of the other companies. Indeed, there can be more than 300 persons working in one construction site at the same time and thus according to the interviewee from a construction company it is unrealistic to say that the main contractor should go through all the labour agreements in its subcontracting chain. The main contractor is only responsible for checking that each company has the required documents and that these documents are in order. Rest of the monitoring belongs, for instance, to the industrial safety authorities. In other words, this stakeholder group agrees with the 'law en-

forcement' group about the impossibility of monitoring each firm's relations to its employees, the collective agreements and whether the wages are paid or not.

This leads to the topic of the law of contractor responsibility, which has been already introduced in this study. All the interviewees mention this law as a way to prevent human trafficking and related crimes. In general, the law involves every business sector and obliges all the companies that use external labour to confirm whether its subcontractors, recruitment agencies it uses or partners are registered in Finland for income tax, employment and value-added tax purposes. Also the main contractor requires documents such as extracts from the trade register and certificates of clearance for tax payments and employment pension contributions. This particular law is, for example, included in the construction sector's collective agreement separately. It obligates the main contractor to pay the unpaid salaries to the contractor's work force as the last resort if the contractor has not managed to pay the wages him/herself.

This stakeholder group differs from the two previous stakeholder groups as it emphasizes much more the importance of training among the subordinates. In fact, one of the interviewee from the construction company discusses the importance of education and training of relevant issues already during the construction studies, as indicated in the next comment.

I agree in a way that (there should be more training about these issues) in the technical colleges or as a whole in the studies concerning construction, whether it is ... vocational college, polytechnic or university, (in these institutions) there could be more studies relating to the working life. We are, in fact, collaborating quite deeply with the vocational college this year, trying to think of new modules that could be part of the renewing of the educational system. (Interviewee, a Construction Company)

The interviewee continues by stating that training is to do with the idea that if the studies in colleges or polytechnic schools would cover some general issues of the working life, such as illegal work force, problems with wages and the range of responsibilities, then the company would not have to educate the 'future' employers from scratch. The interviewee also hopes that these 'future' employers would also be better prepared to handle these kinds of issues in practice. The interviewee from the service sector agrees about the importance of training as a prevention measure. In fact, especially rules, values and principles of the company should be included in the training program. It is important that everybody in the company understands what entrepreneurship is all about and what is the difference between right and wrong in the business.

In other words, training can be a good way to introduce the employees into the ethical principles and corporate social responsibilities of the company. Prevention measures against trafficking, exploitation and related crimes could be included in the values of the company. This stakeholder group is very unanimous about the importance of the CSR and ethical values in a company. In fact, all the interviewees' companies have ethical values and principles and they follow CSR principles. Thus, these values and CSR principles are seen as a part of the business as explained in the following comment.

... (ethical values and CSR) are part of the company's identity. In our company we do business according to corporate social responsibilities and this, I think and I believe that it will be emphasized more in the future ...for example in (our) company in Spain there is this custom that the employees put some cents (from their salary together) in order to fund firms (in developing countries) ...for example (often) there is a real business idea and the capital is given in order (for them) to be able to establish a firm ... This is a good motivator (for the employees) (Interviewee, a Service Company)

As the above comment indicates, CSR principles can be a good prevention tool but they can also motivate people and bring about positive things. Another interviewee from the service sector states that every company should have their written ethical values and CSR principles. This way of thinking differs quite a lot from the opinions presented earlier in the 'law enforcement' stakeholder group where the interviewees are more sceptical towards the ethical values and CSR.

Every Finnish company thinks about the environmental issues so why they might not think about this (wellbeing of the employees) is because it is emphasized so little (compared to) the environmental issues. The bids that the clients send, most of them concern environmental issues, but very seldom anybody asks about the wellbeing of the personnel ... neither anybody asks about the ethical principles. These issues are not asked so I think they should be emphasized more (in the company), (then) also the customers would ask about them. (Interviewee, a Service Company)

Based on the above comments, it is important for the company to have values, ethical principles and CSR. Today these form a part of the business strategy. However, the interviewee from the construction company states that it is challenging to implement these principles into practice, to the effect that all employers and employees in every construction site would follow these values and principles. This is important because it is

useless to describe a company as transparent, open and responsible, if this is not applied in reality, in the daily operations.

In conclusion, this stakeholder group is very unanimous about many issues discussed in this chapter. First of all, all the interviewees emphasize the importance of monitoring and controlling the working environment and making sure that everybody follows the same rules. Also training and education are believed to be vital ways to combat against human trafficking and related crimes. The interviewees also talk about the law of contractor responsibility and the main contractor's responsibilities. They believe that this particular law is an efficient prevention measure. Also the interviewees from the construction sector mention the tax number as a tool to prevent illegal business and black economy and consequently human trafficking. The ethical values and CSR principles are also highlighted as a part of the business strategy. Finally, it can be concluded that this stakeholder agrees with the other previous stakeholder groups and estimates that human trafficking will probably increase in the future. Indeed, as long as there is inequality, there is the possibility that people from developing countries come, for instance, to Finland in the hope of a better life. In addition, as long as there are not enough tools in the society to prevent exploitation and abuse, it is probable that work is executed without following the collective agreements and labour laws.

Sad to say, it will increase. If no (special) measures are invented, concerning the control, or (more) resources from the police or from the authorities (are given), but ... even so I would not know if it would (be possible to) get rid of it. (Interviewee, a Service Company)

In other words, the threat of work-related trafficking is considerable as long as there is not enough resources and collaboration between all members of society.

5.3.4 Employees – Potential Victims

This last stakeholder group focuses on the prevention measures against human trafficking from the employees' aka potential victims' point of view. First it can be noted that the number of recognized victims in Finland has increased. This is considered as a sign of an increased level of awareness, which, in fact, has facilitated the recognition of potential human trafficking victims. Despite this progress, it still remains quite challenging to recognize all the characters relating to human trafficking. In fact, the interviewee in the documentary "Poljettua ihmistyötä" specifies that in most cases the recognition process is not completely followed through. The authorities often focus only on the long working hours and low wages, although more attention should be paid on all the indica-

tors that might refer to more serious exploitation cases. This is, however, often very difficult because majority of the victims belong to “a hidden” population. The victims representing this hidden population are often reluctant to go to the authorities, or are unable to do so because of intimidation and fear of reprisals (Laczko 2007, 40; GAO Reports 2007, 2). In other words, these victims keep a low profile and do not talk about the abuse to anybody. The interviewee, who has been recognized as a human trafficking victim in the documentary “Poljettua ihmistyötä”, is, in fact, considered a member of the hidden population. This is due to the fact that the victim worked as a domestic helper in a private home, and thus, nobody could intervene in this exploitation. The interviewee states that in order to avoid getting involved in human trafficking, it is important to be careful, to familiarize oneself with the future employer and the labour contract in order to know about the rights belonging to workers. In fact, more information should be given already in the country of origin before leaving the country or at least at the time of granting a work permit. If a foreign worker does not know anything about her/his rights or the labour legislation, he/she is at higher risk of becoming a victim of exploitation or human trafficking. The documentary also emphasizes the importance of increasing the level of awareness among the business people and other parties.

Also the documentary “Kalevipojat myytävänä”, which focuses on exploitation cases in the construction sector, emphasizes the increase in the level of the awareness. In fact, the level of awareness of human trafficking is much lower in Estonia than in Finland. Over in Estonia human trafficking is still regarded as a taboo, and thus it is very difficult to prevent it from happening since it is not even recognized as a crime in their legislation. In fact, U.S Government (TIP Report) has classified Estonia as a “black listed” country since it has not contributed enough efforts to combat against human trafficking. The only efforts made are through volunteers. There is, for instance, an organization that acts against human trafficking and offers legal aid free of charge. However, there is some hope in the future since the authorities have drawn up forthcoming legislation, which should improve the situation. It can be concluded that Estonia is a living example of what happens if authorities do not pay enough attention to the phenomenon or collaborate with other parties in the matter. This, in fact, creates higher risk for the Finnish business sectors, as many corrupted and illegal companies expand their operations to Finland and expose the Finnish business to human trafficking.

This stakeholder group also mentions the risks in the long and complicated subcontracting chains and in the recruitment agencies, just like the other stakeholder groups have done. For instance, a couple of the interviewees in the documentary “Kalevipojat myytävänä” have experiences of exploitation through a recruitment firm, which did not pay proper wages to these construction workers. Additionally, the interviewees in this group also encourage the workers to claim their rights and report immediately the mal-

practices and exploitation situations to the authorities. This is the only way to prevent the phenomenon from expanding even further.

In conclusion it can be stated that the interviewees presented in this stakeholder group are very unanimous and share similar thoughts about the prevention measures as the previous three stakeholder groups. Two points are, in fact, highlighted in this chapter: increasing the awareness of human trafficking and collaborating with different sectors. Sharing information is considered important from all aspects; the employees have to be proactive in informing themselves, the authorities should provide more information to the foreign workforce and the companies should inform its employees about their rights and the risks in the business. Finally, the government should collaborate with other sectors and increase awareness in order to prevent human trafficking in Finland.

5.3.5 *Synthesis: Business Prevention Measures against Human Trafficking in Finland*

The four stakeholder groups presented in this chapter share quite similar thoughts concerning prevention measures against human trafficking. The majority of the stakeholder groups have discussed increasing the level of awareness, sharing more information, monitoring and controlling the business field and collaborating with all the stakeholders. Also, ethical values and CSR principles have been emphasized as tools against human trafficking. The meaning of education and training has been also highlighted as a prevention measure. Additionally, the interviewees representing the construction sector mention the recent introduction of a tax number as an effective method to decrease illegal business and black economy on the construction sites. The ‘law enforcement’ group and the ‘management’ group also discuss the importance of the law of contractor’s responsibility. There is, however, disagreement concerning this issue. The majority of the interviewees in these two groups feel that the current range of responsibilities of the main contractor is sufficient. In turn, one of the interviewees in the ‘law enforcement’ group agrees with the ‘institutions and authorities’ group on tightening the legislation so that the main contractor would be made more responsible for its actions. It is, also, interesting to notice that the ‘management’ group highlights the importance of combating exploitation and illegal business although the common opinion in the group is that work-related human trafficking is not a part of the Finnish business. It can thus be assumed that these prevention measures are general in nature and rather concern illegal business and the black economy. It also has to be remembered that these interviewees can be considered part of the elite so they are used to explaining the importance of ethical values and CSR principles for their companies. It can also be concluded that the stakeholder groups here are more unanimous than what comes to the two previous

themes. All the interviewees emphasize that more prevention measures against work-related human trafficking are needed since they all agree that the phenomenon will probably increase in the future.

Finally, from the international point of view, the suggested prevention measures in this chapter resemble those mentioned in the theory part of the study. All the prevention measures used in international studies (such as ILO, IOM, U.S Department of State) from monitoring to CSR principles are equally applied in Finnish society. Perhaps the only difference between Finland and many other countries (such as the USA) in the prevention measures against human trafficking is that they are just prevention measures in Finland. The problem is not been tackled actively as the phenomenon is not so common and many believe that it is not yet a part of Finnish society. However, recently (2011, 2012) the topic of human trafficking has gained more attention in Finland and the level of awareness has increased, and thus there has been more discussion about the topic in media. Also, the first court verdict on trafficking for forced labour in Finland was given in March 2012 (see chapter 1.3). In other words, there have been more investigations concerning work-related human trafficking in Finland. However, it is important to identify human trafficking cases properly before making accusations and to not exaggerate the phenomenon. As mentioned earlier in this study, exaggeration does not lead to anything; it can make things worse. As an example, one cleaning firm in Finland was accused of work-related human trafficking for paying its Sri Lankan employees low wages. A documentary (45 minuuttia, MTV3, 11.4.2012) was filmed about this issue where the employer of these Sri Lankan employees was also interviewed. The employer responded to these accusations, questioning their truthfulness. The employees also commented the accusations and stated they were satisfied with their work and did not understand the grounds for these accusations. This documentary demonstrates the importance of recognizing the phenomenon properly before making accusations. Thus, it can be concluded that work-related human trafficking does not dissolve with false accusations. Rather, the phenomenon requires proper recognition and identification among others as part of the relevant prevention measures against work-related human trafficking.

6 SUMMARY AND CONCLUSIONS OF HUMAN TRAFFICKING IN FINNISH BUSINESS

Businesses should uphold the elimination of forced or compulsory labour. (ILO 2008, 6)

In order to draw complete and trustworthy conclusions, it is essential first to summarize the main topics of the study. As noted, the study consists of three different parts. The first part forms the theory basis of the study. It starts by introducing and determining human trafficking. The essential concepts of human trafficking, forced labour and work-related human trafficking are presented. After clarifying these important concepts the focus is turned into human trafficking in a business context. This means that the scale and the sectors involved are presented, the cycle of demand and supply of human trafficking is explained and some estimations concerning the profits of human trafficking are made. Finally, the prevention measures against human trafficking are described. After investigating human trafficking, the focus is turned into the stakeholder approach. In this chapter the concept of stakeholder is explained in detail, the role of management in the stakeholder approach is investigated and some focus is also paid on the CSR principles. As mentioned before, stakeholder approach forms the theory framework for the study and offers a way to investigate the results in the empirical part of the study. The relevant stakeholder groups for the study include ‘institutions and authorities’, ‘law enforcement’, ‘management’ and the ‘employees – potential victims’. However, before the results are introduced, the methodological directions of the study are presented. This chapter consists of research design where research strategy, data collection, data analysis and evaluation of the study are carefully described. After the methodological part, the results of the interviews are presented and interpretations of these results are drawn. Lastly, the final part of the study concludes the results and makes some suggestions for the future researches. In this part, it will be analyzed whether the answers obtained from the interviews support the theoretical part of the study or not and whether the purpose of the study and the sub-objectives are fulfilled.

6.1 Definition of Human Trafficking

As mentioned already in this study (see chapter 4.3), analysis, interpretation and conclusions are the core parts of the study (Hirsjärvi 2004, 209). Until now, a lot of attention has been paid to analysing and interpreting the 13 interviews conducted for this study. Thus, it is time to reach conclusions on these research findings. In order to draw trust-

worthy conclusions, the research findings are investigated from the perspective of the purpose of the study and its sub-objectives.

The main purpose of this study is to find out ***the role of work-related human trafficking in Finnish business***. In order to be able to investigate this research problem properly, three different sub-objectives have been introduced. The first sub-objective focuses on *defining human trafficking as a concept*. As the concept is said to be very complex, all the essential terms relating to human trafficking in Finland are introduced. To begin with, human trafficking has been stated to be the modern form of slavery in the 21st century, and thus it has been even called “modern day slavery”. This comparison has been made since the characteristics of human trafficking in its extreme forms can resemble slavery-like conditions. As the common denominator in all human trafficking cases is the use of force, fraud or coercion in order to exploit a person for profit, it is understandable why such comparisons are made. However, this study does not agree completely with this view. Neither do the majority of the interviewees in this study consider human trafficking and slavery as synonyms. In fact, comparing these two concepts is a fierce statement because slavery would mean that people are merchandise, that they are sold or bought. Thus, according to the study, seeing work-related human trafficking as a modern form of slavery might hinder the identification of the potential victims if the phenomenon is only seen from this extreme point of view. In some cases, even the media uses the term ‘human trafficking’ incorrectly, and thus, the credibility of the concept might suffer. Therefore, it is important to recognize the differences between different cases of exploitation and human trafficking and use these terms in the correct situations. However, it is not denied that these two concepts have similarities. Perhaps in the international business context slavery and human trafficking are more comparable and trafficking can be called modern day slavery.

Besides disagreeing with the concept of modern day slavery, the Finnish term for human trafficking is also criticized. It refers more to trade of people than their movement, and thus it might mislead people. In fact, many people use the term ‘human trafficking’ incorrectly, and that is why there should be another way to express the phenomenon in Finland. As Roth (2010,4) has stated in the theory part of the study, the ambiguous definitions of trafficking in persons around the world complicate the situation. Therefore clarifications are needed among the different definitions of human trafficking in Finland and in other countries as well. In conclusion the study states that work-related human trafficking cannot be properly treated if the definitions of human trafficking are not understood clearly and cannot be put into practise in Finland or in other countries. Without understanding properly the definitions of human trafficking recognizing the potential victims is challenging.

As presented earlier in this study, there are different forms of human trafficking, including aggravated human trafficking, forced labour, extortionate work discrimination,

work discrimination, etc. It is important to be aware of all of these phenomena, to recognize the difference between them and to understand that not all of them necessarily have to do with human trafficking. For example, human trafficking in Finland is rarely the kind of coercion that people stereotypically think of as slavery. It is more discreet pressuring and coercion. It is about psychological manipulation and people's subjection, humbling and exploitation. Fulfilling the distinctive feature for the crime of human trafficking does not require that a person has been enslaved, but instead the situation can be much more commonplace. Thus, the situations of human trafficking and especially work-related human trafficking in Finland should be seen in relation to Finnish working life and crimes against the collective agreements.

Forced labour, in turn, can be defined as the opposite of decent work and is considered one form of exploitation. In fact, forced labour can be a result of trafficking in persons but it does not always necessarily relate to human trafficking. This means that it can also appear without human trafficking. However, in order to call something work-related human trafficking, the concepts of human trafficking and forced labour have to co-exist. Finally, the concept of extortionate work discrimination differs from forced labour and human trafficking since it is considered a milder form of exploitation. It is defined in Finnish legislation and is related to a situation where a person's vulnerability is being taken advantage of. The work is usually performed by people who do not have money to return home and thus they are underpaid. The crime of extortionate work discrimination is regarded a crime that resembles trafficking and therefore it is challenging to distinguish between human trafficking offences and other related crimes. This is a common problem; it touches all other countries as well.

After describing all the relevant concepts, it can be agreed with the United Nations Protocol mentioned in the beginning of the study in that human trafficking includes transportation or recruitment of persons who are from poor conditions or have weaker possibilities to succeed in life. The recruiters frequently use coercion, abduction, fraud or deception to control the victim. These characteristics of human trafficking are universal; they apply to all countries, including Finland. It could, however, be said that work-related human trafficking is often more hidden and discreet coercion. It does not necessarily have to be organized crime or "stereotypical mafia operation". In fact, it is believed that the phenomenon is more intimately connected with organized crime in bigger and more corrupt countries than Finland. Indeed, often the employer and the victim know each other in some way. This reveals that human trafficking can be quite "ordinary". The study agrees with the OSCE (2008) and concludes that the exploitation usually focuses on foreign workforce that is at higher risk of getting involved in the exploitation since they do not know the language, culture or labour legislation. It is also possible that the employer is an immigrant entrepreneur who is not familiar with the Finnish legislation or collective agreements, and therefore, in the worst case, exploits his or her

employees. However, it has to be remembered that also Finnish employers may exploit their workforce; thus, it is not necessarily always a foreign person.

It can be concluded that the phenomenon of work-related human trafficking stems from poverty and social evils. The study especially believes that economical gain is the main driver for both the employees and employers in this crime. The employees leave their home countries due to unemployment, differences in welfare and hopes of a better life and higher salaries. On the other hand, demand for goods and services has increased worldwide and business continually seeks the lowest-cost labour sources. At the same time, globalization has created more competition for companies and competitive pressures over costs, which force employers to cut costs by all possible means. These competitive pressures can have an adverse impact on the conditions of employment and, in the worst cases, can lead to forced labour and trafficking. The study agrees that especially poverty, unemployment, differences in welfare and increased competition and pressures to cut costs create this transnational and complex crime. Thus, usually the reasons behind the phenomenon in different countries are the same, they do not vary much. As long as there are inequalities between the welfare of the countries people move from poorer countries in search of a better future and higher salaries to more developed countries.

Finally, from the sub-objectives point of view, it can be stated that *the definition of human trafficking as a concept in Finland is more complex than thought in the beginning of the study*. First of all, there is disagreement concerning the comparison between human trafficking and modern day slavery. Although in many international researches (Bales et al. 2009) these concepts are seen almost as synonyms, they are not comparable from the Finnish point of view. Modern day slavery is a fierce statement for work-related human trafficking in Finland, perhaps because of the novelty of the phenomenon and its smaller scale in Finnish society. Additionally, the Finnish term for human trafficking is regarded insufficient. It might mislead people about the characteristics of the phenomenon. Also, the problems of identifying human trafficking cases are relevant for Finland, as they are in many other countries. This means that more clarification is needed in order to distinguish the concepts of human trafficking. In addition, the study agrees with the two stakeholder groups ‘institutions and authorities’ and ‘employees – potential victims’ about work-related human trafficking being a part of the Finnish society, although it might not be the biggest problem in Finnish working life. This, however, does not mean that the seriousness of the phenomenon should be underestimated. Thus, it is believed that work-related human trafficking is an illegal and immoral phenomenon that has no boundaries; it concerns all the continents in the world, including Finland. It has the same universal characteristics that appear more or less in every country depending on the scale and gravity of the phenomenon.

6.2 Description of Human Trafficking in Business Context

The second sub-objective of this study concentrates on *describing human trafficking in business context, particularly in Finland*. In order to provide a complete description of the phenomenon in the business context, the scale and the sectors involved are presented, the cycle of the demand and supply of human trafficking is explained and also some estimations about the profits of human trafficking and its results for business are drawn.

As cited at the beginning of this study, the World Bank (2009, 4) has stated that it is difficult to estimate the exact scale of human trafficking let alone calculate the actual number of trafficking victims. This is challenging since the availability, reliability and comparability of data concerning human trafficking differ between countries and hinder the investigation. Also, the clandestine and hidden nature of trafficking complicates the situation, which leads to the fact that most cases probably go unreported. The International Labour Organisation (ILO 2005a, 10), however, has succeeded in estimating that nearly 2.5 million people are in forced labour as a result of human trafficking. Although the main area of work-related human trafficking is Asia and the Pacific, the phenomenon also exists in industrialized countries and transition economies. As mentioned in the previous chapter, work-related human trafficking appears also in Finland. This study, however, notes that the phenomenon differs from many other countries (such as Belgium or Holland) in its volume, but otherwise it has the same universal characteristics as in other countries. The study also admits the possibility that the scale of human trafficking is much more extensive in Finland than realized due to the “hidden” nature of the phenomenon.

Although the volume of work-related human trafficking is considered to be much more limited in Finland than in many other countries, the phenomenon has, however, reached many business sectors. As mentioned in the theory part of the study, human trafficking can appear in any economic sector or industry, including at least agriculture, the hospitality sector, construction and domestic service. The main sectors involved in Finland are the construction, restaurant, cleaning and horticultural sectors as well as berry-picking. Other examples of human trafficking or related exploitation cases have been observed in begging, and neither is trafficking for forced marriages out of the question. There have also been references of trafficking cases in the logistics sector. Thus, it can be concluded that the phenomenon appears in the same sectors as in other countries, which according to this study, are often considered as low-paid business sectors where the workforce is usually composed of foreign workers. In fact, the study agrees with the interviewees presented in this study and some of the researchers such as Van Liemt (2004) and Plant (2008) in that small enterprises where the level of monitoring is often low are in danger of getting involved in exploitation and human trafficking.

The study also notes that complex subcontracting chains increase the risk. Namely through subcontracting, large companies can take advantage of low cost immigrant labour without actually irregularly employing immigrants and this way gain further competitive advantages. This also creates more risks for the main contractor to get indirectly involved in exploitation. The study also points out that foreign recruitment agencies increase the risk of the firm getting involved in work-related human trafficking indirectly if they are not familiar with the background of the recruitment agency. In other words, the most probable ways to get involved in human trafficking, according to this study, are either via complex subcontracting chains or unreliable foreign recruiting firms. Also, there is a possibility that small firms directly exploit their employees since there might be less monitoring and control than in larger firms. Therefore, it is not considered probable that large construction and service sector companies would easily get involved in work-related human trafficking in Finland. The reason for this conclusion is the size and bureaucracy of these large enterprises and their tendency to inspection and monitoring as mentioned already in the theory part of the study.

Additionally, it has to be mentioned that the role and responsibilities of the main contractor in the subcontracting chain have created disagreement among the stakeholder groups. Mainly the ‘institutions and authorities’ and ‘employees – potential victims’ stakeholder groups think that the main contractor’s responsibilities should be increased so that it would be made responsible for the illegalities occurring at the bottom of the subcontracting chain or in the recruitment agencies that they use. Clearly most of the interviewees in the ‘management’ and the ‘law enforcement’ stakeholder groups disagree with this statement. This issue, however, will be investigated in more detail in the next chapter.

As a business’ goal is to maximize profit, and labour forms a large part of the business costs, even a small increase in these costs can substantially increase the cost of production and hence decrease profit. However, when employing migrant workers, the employer’s profit potential is much higher than it would be if local workers were employed. Thus, often migrant workers, who are willing to work for lower wages are desired work force around the world and also in Finland. In fact, employing foreign work force and exploiting them in a manner that equals human trafficking produces profits worldwide that amount to US\$ 3.8 billion. It is this financial benefit that tempts employers and firms in Finland and other countries into taking part in human trafficking. The study, therefore, highlights that it is exactly these high profits that demonstrate how human trafficking is strongly bound to international – and national – business, forming a part of the worldwide illegal business.

These high profits pull firms and traffickers into the human trafficking business but the results of this global phenomenon for business are serious. Firstly, as mentioned by Misra (2007a, 5) in the theory part of the study, human trafficking affects economic

relations. It has a destructive impact on labour markets since it contributes to depressed wages for all workers, weakened workforce productivity, loss of remittances, and an undereducated and undertrained generation of workers. Hence, trafficking negatively impacts the functioning of the legitimate business sector all over the world and threatens the development of sound economic systems. The following figure (9) presents this study's predicted results for a business that gets involved in human trafficking and finally gets caught for the crime.

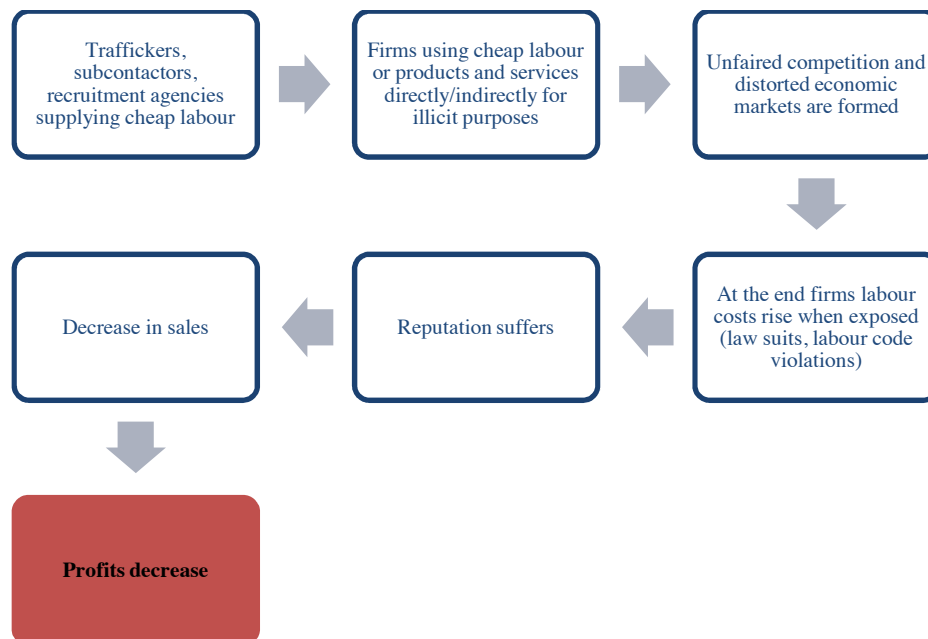


Figure 9 How Human Trafficking Affects Business (modified from IOM 2006, 7)

According to the figure (9), the results are severe for a business involved in human trafficking. First of all, the study notes that unfair competition and distorted economic markets are created. Secondly, the firm's labour costs can decrease first by exploiting the work force but after the firm gets caught, the costs increase drastically. Often, law-suits are brought against the firm and the firm ends up paying enormous amounts of compensations. Moreover, these accusations, lawsuits and human rights violations weaken the business' reputation. As the business falls into disrepute, sales drop. If business transgresses against ethical and ecological requirements, customers stop supporting the company. Also, media becomes interested in corporate abuses and malpractices, which aggravates the situation even more. In this case, the profits decrease.

In conclusion, from the sub-objectives point of view, the study considers that *human trafficking exists in business mainly due to financial benefits*. This applies all the countries, including Finnish business. Human trafficking is an unequal manner to reduce costs by exploiting employees. In these companies no ethical codes or CSR principles are followed and the stakeholder groups are treated in an unequal manner. Although the

scale of the phenomenon in Finland is not thought to be so high as in other countries, it still reaches many Finnish business sectors. As in many other countries, the phenomenon touches to a greater extent small firms since the monitoring is low. Also, this study agrees with many other researches that the phenomenon exists in the complicated sub-contracting chains and foreign recruitment agencies increase the risk of getting involved in trafficking. Therefore, the study concludes that it is hard to believe that large companies, especially in Finland, would be involved in work-related human trafficking. Milder exploitation cases such as work discrimination, black economy and even extortionate work discrimination, however, are believed to appear in larger Finnish companies.

6.3 Business Prevention Measures against Human Trafficking

As indicated in the previous chapter, the results of human trafficking are severe. It lowers sales, decreases the company's reputation and the profits, and thus, dangers the future of a business. Human trafficking has a destructive impact on labour markets in several ways and it also negatively affects the economic relations. In order to avoid these negative results, prevention measures against human trafficking are needed. Therefore, this chapter and the third sub-objective of the study focus on *investigating the prevention measures for the business against human trafficking, especially in Finland*.

First of all, it has been stated that the primary responsibility in the combat against trafficking lies with the state and the legislation prohibiting all forms of trafficking. However, more holistic participation has been called for recently and thus the focus has turned more on to the business community. As the US Department of State (2011, 22) has mentioned, the role of the business community is fundamental in order to fully combat human trafficking. There are many ways for the business to participate in preventing illegal business and work-related human trafficking. According to this study these measures do not have to be aggressive combat measures, also preventing milder illegalities, such as black economy and work discrimination are thought to decrease the risk of getting involved in work-related human trafficking.

In other words, this study highlights the importance of the legal aspect as a prevention measure against human trafficking. As many international studies mention, the national legislation against trafficking depends on the country and its willingness to combat human trafficking. In the case of Finland, the legal response is emphasized. There are, for example, two National Plans of Action against Trafficking in Human Beings. Finland has also created a special system to help (potential) victims of trafficking. The study, however, states that although the legal tools are quite extensive in Finland they should still take better into account the needs of the victims and protect them from false

allegations. Also, more interstate and international law enforcement coordination is needed worldwide to reduce human trafficking.

The legal point of view is an important prevention measure but it is also pointed out that the business hardly prevents human trafficking by only following the legislation. It is a good starting point but more is needed. In fact, all of the stakeholder groups investigated in this study emphasize the importance to increase the level of awareness, information sharing, monitoring and collaborating with all the relevant stakeholders. These measures are the same as in other studies conducted on human trafficking and mentioned in the theory part of the study. There is, however, one measure that has not gained so much attention in Finland as in many other countries (such as the USA); this is the creation of a prevention strategy. General strategies against illegal business are normally applied in Finland but there is no mention of special strategy against human trafficking. One possible reason for this can be the limited size of the phenomenon in Finland and the opinion that the phenomenon does not properly form a part of Finnish business.

The previous chapter discussed also about the disagreement between the stakeholder groups and their opinions about the main contractor's responsibilities in the long and complex subcontracting chains or with the recruitment agencies. In other words, the 'institutions and authorities' and the 'employees – potential victims' stakeholder groups claim that the range of responsibilities for the main contractor should be tightened so that it would be made more responsible for its actions. The 'management' and the 'law enforcement' groups disagree with this proposal. In fact, the interviewees representing the construction sector mention the tax number as an effective method to decrease illegal business and black economy on the construction sites. Additionally, these two groups state that the law of contractor's responsibility is considered as a method for preventing illegal business. The 'institutions and authorities' and 'employees – potential victims' stakeholder groups, on the other hand, think that this law is not sufficient for preventing work-related human trafficking or related crimes in the business. Hence, this study admits that this is a complicated matter and feels that something has to be done in order to prevent illegal business and exploitation crimes occurring at the bottom of the subcontracting chains or via foreign recruitment agencies. However, it is also agreed that it is difficult for the main contractor to monitor and control whether all the subcontracting firms and their employers follow the Finnish collective agreements and pay correctly the wages. In fact, it has to be remembered that the main contractor is not the employer for all these subcontractor firms; it is just the main contractor, which has its own responsibilities towards these firms. Thus, the study agrees with the 'management' and the 'law enforcement' stakeholder groups that the employer has the main responsibility for its employees. In fact, it is suggested that more authorities, such as inspectors of foreign work force, are needed in order to monitor the subcontracting firms effectively.

In extreme cases, the study however, agrees that the main contractor is responsible for the subcontractor's malpractices if it has clearly neglected its employees and the main contractor has not paid enough attention to these malpractices.

Besides increasing the amount of inspectors in the business field, the study also emphasizes the importance of ethical values and CSR principles as a way to combat against human trafficking. As the US Department of State (2011, 22) mentions, the consumers, activists, and investors are more aware of ethical codes of conduct and CSR principles in the business field today. Thus, with the help of the ethical codes of conduct and CSR principles all the stakeholder groups are more actively taken into account and treated with dignity in the business environment. In fact, the expanding corporate social responsibility (CSR) movement has shown to many companies that their responsibilities do not lie simply in making profits. Instead, what is important, is how these profits are made and thus, these private codes of conduct and CSR are important tools against human trafficking since they point out to the companies their most important values and principles. All the stakeholder groups agree by emphasizing these values and principles in their everyday business. The following figure (10) illustrates the prevention measures against work-related human trafficking according to this study.

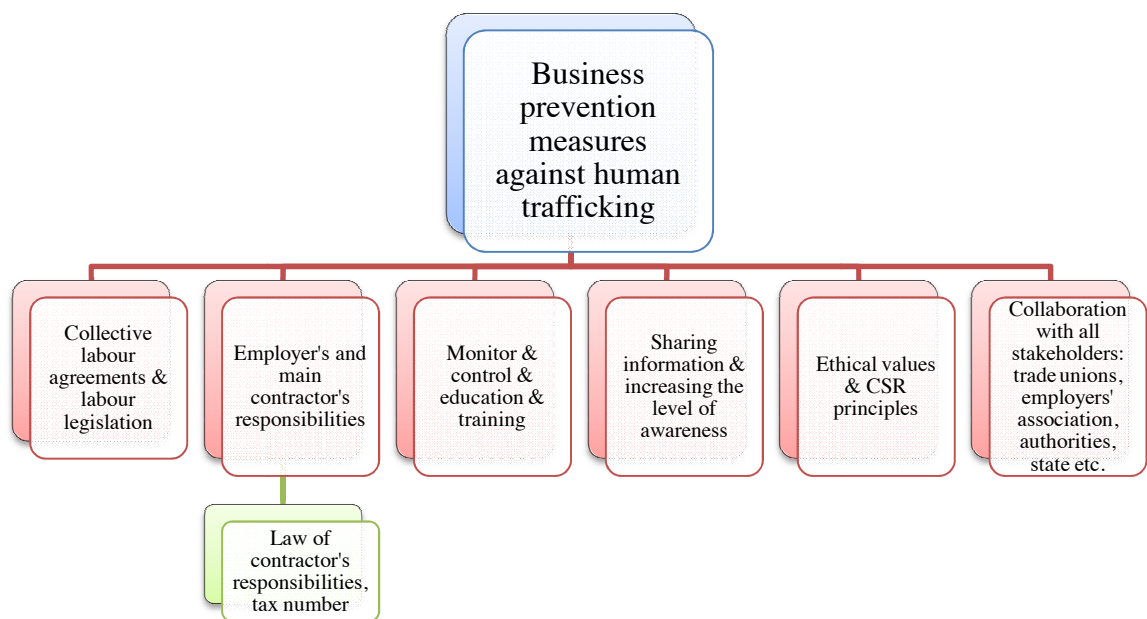


Figure 10 Business Prevention Measures against Human Trafficking

As noted from the above figure (10) the business' role is multifaceted and requires concrete dialogue, monitoring, control, training, information sharing and collaboration from business and private sectors. For example, business should collaborate more with trade unions and authorities of all levels. This way all of the parties could monitor hu-

man trafficking and related exploitation cases better and increase the general level of awareness from different point of views. In other words, the importance to develop the tools to improve data collection and standardize data to understanding the prevalence, characteristics and best means to combat human trafficking are also emphasized. In fact, it is important to be aware of the relevant definitions of human trafficking and to use them appropriately. This applies to all the countries due to the ambiguous definitions of the phenomenon worldwide.

As the theory part of the study has stated, especially the commitment to ethical business brings significant gains to companies according to the experiences of many corporations in the past years. It is seen to improve the public image of business and it can be a critical driver of stable economies and sustainable growth. For instance, combat against human trafficking should be implemented as a part of corporate social principles or as a part of firm's moral values since these values emphasize exactly the opposite of human trafficking: treating all the stakeholders of the company with dignity. It is also important to implement these values and principles as a part of the company's strategy. Furthermore, an integrated strategy should be also created outside of the firm – between different stakeholders of the business. This strategy would increase cooperation between legislation, NGOs, governments, law enforcement and business. It could resemble the 'Three P Strategy', which is based on TPVA standards by U.S government (Melito 2006, 5). It refers to prevention of human trafficking, protection of victims and prosecution of perpetrators (Roth 2010, 8; Melito 2006, 5). This suggested strategy would emphasize information sharing, transferability, prevention, prosecution and collaboration with each of the relevant stakeholders.

Before drawing the final conclusions, it should be briefly mentioned about the differences of opinion among the four stakeholder groups in this study. Firstly, it can be stated that it is clear that there was some disagreement between the stakeholder groups in all the three themes. In fact, often the 'institution and authorities' and 'employees – potential victims' groups agreed about the same issues whereas the 'law enforcement' and the 'management' groups shared quite the same opinions. The biggest disagreement concerned the role of work-related human trafficking in Finnish business. Some of the interviewees in the 'law enforcement' and 'management' groups do not see the phenomenon as a part of Finnish business while the two other groups regard it as a problem for Finnish business. However, all the stakeholder groups admit that the phenomenon exists in some forms in Finland and prevention measures are needed in the future.

Finally, based on the theory part of the study and the research findings in this study, it can be concluded that *the role of human trafficking in Finnish business is a complex but a real phenomenon*. The volume is not so high as in many other countries but it has already affected many business sectors in Finland and in other countries. It is believed to appear especially in smaller firms and at the bottom of complex subcontracting

chains or via foreign recruitment agencies. Rarely large construction and service companies get involved in exploitation crimes because the monitoring and control is strict. In fact, monitoring and control are seen as prevention measures against work-related human trafficking and especially collaboration between different stakeholders is emphasized. This includes sharing information, increasing awareness about the phenomenon, emphasizing the training and control in the companies and highlighting open dialogue with all the stakeholders. Particular attention should be also paid to clarifying the definition of human trafficking and other relative exploitation crimes since there are many ambiguous definitions of human trafficking that complicate the situation in Finland and in other countries.

What comes to the future studies, it would be interesting to continue to investigate work-related human trafficking in the Finnish business but to extend the inquiry to smaller Finnish and foreign firms. Another possible future investigation target could be the black economy and milder exploitation cases in the same sectors. This could be also probably profitable for the construction and service sectors since most of the interviewees clearly pointed out that black economy and milder discrimination cases are more realistic problems for these business sectors. Thus, it would be interesting to see whether these future studies would reach the same conclusions as this study did. As a final comment, human trafficking is considered to be the dark side of international business, but seen from the Finnish business point of view, it is rather a dark phenomenon that has, however, light in the end of the tunnel. This means that there is hope for the Finnish business not to get too involved in this worldwide crime.

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APPENDIX 1 DEFINITION OF TRAFFICKING IN PERSONS (TPVA, US GOVERNMENT, 2000, PUBLIC LAW 106-386)

Sex trafficking in which a commercial sex act is included by force, fraude, and coercion, or in which the person included to perform such act has not attained 18 years of age; or

The recruitment, harboring, transportation, provision or obtaining of a person for labour or services, through the use of force, fraud or coercion for the purposes of subjection to involuntary servitude, peonage, debt bondage or slavery (TPVA, US Government, 2000).

APPENDIX 2 ABOLITION OF FORCED LABOUR CONVENTION (C 105)

Each Member of the International Labour Organisation which ratifies this Convention undertakes to suppress and not to make use of any form of forced or compulsory labour--

- (a) as a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system;*
- (b) as a method of mobilising and using labour for purposes of economic development;*
- (c) as a means of labour discipline;*
- (d) as a punishment for having participated in strikes;*
- (e) as a means of racial, social, national or religious discrimination.*

APPENDIX 3 EXTORTIONATE WORK DISCRIMINATION (PENAL CODE 47 3A § (302/2004))

If in the work discrimination an applicant for a job or an employee is placed in a considerably inferior position through the use of the job applicant's or the employee's economic or other distress, dependent position, lack of understanding, thoughtlessness or ignorance, the perpetrator shall, unless a more severe penalty is provided for the act elsewhere in the law, be sentenced for extortionate work discrimination to a fine or to imprisonment for at most two years. (Penal Code 47 3 a § (302/2004))

APPENDIX 4 TABLE OF THE INTERVIEWS

Interviewee	Stakeholder group	Date of the interview	Place of the interview
Researcher* at the Office of the Ombudsman for Minorities (*on leave of absence)	Institutions and Authorities	14.2.2011	The Office of the Ombudsman for Minorities, Helsinki
Researcher at HEUNI (The European Institute for Crime Prevention and Control, affiliated with the UN)	Institutions and Authorities	14.3.2011	The European Institute for Crime Prevention and Control, affiliated with the United Nations, Helsinki
Representative at the Service Union United PAM	Law Enforcement	8.4.2011	The Office of Service Union, Helsinki United, Helsinki
Representative at the Finnish Construction Trade Union	Law Enforcement	8.4.2011	The Head Office of the Finnish Construction Trade Union, Helsinki
Specialist at the national industrial association	Law Enforcement	19.4.2011	The Head Office of national industrial association*, Helsinki (*the interviewee did not want to reveal the actual name of the organization)
Representative of Finnish Construction Industries RT	Law Enforcement	26.4.2011	The Head Office of RT, Helsinki
Interviewee in SKANSKA	Management	26.4.2011	The Head Office of SKANSKA, Helsinki
Interviewee in YIT (the interviewee does not work here anymore)	Management	10.5.2011	The Head Office of YIT, Helsinki
Interviewee at ISS Services Ltd	Management	10.5.2011	The Head Office of ISS, Vantaa
National Bureau of Investigation	Institutions and Authorities	11.5.2011	The University of Turku, Turku
Interviewee at RTK Palvelut Oy	Management	19.5.2011	The Head Office of RTK, Espoo
Interviewee at SRV Group	Management	23.5.2011	The Head Office of SRV, Espoo
Interviewee at SO-LEMO	Management	25.5.2011	The Head Office of SOL, Helsinki

APPENDIX 5 THEME INTERVIEW

1. Human trafficking in Finland (description of the phenomenon in Finland)

- a) Human trafficking is a cross-border phenomenon that is often compared to modern day slavery. What do you feel about this comparison? Would you compare these two concepts or not? From Finnish point of view and international point of view.
- b) How familiar concepts human trafficking and forced labour are to you? How would you sort out the different concepts relating to human trafficking (work discrimination, extortionate work discrimination, forced labour, work-related human trafficking)?
- c) What reasons do you see behind work-related human trafficking? Do you see the phenomenon as a part of Finnish society?

2. Work-related human trafficking and business in Finland (scale, sectors, consequences and profits for the business)

- a) How would you estimate the scale of human trafficking in Finland? What about the sectors affected?
- b) Do you see work-related human trafficking as a part of construction/service sector in today's business life? If so, how? If not, why?

3. Work-related human trafficking and prevention measures (the role of business, the role of employees/employers/trade unions/authorities etc.)

- a) What prevention measures do you see that Finland has for human trafficking? Or is there a need for prevention measures?
- b) Do you believe the companies and the business have responsibilities to prevent the phenomenon? If so, how?
- c) Has your company/institution/organization taken into account the risk of human trafficking in some way?
- d) How do you see the ethical codes and CSR principles? Are they important for the business?
- e) How would you see the future of work-related human trafficking in Finland?

APPENDIX 6

EXAMPLE OF THE DATA ANALYSIS

1. phase: Transcribing the interview word for word.

- “Jos puhutaan nimenomaan Suomesta ni on ylimitotettua, koska meillähän on maailmassa vielä miljoonia orjia, ihan todellisia orjia ja ja sitten kun mennään kehitysmaihin ni ni sielhän on aivan selkeitä orjatyösuhteita, mutta Suomessa ni nähän on aivan poikkeuksellisia tilanteita ja ne liittyy yleensä siihen että tullaan niinku kolmannesta maailmasta, lähinnä etnisiä ravintoloita koskevia juttuja, hyvin, hyvin vähän muualla. Joitakin yksittäistapauksia on, mutta on liian ylimitoitettua sanoa Suomen olosuhteissa että tääl olisi orjuudesta kyse.”

2. phase: Reading the text through, analysing it and marking it with different colors according to its theme (blue: defining the concept, pink: human trafficking and business and red: prevention measures)

- ”Jos puhutaan nimenomaan Suomesta ni on ylimitotettua, koska meillähän on maailmassa vielä miljoonia orjia, ihan todellisia orjia ja ja sitten kun mennään kehitysmaihin ni ni sielhän on aivan selkeitä orjatyösuhteita, mutta Suomessa ni nähän on aivan poikkeuksellisia tilanteita ja ne liittyy yleensä siihen että tullaan niinku kolmannesta maailmasta...”

3. phase: Cutting, pasting and organizing the data to new Word document according the themes.

- Defining human trafficking –theme, human trafficking and slavery:

”Jos puhutaan nimenomaan Suomesta ni on ylimitotettua, koska meillähän on maailmassa vielä miljoonia orjia, ihan todellisia orjia ja ja sitten kun mennään kehitysmaihin ni ni sielhän on aivan selkeitä orjatyösuhteita, mutta Suomessa ni nähän on aivan poikkeuksellisia tilanteita ja ne liittyy yleensä siihen että tullaan niinku kolmannesta maailmasta, lähinnä etnisiä ravintoloita koskevia juttuja, hyvin, hyvin vähän muualla (*relates to human trafficking and business sectors!!!*). Joitakin yksittäistapauksia on, mutta on liian ylimitoitettua sanoa Suomen olosuhteissa että tääl olisi orjuudesta kyse.”

4. phase: Translating and modifying the organized data and moving it into the empirical part of the study (this part of the data was placed into the chapter 5.1.2 under the law enforcement stakeholder group).

- ...The representative of Construction Trade Union disagrees and states that the phenomenon in Finland is overestimated because there are still millions of real slaves in the world. In the developing countries there are situations where people work in slave-like working conditions. These cases are extremely rare in Finland and thus it is over-exaggeration to say that the working conditions would in any case resemble slavery.