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Factors of Vulnerability to Human Trafficking and Prospects for Reintegration of Former Victims. Evidence from the Philippines

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Finally, we thank Andrea Guariso, Irene Diciommo, and Arianna Ornaghi who provided excellent research assistance in helping us prepare the statistical output for this report.

1. Introduction

This report is part of bigger research project that tries to help vulnerable girls and women by understanding the risk factors associated with human trafficking. It also aims to improve intervention strategies for former victims, particularly by increasing the effectiveness of current reintegration support activities.

The project has involved many shelters in the Cebu area that host, care, and educate children (for the most part, girls) at risk of social exclusion. Their population includes orphans and abandoned children, child laborers and street children, and in the worst cases, abused and trafficking victims. These vulnerable children face many risk and dangers before entering the shelter, such as injury and illness, inadequate food and shelter, lack of medical care, exploitative caregivers, mental trauma, among other challenges.

Our focus on human trafficking, among all these other vulnerabilities, relates to the limited availability of academic research despite the importance of the phenomenon. Our goal is to contribute to fill this knowledge gap, with specific reference to the experience of the Philippines, and of the Cebu area in particular. Moreover, we hope that a rigorous empirical study of this reality may prompt other researchers and policymakers in the anti-trafficking community to collect more data and improve the global understanding of human trafficking.

We conducted a systematic data collection on all vulnerable girls above 14 year of age residing in the shelters in the Cebu area that are in contact with IJM. The questions aim to evaluate causes and modes of entry into trafficking by comparing answers of former victims with other vulnerable children who did not entered into trafficking. We also collected information on the victims' economic, social and family situation prior to their capture in human trafficking, as well as, information on household shocks, and other factors that potentially affect the supply of women and children who are being subject to trafficking. We use this individual level data on the prior economic and social situation of victims of trafficking and their family relations to estimate the relative importance of different variables as determinants of human trafficking.

In a novel approach, we include indicators of expectations and subjective well-being. These indicators are used to understand some of the consequences of experiencing trafficking, notably regarding the victim's psychological recovery, her outlook towards future jobs, and her preferences on inter-temporal decisions and risk taking behavior.

In this document we provide the first round of results using the data we have gathered in interviews until this point. First, we construct summary statistics for all the indicators described above. Then we compare the facts for trafficked survivors with the facts for other girls resident in

the shelters. By comparing these two groups we obtain evidence of factors that make some girls more vulnerable to trafficking. Moreover, it allows us to evaluate their current well-being and state difference in their re-integration process. It is important to keep in mind when we assess the results that trafficked survivors are compared to a group of girls that are also vulnerable. We are currently working hard to obtain interviews for a third group of girls; girls from a poor background but coming from well-functioning families. We think that having these three groups of girls in the analysis will deepen the lessons of the study.

Finally, it should be kept in mind that as we collect more data and do further statistical analysis (multivariate regressions) the results might change and we will also be able to draw stronger conclusion.

2. Methodology

During the Fall of 2009 and the Spring of 2010 we conducted a rigorous data collection in 14 shelters for vulnerable girls in the Cebu area. We interviewed all girls and women hosted there and in the end a total of 360 interviews were completed. During the interviews, we gathered retrospective data on their economic and family situation prior to leaving their families as well as information on their current expectations. Most of the retrospective information is based on recollection of the events surrounding the girl's life while still living with her family. The questionnaire has been designed in a way that is aimed at capturing these events in a fairly robust way.

The interviews were conducted with the utmost respect for the respondents and with total confidentiality. They took place one by one and in private but in a reach distance of a social worker for the comfort of the interviewee. Prior to the start of the interview, every person was given a short overview of the nature of the research and its goals, and was asked whether she agreed to be interviewed. No interview was conducted without informed consent. The interviews were also carried with full respect of the emotional and psychological well-being of the person interviewed, and no respondent was required to answer questions that she did not feel comfortable answering. We guarantee anonymity and absolute confidentiality of the data collected: individual names were not recorded in any part of the questionnaire, and the data we collected has only been used to construct aggregate indicators for statistical analysis.

This research report presents a summary of the findings. We use the individual level data on the prior economic and social situation, and their family relations to identify risk factors

determining why they left their home. The analysis also contains information on the current situation including her values and preferences to assess future reintegration. Our approach contributes to identify patterns of systematic associations through statistical analysis, hence helping to generalize findings for future design of specific policies.

2.1 Survey instrument

In the data collection exercise we used an original survey instrument that includes standard demographic and economic indicators, questions on the girl's family prior to leaving her household, as well as questions on current attitudes and expectations. Particularly salient questions include:

- a) available information at the time of leaving her household
- b) interpersonal relations between the girl, her father and her mother
- c) differential attitudes of the parents towards the girl and her siblings prior to leaving her family
- d) current attitudes with respect to risk and impatience measures
- e) psychological well-being

2.2 Sampling

For the elaboration of this report, we use a full sample that consists of girls and women aged 14 and above living in the 12 shelters surveyed in the Cebu area. A total of 275 people were interviewed during by our local enumerators in the nine-month period that took completing all interviews. Trafficked victims constitute 20% of the sample.

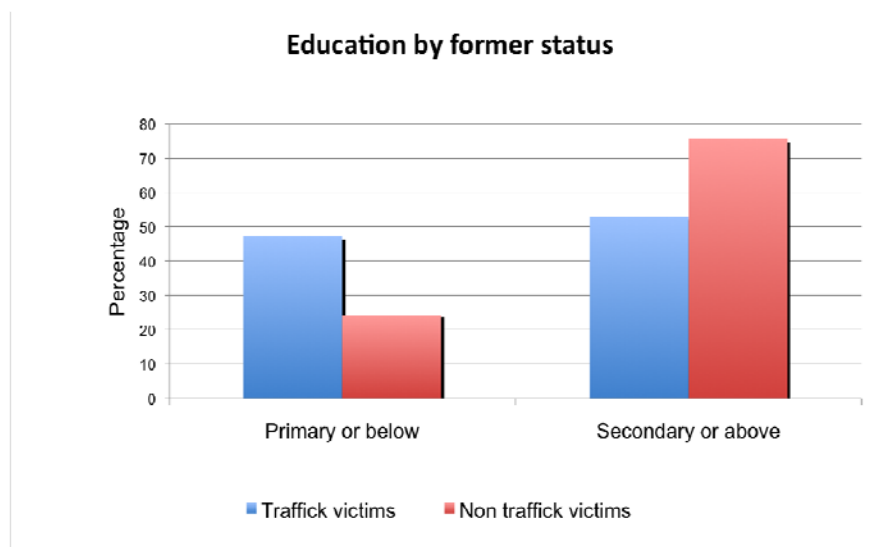
3. Results

3.1 Demographic background

Education

Education is an important background variable that might determine entering into trafficking as it may be correlated with the lack of work opportunities. At the same time, it can be a critical variable for the recovery of the former victims as it will determine the prospects for her future reintegration in the society.

Splitting the sample across reason for being in the shelters, we observe that, on average, trafficked victims have lower level of education than other shelter resident girls. Almost 50 percent of the trafficked girls have only primary schooling or below as their highest level of education. This is more than 20 percentage points higher than for the rest of the sample. The ratio of “primary or below” to “secondary and above” education observed for trafficked victims is consistently higher than that for the average education level of the non-trafficked girls. The level of education is measured as of today so it is unclear whether it represents differences in family background or is a consequence of the trafficking process, or both.



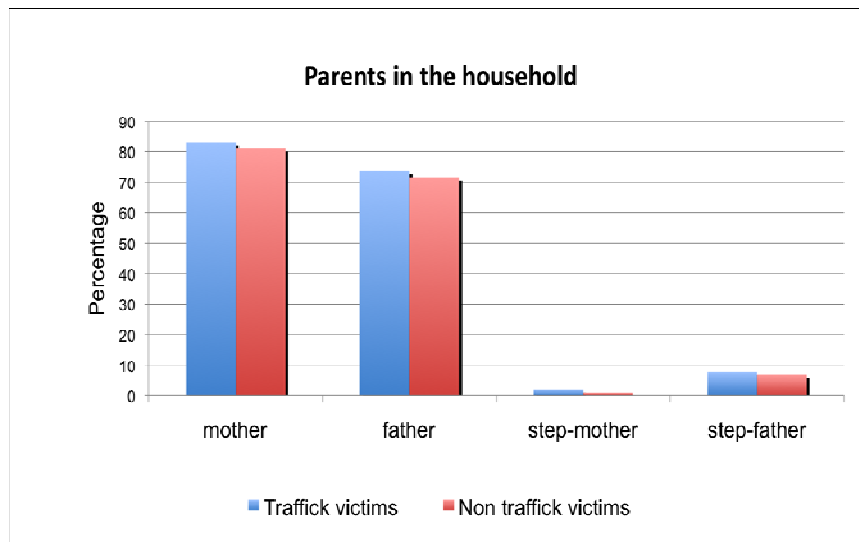
Family Composition

The information presented in this section refers to the time before the girl left her home, and not her current situation. In particular, we asked the girls to recall the last year they were still living with families. This data is therefore based on her memory recollection and it is provided directly by the girl. Unlike other measures obtained in retrospective ways, we believe that these measures are quite accurate as no subjective valuation is needed.

We first look at the presence of the parents in the household. Overall, about 20 percent of the girls interviewed had the mother absent in the household during the last year she lived with her family. This is a surprisingly large number and signals a potential risk for the child. Mothers are crucial for the provision of health, education, and protection. Moreover, girls in the shelters were

even less likely to live with their father than with their mother. Only around 70 percent of the girls had their father present in the household. The lack of the father's income in the household can imply the need for extra money for these families and potentially become a risk factor.

It is also interesting to note that these facts occur for all girls in the shelters irrespective of their reason for being there. That is, we do not find significant differences depending on whether the girl is a trafficked victim or not.



The presence of other siblings in the household can also be associated with the risk of leaving the family, especially depending on their age and gender. In our questionnaires we also looked at these dimensions of family composition. First, more siblings imply higher resources needed to fulfill the needs of the entire family. We observe that girls who are trafficked victims have, on average, a higher number of siblings than the other girls; 6 vs. 5.4 siblings. This means that these girls come from relatively larger families, which should increase the risk factors associated with poverty.

It is well known that parents put a higher pressure on the eldest child to support the family. According to this fact, it is likely that the eldest girl in the family is the most vulnerable to become a victim of trafficking. We tested this possibility using the data collected and we find no evidence of this phenomenon. Resident girls in the shelters are equally likely to be the eldest daughter whether they are a trafficked victim or not.

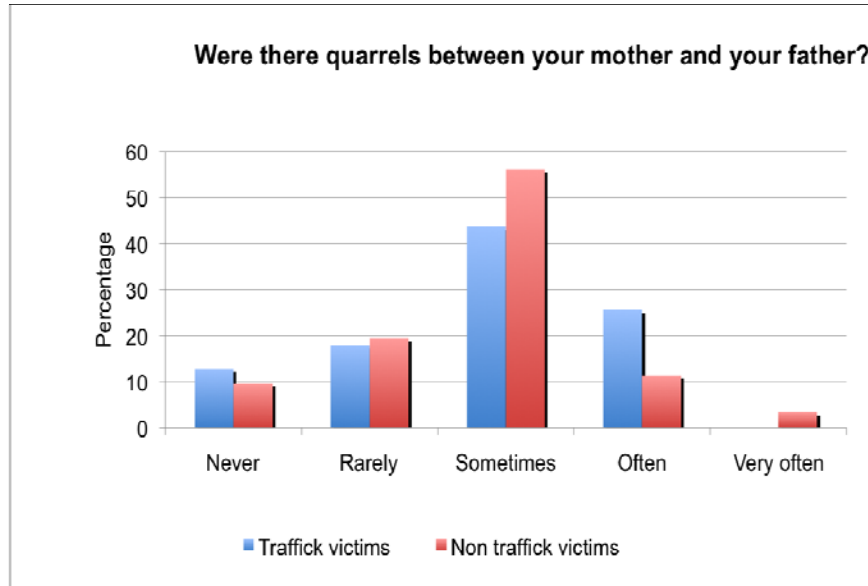
Similarly, we have analyzed if the presence of younger siblings affects the risk of leaving the household since younger siblings demand resources but are less likely to contribute to the family earnings. Here, again we find no significant difference between trafficked and non-trafficked victims as far as this dimension is concerned.

Finally, the gender of the siblings might also affect the vulnerability of the girls. If economic opportunities for girls are worse than for boys, having more daughters in the family can be perceived as a negative income shock. While the number of brothers, at the time the girl left her family, is similar for both groups, the number of sisters is higher for the trafficked victims. That is, the ratio of girls to boys in the household is higher for former trafficking victims compared to the non-trafficked girls.

Family Dynamics

We now turn to the family environment of the household prior to the girls' departure. Again, the measures used in this analysis are based on memory recollection. In particular, we explore episodes of quarrels and physical violence between the parents of the respondent, as well as between the respondent and her parents.

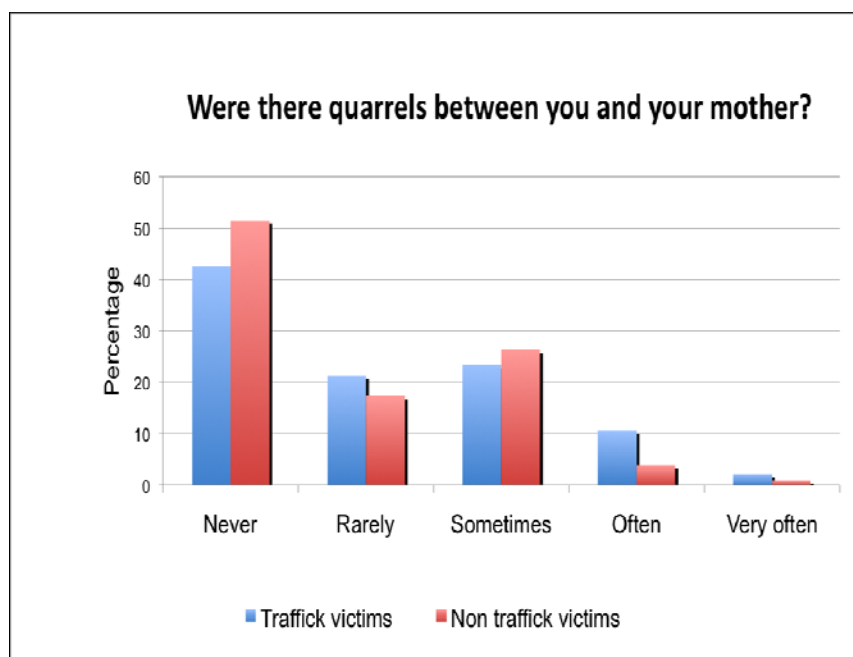
Quarreling between the parents is more frequent in household where the girl ended up being a victim of trafficking. We can see in the graph that 26 percent of the trafficked girls report that quarrels between her parents took place "Often" while only 11 percent of the non-trafficked girls report this much.



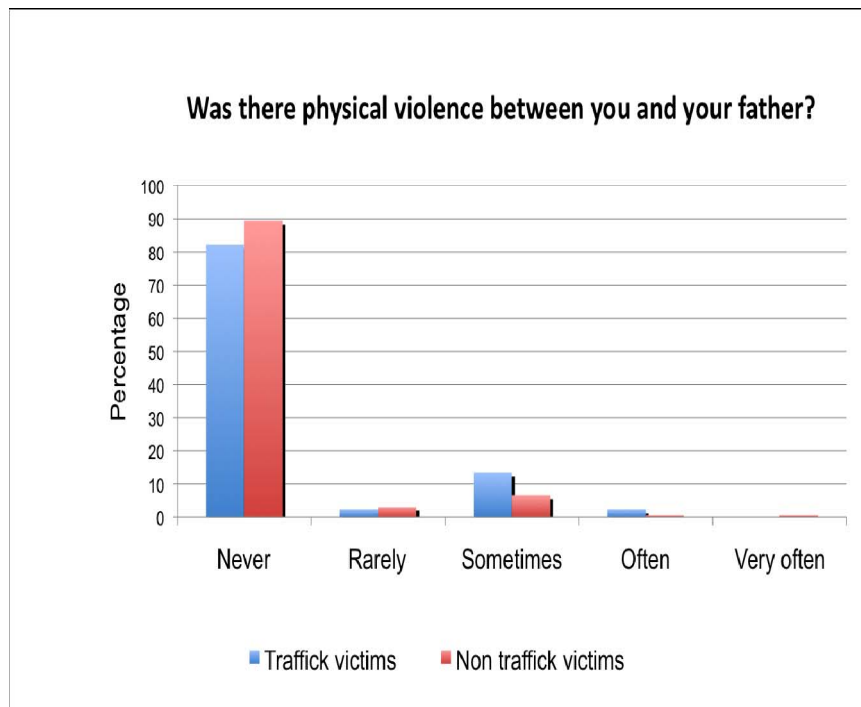
Physical violence is a more extreme situation than quarreling. We also explore this dimension during our interviews. On average, the answers regarding physical violence between the parents of trafficking victims reveal a pattern which is consistent with the evidence given by quarreling. In all categories, families of trafficked victims are described as more violent.



We are interested in seeing whether the more turbulent relationship between the parents parallels to a more difficult bond with the girls. When we look at quarrels and violence between the respondent and each of her parents we observe that it actually translated in a particular way. On one hand, girls who are victims of trafficking have more quarrels with their mothers, but not with their fathers.

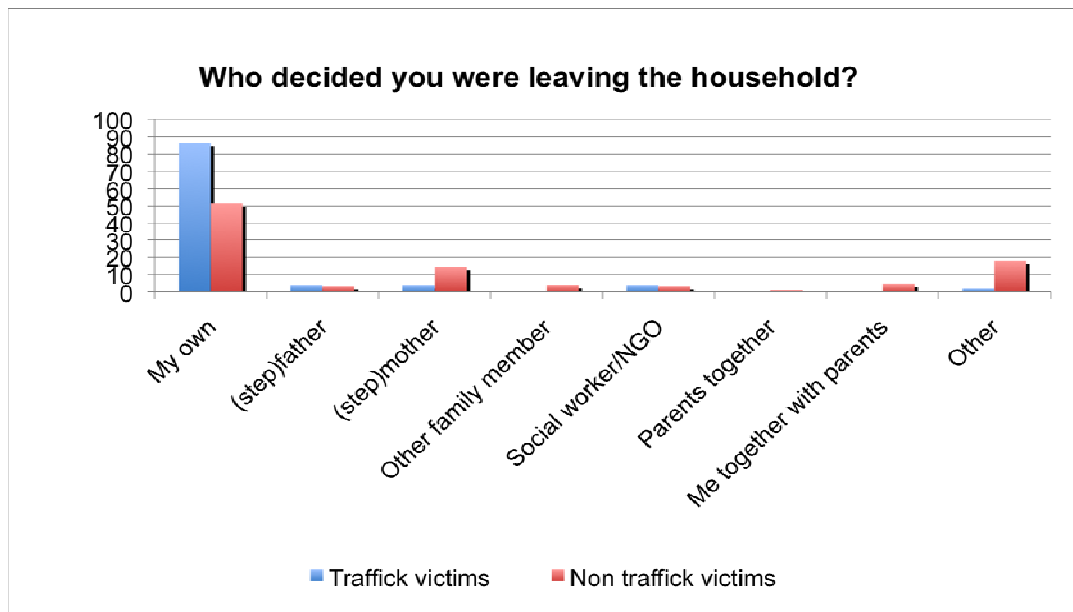


On the other hand, there were more frequent episodes of physical violence between the girls and their fathers, but not with their mothers. This finding, together with the frequent quarreling between the respondents and their mothers, signals that a significant percentage of the trafficking victims had a troubled relationship with their parents.



3.2 Leaving the household

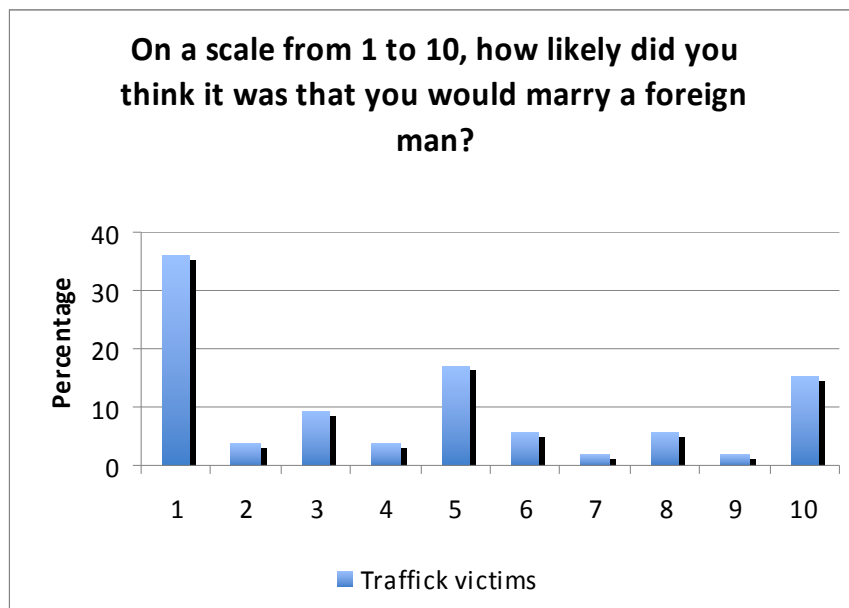
We asked our respondents several questions about the period when they were about to leave their household and started living on their own. The first question was *who* took the decision of leaving the household. The answers we got reveal an interesting result: more than 85 percent of the girls who are trafficked victims decided on their own to leave their family home, significantly more than the non-trafficked girls, who declare it to be their own decision only in 50 percent of the times.



Given that a majority of the trafficked girls were deciding themselves to leave their parental home, a crucial aspect to evaluate is the perceptions that these girls had about their future at the moment when they left their households. That is, the likelihood they estimated of some events happening as a result of their departure. Misperceptions of risk and rewards of an action can induce young women to make incorrect decisions. For obvious reasons, the results for the following set of questions are only reported for the sample of trafficked survivors.

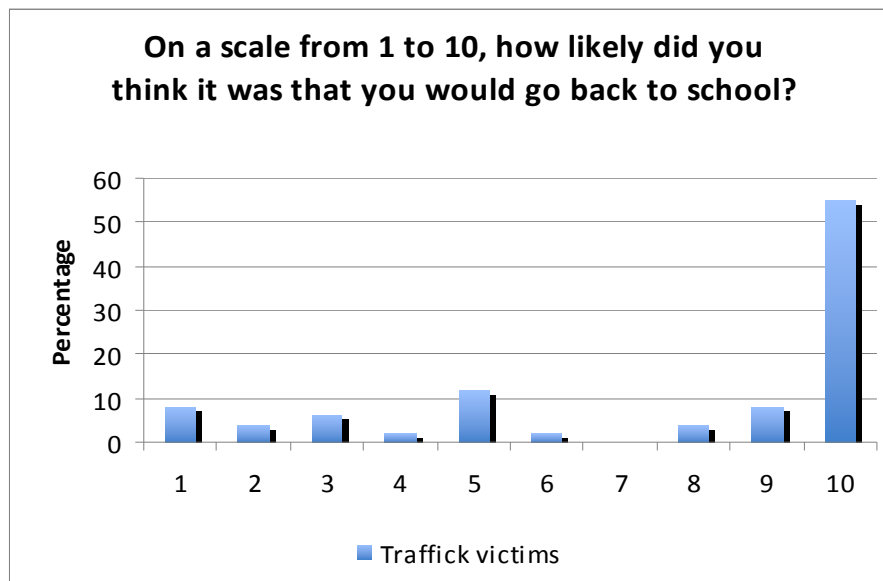
We collected this information as part of a visual game. We endowed each respondent with 10 (physical) beads, and asked her to place as many beads as she wanted on a plate, where each bead represented 10 percent probability. The total number of beads would thus be the percentage probability that in her opinion something was going to happen. If, for example, the respondent placed 0 beads as her answer, this would mean that she thought the event had zero probability of happening. If instead the respondent placed five beads this would mean that she thought the event was equally likely to happen than not to happen. And so on.

This way of eliciting probabilities has already been tested in other contexts and with populations with lower education levels. We trained the interviewers to explain the concept and do trials before the real questions in order to make sure that the respondent understood well what she was asked. The interviewers reported very few problems when implementing this exercise.

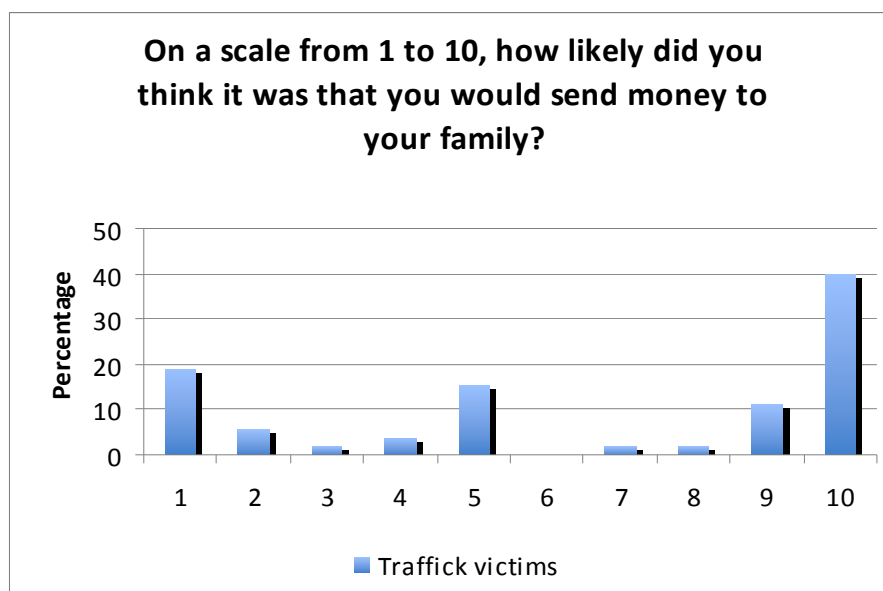


The results are very insightful. Trafficked victims had very high expectations of marrying a foreign man at the time they left the household. More than half of the girls believed that they had at least 50 percent probability of marrying a foreign man. 15 percent were 100 percent sure that this was going to happen. Misinformation about the future prospects, promoted by formal and informal recruiters, is a clear danger for young women leaving their households.

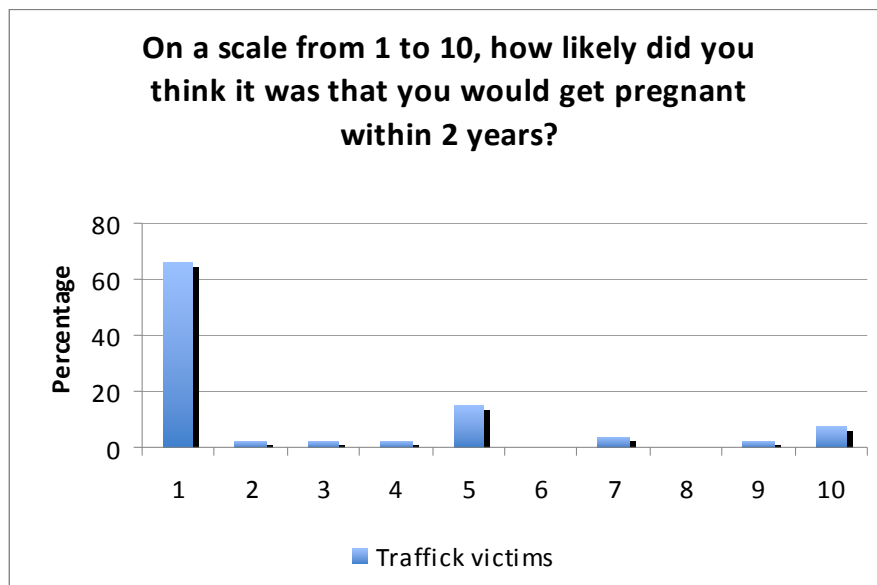
The reported probabilities of resuming education are also very high. Girls believed that leaving their household will not be incompatible with future education. This might signal that schooling is perceived as necessary for a prosperous future, which is a good thing. It is interesting to note that more than 50 percent of the trafficking victims assign the highest probability to going back to school.



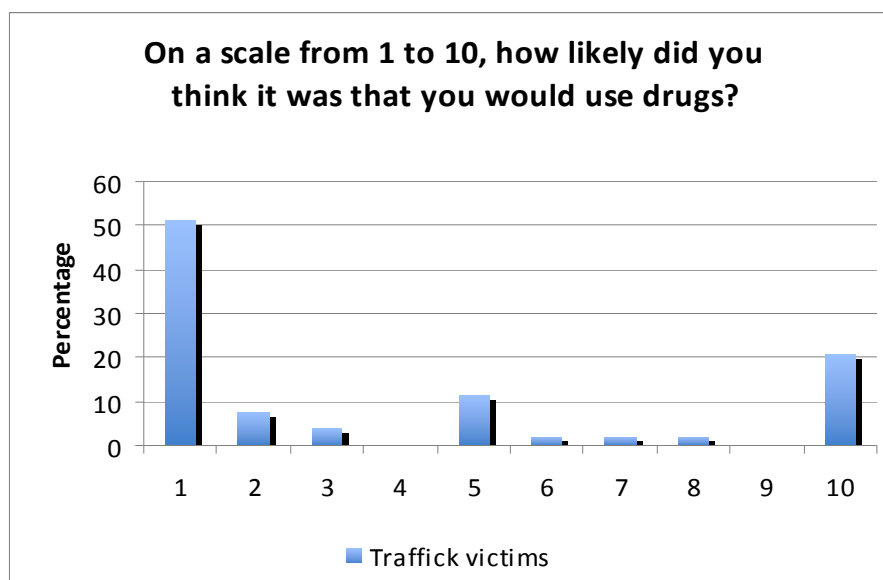
Finding better economic opportunities and sending money back to their family appears as another important determinant for leaving the household. 40 percent of the trafficked victims interviewed report that they were 100 percent sure they would send money to their family, and an additional 11 percent were 90 percent sure of that happening. This confirms the income hypothesis already present in the some of the above results.



Not only benefits of leaving the household are overestimated, it also appears that the risks seem to have been underestimated at the time of leaving the household.



Girls who are in the shelters as trafficked survivors report low ex ante probabilities of getting pregnant and of starting to use drugs. We interpret these results as indicative that most girls were deceived when they left their home of the type of job they were going to find.



In the previous graphs and discussion, we reported the results of elicited probabilities that the girls had at the time when leaving their family home. Next we will compare those expectations with the actual experiences that the girls had during the time when they were working in the sex industry.

This does not mean to compare what happened to each person in particular (this would be a small and biased sample) but to compare the expectations with what happened to their entire reference group: all the other working girls that they had met.

In order to do that, we first assess the total number of working girls that our respondents had met during the period they were sex workers; most girls report having met between 7 and 80 other girls in their work, with the typical girl (median) having met about 25 other girls. In total, respondents report to have met almost 1,000 other working girls. These are the ones that we will use to gather information on how likely different events actually are.

Note that these measures also rely on memory recollection. We might encounter two problems here. One will bias our results upwards if respondents are more likely to remember those girls to whom something unusual happened, and more likely to forget the rest. For example, if getting pregnant is salient then the respondent might think that the event was more common than what it actually was. On the other hand, girls experiencing unusual events might leave the workplace and the event not become known to the rest of the girls. For example, if a girl marries a foreigner, she might disappear from one day to the next without announcement and no one will know what actually happened to her. With these important caveats in mind, we proceed to compute the likelihood that two events happen for female sex workers in the Cebu area.

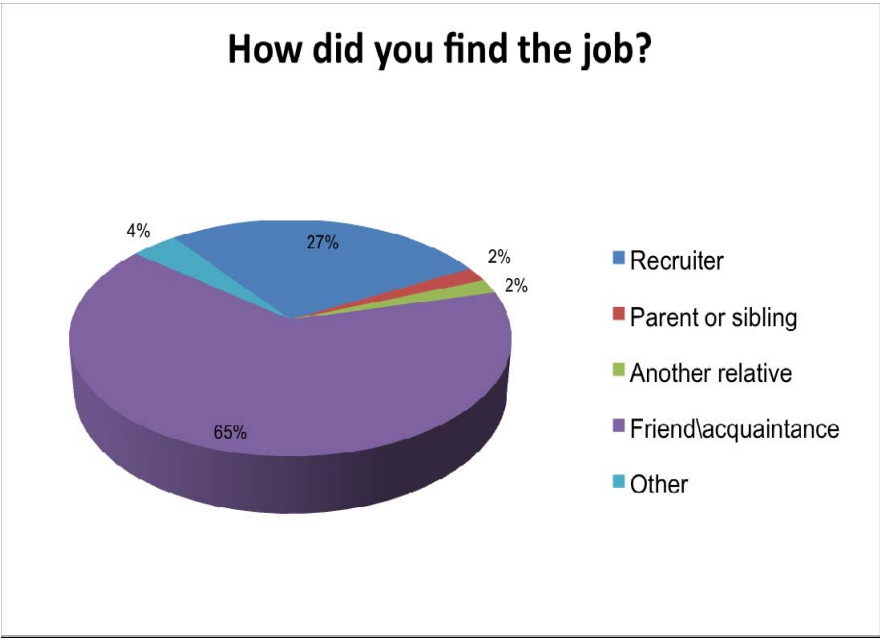
The first type of event is marriage with a foreign customer. We can say that most of the respondents know no one who married a foreign man. This is in clear contrast with the girls' expectations before leaving her household: almost half of the girls believe that they had 50 percent or more chance of marrying a foreign man at the time they were leaving their household.

Next, we calculate that 10 percent of their co-workers became pregnant at some point. This number is likely an underestimate, as early terminated pregnancies may have gone unnoticed by the other girls. Since most of our respondents were sex workers for less than 2 years, this information is a good comparison.

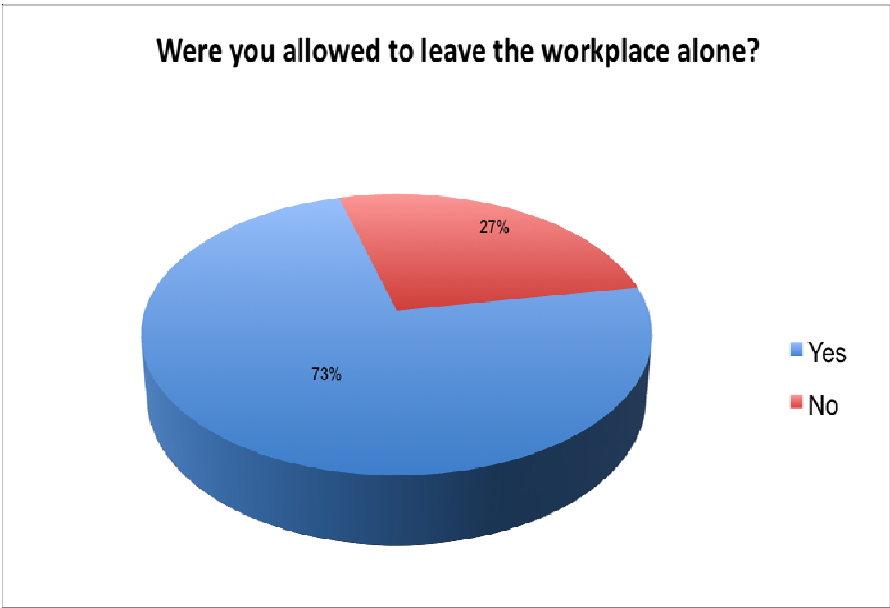
3.3 Conditions during trafficking

In this case again, the set of questions refer only to the sub-group of trafficked survivors.

The vast majority of the girls found the job in the sex industry through a friend or an acquaintance. This suggests that the deception is originated from someone that the girl initially trusts, and that the role of formal recruiters is less important than what we expected. In our sample, only 27 percent of the girls obtained their job via a recruiter.



The typical trafficked victim earned and kept for herself about 1,500 PhP per night worked. Earnings above 2,000 PhP per night are rare. More than 50 percent of the girls report that they did not owe anything to their boss; however some girls do report owing significant sums. However, it is important to keep in mind that the majority of the girls in our sample (75 percent) worked in the sex industry for less than two years.



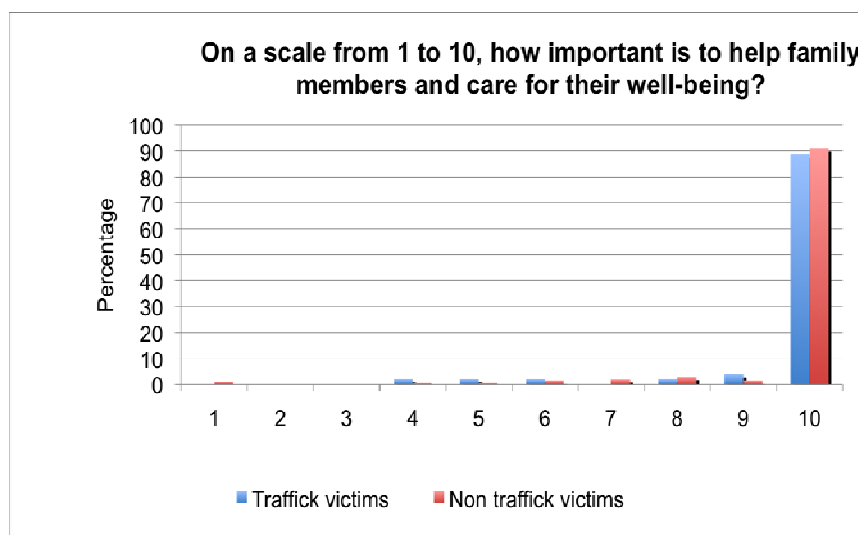
More than 20 percent of the girls who are trafficking victims in the Cebu area are controlled by their bosses to the point that they are not allowed to leave the workplace alone.

3.4 Current well-being and values

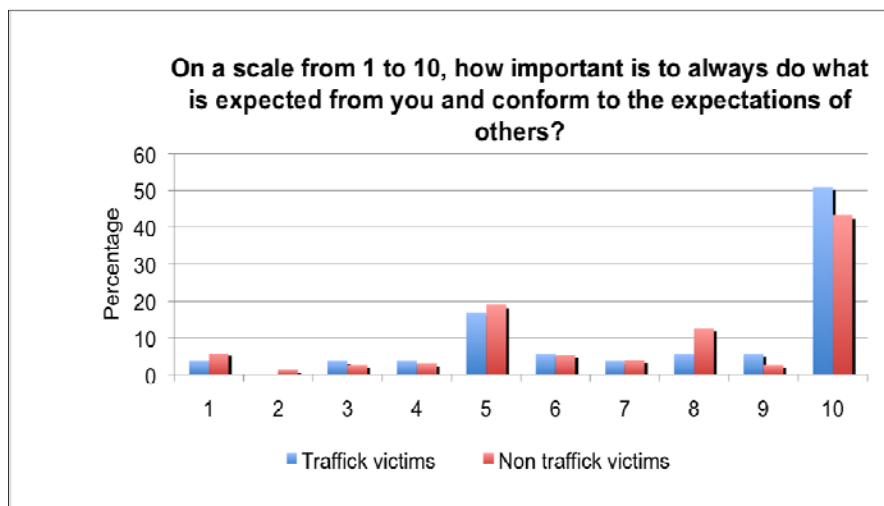
This section attempts to evaluate the current state of mind of all residents in the shelters. We return here to the comparison of the two groups: trafficked and non-trafficked clients.

Values

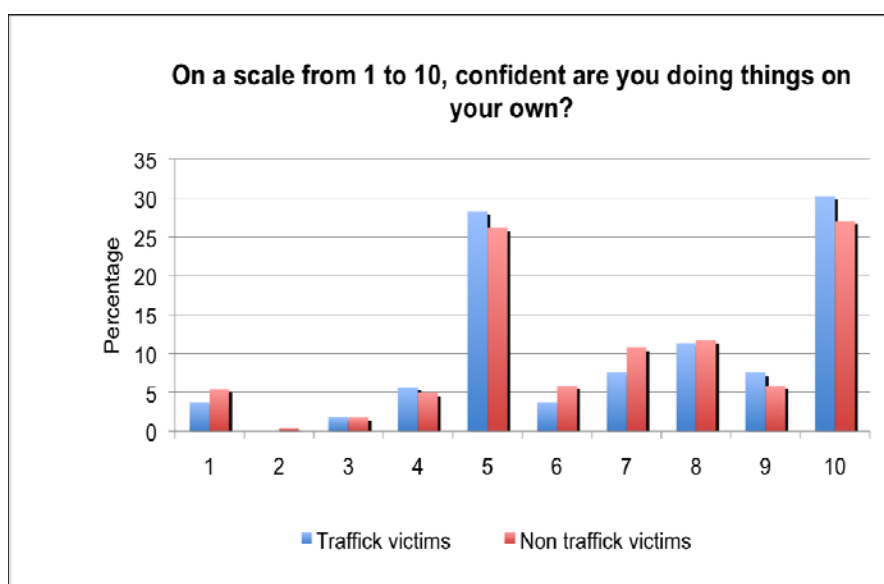
We asked our respondents how important it was for them, on a scale of one to ten, to help family members and care for their well-being. The answers are very similar for the sample of girls who are trafficked victims and of those who are not. The vast majority of our respondents attributed the maximum importance to this dimension. However, there are some girls who give less importance to this aspect.



We next asked how important it is for the girls to always do what is expected from them and to conform to the expectations of others. This might be a relevant psychological trait that could affect their future self-sufficiency. For a higher number of girls who are trafficked victims it is very important to conform to what others expect from them compared to the other girls in the shelters. More than 50 percent of the trafficked victims gave this question the highest score, which is almost 10 percentage points higher than for the rest of the sample.



Our final measure of self-sufficiency was a question on how confident the respondent was doing things on her own. 30 percent of the girls who are trafficked victims declared to be very confident (score 10), which is even higher than what was reported by the other girls. Moreover, more than 25 percent of the girls pick a medium level of confidence.

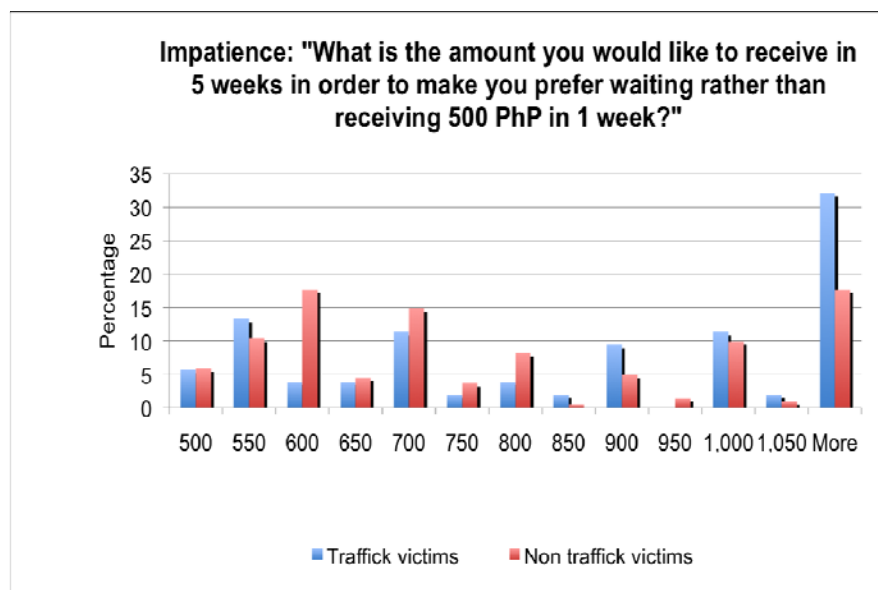


Inter-temporal preferences

A fundamental challenge for vulnerable children who have left their household at an early age is to develop the ability to wait and slowly build a better future. This involves the ability to save money, but also to invest in long term choices, such as the decision to get more education.

Measuring an individual's patience is a non-trivial task. The economic literature has developed a set of experimental tools that allow to “quantify” the degree of patience in a rigorous way. These tools come from a branch of economics that is known as “experimental economics”. A typical experiment used to measure inter-temporal preferences (or patience) is one when the respondent is asked to choose between a given sum of money that she receives immediately (or in the very short term) and a higher sum of money to be received at a later date. While in regular experiments the respondents are *actually paid* those sums, in our survey we made it very clear to the respondents that they would *not* receive the money, but that they should try and answer as if this were a real situation.¹ There were no reports of misunderstanding on this point during the interviews.

We then sequentially gave them the choice between (fictitiously) receiving 500 PhP in one week (“impatient” choice) and receiving 500, 550, 600, 650, ... , 1050 PhP in five weeks (“patient” choice). For example, when a person said that she preferred 500 PhP in one week to 550 PhP in five weeks, we increased the stakes to the next level and proposed 500 PhP in one week versus 600 PhP in five weeks. If the answer was still the lower sum of money, we moved to 650 PhP in five weeks, etc.



The figure above reports the distribution of the results separately for girls who are trafficked victims and for those who are not. The horizontal axis reports the amount of money at which a respondent

¹ The exact wording we used is the following: “Imagine that you were a participant in a game where someone asks you to choose between different options where you can win some money. This is an **imaginary and not a real situation** but please try to answer as if you were really given that choice”.

“switched” from preferring the short term option and declared to be willing to wait the five weeks. As we move to the right on the horizontal axis we find less and less patient respondents.

The pattern of responses in the figure is striking. While more than 50 percent of the non-trafficked girls were willing to wait five weeks to get a sum up to 700 PhP, only 35 percent of the girls who are trafficked victims were willing to do so. The majority of the trafficked girls required higher sums in order to be induced to wait. In particular, more than 30 percent of the girls required more than 1000 PhP in order to wait 5 weeks, which is 15 percent higher than for the rest of the sample. This shows that the girls who are trafficked victims exhibit a relatively high degree of impatience.

Risk aversion

Another crucial dimension that impacts an individual's choices in life is the extent to which this person is willing to face risk. Some people do not mind taking risky decisions, while others strongly dislike risk. Being willing to take risk can be beneficial in some circumstances (e.g., in the economic sphere, when entrepreneurs launch new profitable businesses, or when a person consider to start a new job) but it can be detrimental in other spheres. (e.g., risky sexual behavior can be the result of a low degree of risk aversion).

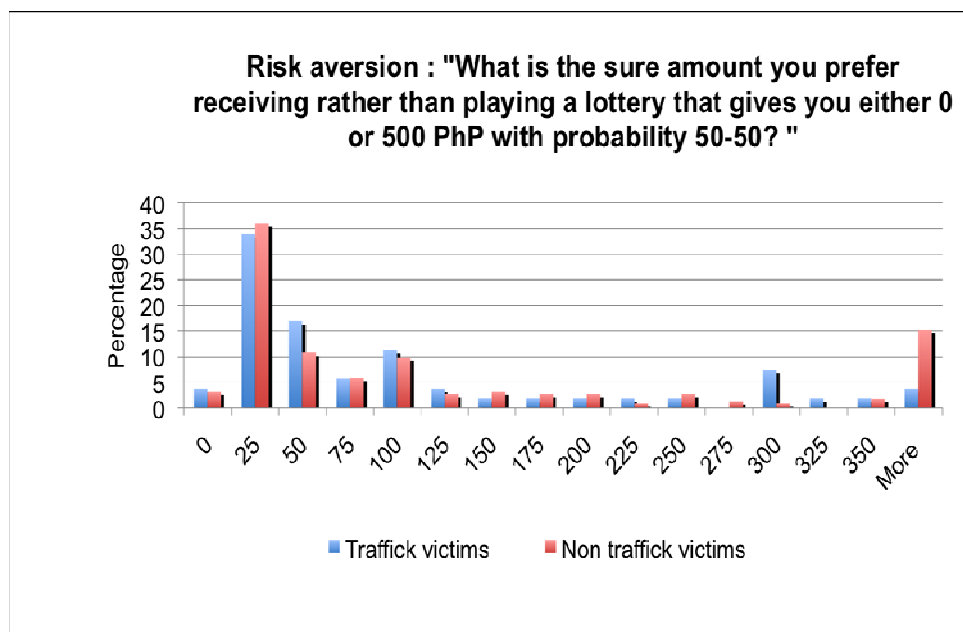
To understand how respondents who are trafficked victims compare to others girls in risk preferences, we again resorted to the methodology of experimental economics, and used a question that is typically employed to measure people's risk aversion. As with the previous question, we made clear to the respondents that we were putting them in front of a *hypothetical* (not a real) situation, but that they should try and give as realistic answer as possible.

We asked the respondent to consider a situation where she would face a choice between two options: Option A would give money for sure, and Option B would involve playing a lottery with a 50:50 chance of success and in case of success the respondent would gain 500 PhP and in case of not success she would gain *zero*. Option B therefore delivers 500 PhP with 50% probability and 0 PhP with 50% probability, yielding on average a payoff of 250 PhP. An individual who is neutral with respect to risk, i.e. neither liking nor disliking risk, should always prefer option A if the sure amount offered were greater than 250 PhP, while she should always prefer the lottery (option B) when the sure amount were less than 250 PhP. On the other hand, a risk adverse individual would be content with receiving less than 250 PhP, as long as the risk of being unsuccessful is avoided.

What we did in our survey, following the standard protocols, was to repeatedly present the choice between option A and option B, and gradually increase the sure amount in option A. So the first question we asked was: would you prefer a sure amount of zero (option A), or a lottery like the

one described above (option B)? If the person answered option A, we stopped the game; otherwise we repeated the question and increased the sure amount: would you prefer a sure amount of 25 or a lottery, etc.?

The figure below reports the distribution of the answers for both groups of girls. The amounts on the horizontal axis are the sure amounts that we gave as options to the respondents. The height of the bars represents the percentage of girls who accepted a given amount instead of the lottery. As we move to the right on the horizontal axis we find less and less risk adverse individuals.



The results in the figure are quite striking, as they indicate a high degree of risk aversion in the population interviewed. More than one third of all respondents are satisfied with receiving 25 PhP instead of playing a lottery that could give them 500 PhP but could also yield 0 with a 50 percent chance.

Overall, about 78 percent of the former trafficking girls would prefer an amount of 125 PhP or less over the lottery. This is relatively high compared to the rest of the sample (68 percent). This extreme aversion to risk is quite different from the lower levels that are found in the experimental literature on other (less vulnerable) populations. Moreover, it is interesting to note that only 10 percent of trafficked victims showed a high degree of risk propensity, meaning that they required to be “paid” more than 300 PhP for sure not to play the lottery. Additionally, there are a small number of girls choosing even zero over the lottery, explaining that they did not want to be “disappointed”.

The above findings suggest that risk is another aspect to take into account when designing rehabilitation and reintegration programs. It is important to understand different sources of risk, and to formulate risk coping strategies that may help this type of client.

Future employment and earnings expectations

Finally, to understand the possibility for these girls to find a job that gives them the level of earnings they expect to get, we asked them how much money they expected to earn in their next job. The two samples of girls appear to have different expectations as far as future earnings are concerned: the average amount expected by girls who were trafficked victims is about 10,000PhP per month, while for girls who are not former trafficked victims the average expected earnings are about 15,000 PhP per month.

4. Conclusions and Policy Recommendations

Trafficking of persons is a serious and very complex issue, although too often neglected, in many developing countries, including the Philippines. We make a first attempt to produce empirical research from the angle of development economists to assess the risk factors for entering into trafficking and evaluate the prospects of reintegration of trafficked victims.

With the collaboration of IJM, we have interviewed young women resident in shelters in the Cebu area. The survey instrument, designed by ourselves, collects different dimensions of the life of these women before they left their families (to have a picture of what might have driven them into trafficking), during trafficking period, and their current well-being (to assess their prospects of reintegration in the community).

This report has summarized the initial results of the data collection. The sample consists of girls 14 years and above living in 12 shelters in the Cebu area. This preliminary and first analysis of the data presents summary statistics and compares trafficking victims with non-trafficking victims. As we mentioned before, further lessons will be obtain as we get access to a third group of girls; girls from poor background but with well-functioning families.

We find that trafficked victims have on average lower levels of education than the non-trafficked girls. Trafficking victims are also more likely to come from larger families. 20 percent of the girls came from households where the mother was absent during the last year she lived with her family. Therefore, as expected, income appears as a main factor of vulnerability. Any policy

oriented to create safety nets for families at risk, empowering women, and create better labor opportunities for girls is likely to reduce to probabilities of entering into trafficking.

In terms of family dynamics, trafficking victims come from families with relatively more interpersonal conflicts. There is also more prevalence of physical violence in houses where trafficked victims lived. The violent home environment of these vulnerable girls needs to be kept in mind when designing reintegration programs.

Using techniques that elicit the expectations that the girls had when leaving their household and then comparing them with what actually happened, we observe that trafficked girls underestimate the cost of leaving the household (in terms of likelihood to get pregnant, ill, use drugs) and overestimate the benefits (in terms of likelihood to marry a foreign man and being able to send back money to the family). Moreover, we also find that friends are the most prevalent mode of recruitment of trafficking while the role of formal recruiters is less important. In our sample, only 27 percent of the girls obtained their job via a recruiter. Information campaigns to explain the danger of the jobs offered could contribute to stopping the trafficking phenomenon. Information campaigns can also be used to help the girls in the community form realistic expectations.

Finally, important insights emerged by looking at inter-temporal preferences and risk preferences of our respondents, where these preferences were elicited using the tools of experimental economics. Former victims of trafficking exhibited a relatively high degree of impatience compared to other girls. On the other hand, both groups were extremely risk averse. In terms of future earnings expectations, former victims of trafficking declare that they expect to earn on average lower amounts than the remaining girls. We also find that trafficked victims have a relatively high self-confidence. These results suggest that an important role should be given, when designing reintegration programs for vulnerable girls – and especially former victims of trafficking – in working on the formation of their expectation, inter-temporal preferences and risk preferences.

5. References

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