Sex Trafficking: Inside the Business of Modern Slavery
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Introduction

DEVIN STEWART: I'm Devin Stewart from the Carnegie Council. We are going to hear something very extraordinary today, Sex Trafficking: Inside the Business of Modern Slavery, with Siddharth Kara. Siddharth has become one of my heroes.

This book is really extraordinary. If you don't have a copy already, I will recommend you take a look. It's really unlike anything I've ever read. It's a combination of scholarship, business analysis, interviews. It's what I might call "Gonzo journalism," because it's not just a dry analysis, but Siddharth talks about difficult issues, from his father's teachings, to his own feelings about the topic, and interviewing hundreds of people in various countries, which Siddharth self-financed.

Siddharth could have made a lot of money and been a jobless person on Wall Street right now, but instead he decided a few years ago, as a result of witnessing atrocities in Croatia, to investigate and help out with war problems in Croatia. When he was there, he noticed that sex trafficking was one of the worst atrocities of war.

This remained in Siddharth's mind for a while. After he finished his MBA at Columbia Business School, he decided that he was going to be bold and be an innovator and explore this in depth.

I agree with the blurb in the back: "It's simply beyond anything I've seen anywhere."

And also, one other part that I'll just throw out there, he looks at regional cases, and at the very end he talks about policy and other types of solutions. But he also puts it in the context of slavery. This is a growing problem and a problem that's not stopping, unfortunately. He puts it in the broader context of global slavery today.

One thing I learned recently from reading his book is that a practice that is growing in the fishing industry, which one of his interviewees, who was a policeman in Thailand, called the most violent type of slavery today, is where small boys are taken onto fishing vessels for ten months straight; they work 20 hours a day, they're kept alive on amphetamines, and at the end of the ten months their reward is to be shot and thrown in the ocean. You wonder why your fish is so cheap. I believe that we might want to at least be thinking about paying a little bit more money for the social and environmental impacts that we have in the way that we live.

Siddharth also talks about some of the cosmological and moral and ethical reflections and the sources for the problems that we have today, for example, the brand of Buddhism that has become more popular in Southeast Asia. I'll never forget another phrase that I learned from Siddharth's book, which was that in Thailand it is said, "The best you can do as a man is to become a monk; the best you can do as a woman is to hope to be reborn as a man." These types of social constructs that are derived from cosmological and mythological and moral underpinnings, unfortunately, sometimes bring us to unfortunate conclusions.

Siddharth, I am going to pass it over to you, with that. I hope that wasn't too heavy, but I'm sure you
are going to give us a lot more. Thank you very much.

Remarks

SIDDHARTH KARA: Thank you, Devin, for that introduction, and thanks to the Carnegie Council for having me. It’s a pleasure to be here. And thanks to all of you for braving the winter chill to join us this afternoon.

As Devin said, I’d like to talk to you about a fundamental human rights violation called sex trafficking. I consider sex trafficking to be a grotesque, yet highly profitable, component of contemporary slavery. No form of slavery is nearly as profitable, and it can be argued that none is as barbarically exploitive. I met hundreds of slaves during eight years of research in more than a dozen countries, and I met with the traffickers, slave owners, and other criminals who exploited them.

Beyond just trying to raise awareness, I have taken a different approach to this issue, one predicated on a business and economic analysis of the global sex-trafficking industry. This approach, however, is not intended to lose sight of the human cost of these crimes. To that end, I’d like to start with a story to give you a first-hand sense of what we are talking about.

The following narrative was shared with me by a young girl named Inez (that’s her pseudonym) at a shelter in the Albanian seaside town of Vlora. Her saga began in 1995:

"I was walking to my aunt’s house for ironing work when I was kidnapped by three men. They dosed my eyes, gagged my mouth, and threw me in their car. They said if I tried to escape they will kill me. They drove one full day to Gjirokastër and we went to a hotel. One man stayed in the hotel with me. He raped me for two weeks. After two weeks, we went to Greece in a taxi. He paid money at the border and the guards let us through. From a village in Greece we took a bus to Corinth. In Corinth this man took me to a bar where I saw women in sex work. I tried to protest, but the men in the bar took me to the bathroom and raped me, one after the other, until I went unconscious. I worked in that bar for four months. Most of the men were very cruel. They shouted at me and would beat me if I did not please them. Whatever they wanted to do, I could not say no or the pimp would torture me. If I was sick or bleeding or in too much pain, I still had to work. I hated this work. I thought, 'God cannot keep me here forever. One day I will be free.'"

"After two years, the pimp took us shopping. I saw a policeman and I ran to him. I told him what happened to me and he took me to the police station. The police put me in a detention cell for 17 days. After this, they deported me to the Kackavija border point. I did not have money. I told a border guard what had happened and asked him to call my father. The border guard took pity on me, and the next day my father came for me.

"When I arrived home, my father did not believe me. He said I chose this work and he denounced me. I had to leave my home. I felt so sad I cried for days and I wanted to take my life.

"I slept on the streets one week, when a man in our village that I had known from my childhood promised to help me find work. I was very cold and hungry, so I went with this man.

"He took me to Vlora, and very late at night he sent me with other girls on a speedboat to Italy. He promised me these men would help me find work.

"When we came to Italy, the men drove us to Turin [Torino]. They told us we would work in a hotel as cleaning ladies, but in Torino they took me to an apartment and raped me. They made me take clients in that apartment, then a second apartment.

"After the second apartment, they took me to Belgium for three months. Then they took me back to Italy to Firenze [Florence]. In Firenze they left me with a very bad pimp who beat me every day. This is how I got the scar on my forehead [she points to a long gash across her forehead]. Sometimes he would beat me until I fainted. I thought this man might kill me, so I tried to escape. But he caught me on the streets and pulled out one of my teeth for punishment [she points to the missing tooth].

"After Firenze, they sent me to Amsterdam. In Amsterdam I worked in a closed brothel for eight months. One day there was a police raid and they seized the girls because we had false documents. The police put me in detention for two months.

"When they let me go, the same Albanian men who took me from Vlora to Italy were waiting outside the police station. I tried to run back to the police, but they forced me to go with these men.
"The Albanian men took me to Utrecht and made me work in another closed brothel. At this time, I became pregnant. One of the Albanian pimps said I would have this baby for him and he would send me back to the brothel. I did not want to give this man my baby, so I ran away to nuns who have a shelter for abused women. I stayed in this shelter until my son was born, and the nuns helped me get documents.

"I returned to Albania on January 22, 2003. I went back to my family home and showed them my son. But my father shunned me again.

"Every day I try to forget what I have suffered, but the faces of these men come in my sleep. I'm afraid if they find me they will send me for sex again. I hate these men. I do not want to sleep with all these men. I do not want these men to kill me."

The experiences of Inez are emblematic of the hundreds and thousands of women and children trafficked and forced into prostitution each year. There are a few key points to bear in mind:

- Poor or marginally subsistent individuals are highly vulnerable to exploitation due to economic deprivation.
- Once acquired, victims are swiftly broken down through physical and psychological torture.
- Trafficking victims often undergo multiple stops in several countries, where they are exploited, resold, and tortured.
- At each destination, victims are typically told they must work off the "debt" of trafficking them by having sex with up to 20 men per day. The accounting of these debts is invariably exploitative, involving deductions for living expenses and exorbitant interest rates. For others, no force of debt repayment is provided, or they could be kept in a state of perpetual forced prostitution.
- Brothel owners often resell slaves to new exploiters.
- If the slave does not escape, the cycle of exploitation may never end. Even if they do escape, they often face the same conditions of poverty or vulnerability that led to their initial enslavement, resulting in one or more instances of retrafficking.

I talk in more detail in my book about some of these key factors, and I make an argument as to how we should most effectively abolish these crimes. I'd like to just distill some of the key points in the next few minutes.

The crime of sex trafficking consists of two components: slave trading and slavery. Slave trading entails the acquisition, transport, and sale of the slave. This represents the supply side of the industry. Slavery entails the coerced sexual exploitation of the individual. This component represents the demand side of the industry.

Combined, these two criminal acts constitute a very sophisticated business. Like any business, sex trafficking has retailers, wholesalers, distributors, and consumers. Like any business, sex trafficking is governed by the forces of supply and demand.

Understanding sex trafficking like a business will help us design more effective tactics to abolish these crimes. To that end, there is a key thesis to bear in mind: the enormity and pervasiveness of global sex trafficking is driven by the ability to generate immense profits at almost no real risk.

Let me start with the first part of that thesis, immense profits. By my calculation, there were 28.4 million slaves in the world at the end of 2006, closer to 29 million today. Even though sex slaves comprise only 4 percent of the total slaves in the world, those same slaves generate approximately 40 percent of all profits enjoyed by slave owners worldwide.

To give you specific numbers, the exploitation of sex slaves for commercial sex generated profits of $35.7 billion in 2007. The profits generated by all forms of slavery was $91.2 billion. This makes slavery second only to drug trafficking in terms of global illicit enterprises.

Now, compare this roughly $36-billion profit number (that is, the slavery component of sex trafficking) to the $600 million in profits I calculate were generated by the sale of slaves to their exploiters (the slave trading component of sex trafficking). The profit numbers alone clearly identify which component of the
sex-trafficking industry must be targeted—slavery.

Nevertheless, the global community has primarily focused on the movement connotation of the term "trafficking," not the slavery component, with interventionist policies that are focused on thwarting movement across borders, and these have met with limited results.

Let me now turn to the second half of the very compelling sex slave equation: no real risk. I will explain what I mean by way of example.

In India, the only relevant criminal provision for sex slavery is a $44 fine for owning a brothel. This compares to profits of approximately $12,900 per slave per year that can be generated by exploiting sex slaves. That sum is roughly three times the country's per capita income.

In Italy and Thailand, at the time I wrote my book, there were no fines for exploiting sex slaves. There are all these provisions for incarceration, but sentences are relatively short and can often be further reduced by small payments.

Even where there are stiff financial penalties stipulated in the law, such as here in the United States and countries like the Netherlands and Albania, the levels of prosecution and conviction of sex slave exploiters are paltry, due to corruption, poor witness protection programs, insufficient evidence gathering, a lack of cooperation across borders, and an overwhelming dearth of proactive investigation into the crimes.

As a result, the real risk of exploiting sex slaves is almost nil. That is to say, the costs of exploiting sex slaves are minuscule as weighed against the immense profits that can be enjoyed.

Bear in mind an economic assessment of risk is crucial, because at its essence sex slavery, like all forms of slavery, is fundamentally an economic crime. It seeks to maximize profits by minimizing costs, in this case the cost of labor.

So what does this economic analysis tell us? I believe the most effective measures to eradicate the global sex-trafficking industry are those that reduce aggregate demand for slaves among slave owners and consumers through an attack on the industry's immense profitability.

There is clearly considerable demand for sex slaves worldwide. Let me take a moment to discuss the supply side of the industry and why I feel the near-term focus should nevertheless be employed on demand.

The supply of slaves is promoted by ancient factors relating to poverty, military conflict, social instability, lawlessness, an acute bias against gender or ethnicity. These historic supply-side drivers were sharply exacerbated in the post-Cold War era by the policies of economic globalization, which created three primary origin regions of contemporary sex slaves: Central and East Europe, South Asia, and Southeast Asia.

To abolish sex slavery and other forms of slavery in the long term, these supply-side drivers will have to be more effectively addressed by the global community. However, in the near term it is not realistic to expect an effective attack on the sex-slave industry to be predicated on the evaporation of these supply-side forces.

I believe the most effective near-term attack must be deployed against the market force of demand. The market force of demand consists of three components: consumer demand for commercial sex, demand for profit among slave owners, and consumer demand for lower retail prices, or the price elasticity of demand.

I believe the second two components of demand represent the most effective strategic points of intervention to attack the global sex-trafficking industry in the near term. I have already discussed demand for profit. Let me explain what I mean by price elasticity of demand.

A crucial revelation during my research was that, without fail, in country after country, the retail price of a commercial sex act was decreasing due to the increased use of slaves, in most countries by more than 50 percent across the last decade.

Slaves afford a virtually nil cost of labor. Labor is invariably the highest cost component in any business. With a drastically reduced cost of labor, total operating costs are substantially reduced, allowing the slave owner to lower retail prices.
This essential economic formula made me wonder just how little does the retail price for commercial sex from a slave cost. In every country I visited, I calculated the number of hours of work at that country’s per capita income it would take to purchase one hour of sex from a slave. Considering demand for sex services in relation to the number of hours of labor required to make the purchase is appropriate because, as Adam Smith pointed out, labor is the real measure of the exchangeable value of all commodities. The real price of everything is the toil and trouble of acquiring it. The results of my calculations varied from one-and-a-half hours to a little more than two hours of labor to purchase one hour of commercial sex from a slave.

It is crucial to remember that a decrease in retail price functions the same as an increase in consumer income, allowing consumers to purchase the same product more often, or new consumers to purchase the product where they could not afford it before. As the economist John Maynard Keynes wrote, "The fundamental psychological law is that men are disposed as a rule and on average to increase their consumption as their incomes increase."

So ask yourself: How many male consumers will trade in one-and-a-half or two hours of work for one hour of commercial sex? The answer is more than enough to create powerful forces of consumer demand, which in turn motivate slave-owner demand for more slaves. This aggregate demand among slave owners and consumers is the most deadly driver of the contemporary sex-trafficking industry. This is why I believe the most effective efforts to eradicate sex trafficking must aim to reduce aggregate demand through an attack on the industry’s immense profitability. An attack on profitability will reduce demand because slave owners will be forced to accept a lower profit and then, hence, less desirable business. Or they will pass on the increased cost to the consumer by elevating retail price, which will in turn reduce consumer demand. This reduction in consumer demand, or the price elasticity of demand, is explored in more detail in my book, but suffice it to say that commercial sex is a highly elastic product, which means that as price increases, consumer demand decreases considerably.

Recall our key thesis: the enormity of sex trafficking is driven by the ability to generate immense profits at almost no real risk. The most effective way to attack profitability is to elevate real risk. In the book, I call this an inversion of the risk/reward economics of the global sex-trafficking industry and I describe seven tactics that I believe will accomplish this goal. These tactics must be designed and deployed by a new brand of global abolitionist coalition that I outline, which must possess sufficient unity, expertise, resource, and transnational cooperation to wage a more effective assault on the global sex-trafficking industry.

To institute these tactics and abolish slavery, far more resources are required and far greater risk must be introduced into the system. To draw an analogy to the war on drugs, the U.S. government spends 300 times more money per year to fight drug trafficking than it does to fight human trafficking. The economic penalties for trafficking in cocaine, for example, are 20 times greater than the economic penalties against slavery.

The analogy ends there because a war on slavery is a war I believe we can win. If someone like me is able to track down slaves and confront their exploiters, then more aggressive interventions and elevated resources can surely bring an end to these grotesque crimes. Slavery is a stain on humankind that must be buried alongside our ugliest demons.

I hope you will join me.

I would like to end with one more narrative, shared with me by a young girl I call Sushila, in a shelter in Kathmandu. It’s the first shelter in Asia that was founded by former victims of sex trafficking:

"When I was young, I helped my father work in a rice mill. The owners of the mill had a 20-year-old son who came to my room every night and raped me. I was only 11 years old, so the pain was terrible. My father did not believe me when I told him. Eventually, I could not take it any more and I ran away.

"By evening, I sat in front of a shop, and a woman approached me and said I could work in her hotel. A few days later, she took me on a bus and gave me ice cream. I fell asleep. I do not remember anything after that.

"When I woke up, I was in another house of a Nepali woman. She took me to a bungalow in Mumbai. There were hundreds of girls in this bungalow. I did not want to go inside, but I was beaten and locked in a room. That evening, the gharwali [the house manager or madam] came to my room and said I was sold for 40,000 rupees (about $890). She said I had to do sex work to pay this money back. I told her I had already been raped and I could not bear to be with men."
"I thought no one had touched you,' she shouted. 'I paid the virgin price.' She burned me with cigarettes and beat me with a wooden ladle. I was black and blue and my entire back was bruised. I cried the entire night.

"The next day, another prostitute told me if I wanted to eat I should start to work. I told her I would rather starve.

"After four days, another woman from the Mahato caste tried to convince me. I still refused.

"After one week, a Japanese man came. They made an arrangement for me with this man for 60,000 rupees. They told him I was a virgin. The Japanese man stayed with me for two weeks. I was forced to be with him, even though the pain was unbearable.

"Four days after the Japanese man left, another customer came. I was still bleeding, so the man went to the gharwali and shouted, 'Why did you send me to a woman having her period?' The gharwali asked me if I was having my period, but I told her it was from the wounds in my vagina. The mali [the brothel boss] called the doctor, and he stitched my wounds. I was given rest for three days, then I was forced to be with customers. My stitches opened and I started to bleed again. This process happened 12 times.

"I do not know how many years I was in Kamathipura. I used to be with 25 customers a day. If we felt we would faint from the pain, the gharwali gave us medicine. We had to keep making sex with customers, no matter what.

"When the Indian police conducted a raid in January 1996, they found me. After the rescue, I was kept in a shelter for seven months. The Nepalese government would not allow us to return. They said, 'The prostitutes are a reservoir of AIDS from India who will spread the disease in Nepal.'

"With the help of NGOs, we were finally allowed to return to Nepal. They flew all of us back on two planes. The people in Nepal came to the airport and spat on us. They said they would contract AIDS just by touching us. I was lucky not to have AIDS, though I had other sexually transmitted diseases. I am still on medication."

Thank you.

Questions and Answers

DEVIN STEWART: That was quite a presentation. Thank you very much.

Before I turn it over to the audience—maybe some of you are recovering, having a glass of water—I would like to probe into some of the other angles of your analysis, because this book is so rich. There is personal narrative. There is an element of travelogue here as well, where you, for example, waited in a forest on the Thai-Burmese border and just kind of did like an old-fashioned stakeout and counted the number of people who walked across the border.

SIDDHARTH KARA: Yes.

DEVIN STEWART: Very inventive and interesting. And a lot of times you were reflecting on how you feel about this, your subject, which makes it very engaging, to say the least.

But I would like to ask you something that I referred to earlier when I gave my introduction, which is the moral—and maybe you could call it mythological—reasons that allow or permit some of these behaviors that you describe in your book.

Now, when people talk about changing behaviors—for example, we recently published a book on policy innovations that talked about the campaign against cigarette smoking, that eventually it acquires such a moral stigma that people begin to shift their behavior for nonprice or market reasons, but simply because it is not right or it is seen to be immoral or wrong or distasteful.

Certainly there is a great difference between the trafficking aspect and the profitability of the enterprises that see the margins that you're talking about. But looking over at the demand side, how do these people, both in society and as consumers, make these decisions?

Now, I'm just going to refer you to two brief points. One is you start the book off by talking about your father's description of the cosmological creation of the universe—"In the beginning there is emptiness," as the Bible starts out, "In the beginning there was darkness," as is common to many, many traditions—
and you talk about Shiva and Brahma creating the universe and the cosmological and mythological and moral implications that carry through. You kind of elaborate on how you see the suffering in this book as a natural conclusion to some of these interconnectedness—Pratitya-Samutpada, is that what it’s called in Sanskrit?—the interconnected web.

And then, on page 177, you talk about this very poetic—in fact, I read it to my wife a couple days ago, it was so touching—the way the worms and the birds and the jaguar all eat one another, and basically they decompose and create nutrients for the soil from which the trees can grow, and the tallest tree overshadows the smaller trees, and the cycle of life and suffering just continues. And indeed, at some points of the book you sound like you’re just going to give up on your quest, as a result of this sort of inevitable cycle of pain and suffering.

My two big questions are: Can you talk briefly about some of the moral and ethical assumptions that you’ve detected in the various regions that you did these interviews, particularly Europe, Southeast Asia, and the other parts? And, number two, how did you not give up?

SIDDHARTH KARA: I wrestled with a lot of emotions on this journey, for obvious reasons. There were some bleak days. I sort of wrestled with the nature of human suffering and what can we really do about it when faced with so much of it. You referenced some of the points in the book when I’m ruminating and maybe feeling like this is all kind of pointless. I can write a book and offer suggestions, but if people just prey on people to such alarming degrees, you know, who’s going to listen to me and what can really be done?

You reference the way I start the book, which is a creation story that touches on this, about the world being created by the seed of untamed desire, and that desire leads to suffering, suffering leads to pain, pain leads to violence, and violence brings the world to an end again. A lot of these thoughts go through a person’s mind when you’re confronting stories like the ones I’ve shared with you and wondering what can I really do and what’s the point of it all.

Having said that, I did try to remain optimistic and put forth an argument that I think will be effective.

One of the things you’ve also touched on that’s important has to do with the supply side and the incredible asymmetries around the world vis-à-vis female access to education, employment, and justice. There are powerful sociocultural reflections of this asymmetry.

In Thailand, there’s the saying, "The best thing a man can do is become a monk, the best thing a woman can do is be reborn a man." The minute I heard that saying, it actually reminded me of a practice in Albania, thousands of miles away, and the cultural tradition of sworn virgins, which is actually a very strong supply-side driver of trafficking from Albania. The idea is you’re a woman in rural Albania and you either decide you can’t marry the man you’ve been told you have to marry or, if a set of parents don’t have a male child, because only a male child can inherit their assets—those are two reasons why a female might take on the virgin oath, which means she swears virginity and becomes a man. She cuts her hair, she dresses like a man, she eats like a man, her recreation activities are with men, and she governs the family as a male. So this is the best outcome for a female in certain conditions in rural Albania.

In Theravada Buddhism, the best outcome for a female in parts of South East Asia is to be reborn a man because that’s higher up on the ontological hierarchy of birth and rebirth.

DEVIN STEWART: In the Albanian case, where do you suppose that these stories—I mean it’s hard to know a lot of these things because it’s folklore and passed on through oral traditions—but where do you suppose—because in the Theravada Buddhism case you point to a very specific philosophical tradition. Where do you see it originating in Europe and Central Asia?

SIDDHARTH KARA: I think that’s a question that has an entire mode of inquiry attached to it. But I suppose at some level it’s a chicken-and-egg question—what came first, the religion or the men who wrote it down? Because very often, around the world, you’ve got religious or socio-cultural traditions in which it is inherent that there is an ontological inferiority associated with femaleness, female gender, which is almost invariably reflected in the judicial systems of many of these countries as well, or the legal structures of who can and cannot inherit assets, who does and doesn’t have certain rights.

I’m probably not qualified to say what’s the seed of all of these asymmetries and how are they reflected culturally and why are they reflected culturally, but I can say that I’ve observed an astonishing number of parallels in a lot of these areas that are the sources of a lot of sex slaves.
The other one is abuse. The violence committed against women, domestic violence, that I heard about and observed, women in rural Nepal being accused of being witches, young children being raped. Abuse in Moldova—there's a Moldovan woman who told me "When a man beats a woman, you call the police; we call it tradition." It's so a part of gender relations in so many areas that male violence against women is normal, that these young women couldn't imagine another system.

That violence is, of course, a key aspect of what we are talking about. The violence associated with acquiring the individual, breaking them down physically, psychologically, humiliating them, torturing them, and then, of course, the violence associated with the consumer purchase of these individuals. You can treat a slave in a way you can't treat other people. You know, you just can't do it, it's not acceptable, particularly in the developed world. But even here, where there are slaves in the United States, you can treat a slave the way you can't treat other people, and there's a measure of violence and superiority associated with that, which I'm sure psychologists could probably have a field day analyzing.

DEVIN STEWART: It's interesting you mentioned witches. We just heard about witches recently. Ray Fisman from Columbia Business School—I don't know if he is a professor there or not—recently talked about the economic incentives of creating the notion of witches. Essentially, you find someone who's nonproductive and vulnerable and say, "You're the witch." It's very convenient for economic reasons. It's interesting the way that economics can inform morals. And as you said, there's a psychological component as well.

Would you like to turn it over to the audience now?

SIDDHARTH KARA: Please, please. I've been talking too much.

DEVIN STEWART: Great.

QUESTION: Thank you so much for sharing this incredible information. It's nearly too much—I'm still trying to get rid of it, although we know that we can't. I don't know if it would be fair for me to ask this question before I read your book; I wish I could wait and then raise this question. But I am really looking for a larger theoretical and logical sense behind the fact that people whom you address as consumers, or source of demand in this, who help the situation turn into business, as you call it, a very different angle. Have you ever gotten close to the point of interviewing them, have you given information to these people, and have you gotten any chance to talk to other people who really create this disgusting business?

SIDDHARTH KARA: The answer is yes. I have interviewed people, men, who come to these places—not too many, they're not a chatty lot—but I have interviewed some. I have interviewed some traffickers and I have interviewed some slave owners, but again, not that many. Many more slaves.

The most detailed interviews I conducted with consumers were at a brothel in India. Now, there were a handful of occasions in which I was in some of these venues and tried to see if there was someone who spoke English, to just strike up a conversation. Nothing terribly interesting came of a lot of it.

But I did have some formal interviews, with the help of the gharwali at a brothel in India, and I talk about it in the book because it informed the price-elasticity analysis I was able to put together, preliminary analysis, on what were their consumption habits: How often did they come? What was their income? At different price points, how would that change their behavior? And how long had they been doing this?

A lot was revealed. Two of them were day laborers who couldn't afford it before, but now they could because it had gotten cheaper. One of them was married with kids. At certain price points, they indicated they would probably opt for substitutes—alcohol, pornography.

A lot of this is, of course, just conversational, it's preliminary and anecdotal to some extent, but it was enough data for me to start to put together or to substantiate basic economic theory that demand increases as retail price decreases, and the extent to which it does determines the elasticity of the product. Some products, like gasoline, are less elastic. Other things, like commercial sex, are much more elastic.

I'd like to have been able to achieve more conversations with some of these people. Part of it was also a general disgust with even wanting to converse with slave owners, traffickers, and the people I call consumers. I use these sort of economic terms as a way of discussing the issue, but I don't want that to detract from the fact that these are still humans being exploited and these are still other humans, repugnant ones in many cases, doing the exploiting.
You mentioned Thailand. Thailand is an interesting case study because it has a long history of prostitution. There is a huge debate about the role prostitution plays with sex trafficking: Should it be legalized? Should it be criminalized?

Thailand has a long history of polygamy. The more wives he had, the more prestige that man had. There was a primary wife, a secondary wife, a slave wife, and sometimes another slave wife. They're Thai terms, but these are translations. Polygamy was outlawed in— I have the date in my book, I don't remember it exactly—the 1930s. It was outlawed at a certain point. After that point, it just became almost cultural tradition for men to frequent prostitutes, where they formerly would have had several wives. It's a commonly accepted thing. I've read studies that say up to 90 percent of Thai men have been to a prostitute. And of course, the ones with lower income will gravitate to commercial sex that costs less, which is increasingly supplied through slaves.

**QUESTION:** Where do you see some place like Amsterdam fitting into the picture here, both in terms of the economy and the supply chain, but also the larger moral picture? And also, could you talk a little bit more about this coalition that you had mentioned—where do you see it getting traction, who's constituting it? And then also, one of my philosophy professors argued that rape was actually the highest moral crime because you can make arguments for self-defense in the case of murder, but there's no morally defensible position that you can take for rape. So what would you say could be the best ways to elevate the real risks to these people in the middle of the supply chain?

**SIDDHARTHA KARA:** Amsterdam is an interesting case study. Amsterdam and Sweden took polar opposite positions on the legalization debate. Amsterdam has a long history of a red-light area, and in the year 2000 they legalized brothels. The idea was if you legalize the sex industry, you can monitor it, you can provide for more protections, health screening, police protection, unions, benefits, et cetera, et cetera.

The problem appears to be that the legalization of prostitution provided sort of a legal veneer behind which greater exploitation could take place. I spent a fair amount of time in Amsterdam talking to a lot of people who deal with this issue on the front lines, and they've said since legalization took place in 2000 there has been a marked increase in the number of foreign women working in the red-light district, a lot of whom are trafficking victims, and the supposed police inspections and protections and other things that were supposed to be concomitant to legalization didn't really happen. Bribes from so-and-so brothel owner paid to the mayor, who's supposed to order the inspections, meant that inspections didn't happen.

So much so that just recently, actually, the mayor of Amsterdam acknowledged that this may not be the best policy. There seems to be an increase in trafficking levels. They're thinking of closing down several brothels, if not out-and-out reversing the legalization of brothels in Amsterdam.

Sweden, on the other hand, in 1999 passed the first major blanket prohibition and criminalization of solicitation of sex, sex services, running a brothel—everything. The idea was—there's a great quote from a government official: "In a democratic society that values freedom and equality, there's no place for prostitution, which is inherently a form of subordinating women."

They have provided data that shows in that same period of time— roughly the last eight or nine years, similar to Amsterdam when they legalized—there has been a marked decrease in trafficking levels, solicitation of prostitutes, and that much of it has shifted to the neighboring countries, Denmark and Norway.

Now, this is still preliminary data, but one can imagine that there is some merit to the way this has unfolded on a case-study basis.

The coalition. There are four main impediments to more effective response to sex trafficking:

- The first is, of course, the crime itself remains poorly understood.
- The second is that the NGOs that are trying to deal with this on the front lines are underfunded and uncoordinated internationally.
- The third is that the laws against these crimes are overwhelmingly anemic and poorly enforced.
- The fourth is that, at least hopefully until my book, a more detailed economic understanding of the crimes hadn't really been put forth.
The coalition I describe and the tactics I propose are meant to address these four main impediments to a more effective response to sex trafficking. So there’s a coalition I describe that would consist of two units.

One would be focused on the victims, more robust, well-funded, and systematized care for former slaves, including protections. Right now in shelters you can only stay a few months because there’s too few beds, too little money. They’re back on the streets, like Inez, and we know what happens then. So more funding, more protections, including income and remittances for at least 12 months while they attempt to participate in the jurisprudence process. A lot of prosecutions and convictions fall apart because victims are too frightened, due to threats. They need Income. They have to leave the shelter. They can’t just sit around. They have to try to find a job, and so on. So one unit focuses on this. I think it needs about $60 or $65 million a year to do this effectively and do it right.

The other unit is going to be dedicated to designing and deploying the optimal tactical interventions that will thwart demand by elevating real risk in the sex-trafficking business chain. I think that unit needs closer to $290 million or so a year to do that.

There are, as I said, seven tactics. I skipped them because I didn’t want to go over time. Brighter minds may come up with better tactics. But here is what I suggest to reduce demand, elevate risk, and shorten the duration of enslavement, because the longer someone is a slave, the more money they’re making, the more profitable these crimes are, the more demand there is to be involved in them, to the extent you lack moral scruples.

- Number one, the creation of an international slavery and trafficking inspection force operationally similar to weapons inspectors utilized by the United Nations. If I can find slaves, sophisticated trained professionals can certainly do a better job. In addition, a systematized, fully funded inspection force will not be susceptible to bribes, because bribery among local police is a major driver of why these crimes are able to occur in broad daylight.

- Number two, the creation of a system of trained community vigilance committees that consist of members of the community—taxi drivers, business owners, citizens who care—who can be the front-line eyes and ears of this new brand of global abolitionist movement, who are trained to know the signs of potential slavery, then report back to either local police or the trafficking inspection force. Law enforcement can’t be everywhere at once, but individual citizens with motivation can extend the moral reach of this abolitionist movement and, like me, be there, see that there are slaves, and then direct attention to the right people to liberate those slaves, shorten the duration of enslavement, get them over to the other unit where they can get vocation training and protection, while the inspection force gets the evidence required to prosecute and convict these individuals.

- Which brings me to number three, which is targeted, proactive raids on establishments for which there is a suspicion of slave-like exploitation—and this is important—with protections in place to minimize the adverse effects on the individuals, slaves or otherwise, who might be in those establishments. As you can imagine, slaves are traumatized, abused, and when people run in as liberators with guns blazing, you can only increase the level of harm and psychological distress they undergo. Running in as a liberator and trying to buy a slave, free them, often just results in them ending up right back there because they are returned to the same conditions of poverty, abuse, lack of economic opportunity, that left them vulnerable to begin with.

- Number four, we’ve got to increase funding for salaries to other anti-trafficking police, border patrol, prosecutors, and judges, particularly in developing nations. In Moldova, the average senior prosecutor makes $150 a month, the average judge makes $150 or $200 a month. These numbers are roughly the same in Romania, the Ukraine, and in Asia. Now, if you can make $10,000, $20,000, $30,000, $40,000 per slave as an exploiter, it doesn’t cost you much to offer a bribe equal to that judge’s annual salary. This is what happens. So he drops the charges or requalifies them to pimping, for which you are slapped with a fine and you’re out the door. So we have to increase funding to the people who are tasked with enforcing the law.

- We also need special fast-track courts to prosecute these crimes, with international observers and judicial review in order to minimize corruption.

- We need fully funded witness protection for the slaves, as I discussed, for the duration of the trial.
and up to 12 months afterwards so we make sure they get a vocation, they get training, they get an education, you get something, so that they don't end up getting retrafficked.

- And finally, we need a massive increase in the financial penalties associated with sex-slave crimes. As I discussed, the economic penalties against slavery are roughly one-twentieth those against cocaine trafficking. Not that that alone means that the crime will stop, but in conjunction with these other six tactics we will institute much more risk in the system, we will elevate the cost of being involved in this grotesque enterprise, and invariably, I think, reduce demand.

If we then start to address the supply-side factors, redressing a lot of the asymmetries that have entered the global economic system after the fall of the Berlin Wall, as well as dealing as best we can with asymmetries relating to gender and ethnicity; also, doing a better job with refugees. Refugee camps are a prime trolling ground for slave traders. I was in a refugee camp more than 13, 14, 15 years ago, when I first heard of sex trafficking. My last trip to Thailand I was in another refugee camp, just a few years ago, where people were still being trafficked. So a lot of these sort of supply-side drivers we'll have to address as well.

**QUESTION:** It sounds like the plan that you've designed would work well in the United States or a Western country, where people are used to community watch or that type of thing. I just wonder about the real feasibility of it when you think of where these women are coming from, totally impoverished cities full of Mafia guys, thugs, criminals. If this girl's own father won't help her, what's the chance that someone not involved is really going to report this to anyone? And the police are really the ones who are perpetuating it, too, by returning these girls to the pimps or the brothel owners. It's a nice idea, and something needs to be done. But what I'm asking is, what is your perception of the local people in these cities where you would go to the brothels?

And then, my second question is just which organizations do you think are most effectively working in this field now?

**DEVIN STEWART:** I was going to add to that just a follow-on question. Are there models of abolitionist movements that you've identified as ones that you can draw positive and negative lessons from? In the United States, it is, I guess, widely assumed that the alcohol abolitionist movement was considered a failure; the smoking one was considered a success.

**SIDDHARTH KARA:** Yes. Can we win, right? Obviously, fundamentally, I believe we can. I'm not naïve. I know there are tremendous hurdles to the abolition of the global sex-trafficking industry, other forms of slavery, and other global injustices, all of which are very much interrelated. So no doubt the challenge is great. However, I think the need to prevail is greater.

I think sufficient resources and awareness are crucial. We may not be able to get that father in Albania to care about his daughter, but we can find a way to protect her and get her a sustainable lifestyle. It's just a matter of resources and will. She was trafficked several times simply because there were no other options for her, and that's a failure of us as a global civilization.

Organizations that are doing a great job. I serve on the board of directors of **Free the Slaves**, based in Washington, D.C., which is the U.S. partner to **Anti-Slavery International**, based in London and the world's oldest human rights organization. **International Justice Mission** does excellent work. There are several NGOs I describe in the book that are on the front lines, risking their lives every day, to try to free victims, free slaves, and get their lives back on track.

In terms of other successful campaigns, abolitionist movements or wars against some sort of human rights violation, I actually point back to slavery. Even though there is slavery in the world today, there was an extraordinary success that started in 1787 in London at **2 George Yard**. Twelve men got together, at a time when slavery around the world was commonplace, accepted—the Church of England had slaves. These 12 men got together and said, "This is a fundamental violation of human dignity and we have to end slavery." They started a campaign in 1787, and it took them 50 years, in the time before Internet and telephones and YouTube, and whatnot. They traveled by horseback, by ship across the oceans, trying to raise awareness, lobbying the British Parliament time and again, time and again, facing many of the same arguments that we would face today: There's money to be made. There's too much corruption, et cetera, et cetera. The Church of England had slaves, so how are you going to convince them?

But eventually, after 50 years—and there was only one of them left alive to see the day—the first bill