

# Risk-Based Strategies Against Labour Exploitation in Europe

## INVERT Project

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Labour exploitation remains a pervasive issue within Europe, undermining social justice, violating human rights, and distorting economic competition. Despite concerted efforts to combat this scourge, traditional approaches often fall short; this is where the European Project INVERT steps in, offering innovative tools and methodologies to effectively identify and address labour exploitation.

## The Current State of Labour Exploitation: a Phenomenon in Plain Sight

Contrary to what one might think, labour exploitation in Italy – and across Europe – is not confined to the shadowy margins: it occurs in plain sight, within legitimate industries. Within agriculture and construction to the manufacturing of luxury goods and the provision of domestic care, the exploitation of vulnerable workers continues unabated. Often, the victims are undocumented migrants, who are desperate for any work that will sustain them, making them easy targets for unscrupulous employers.

## Migration and Labour Exploitation: Europe's Dual Challenge

While public debates often concentrate on the arrival of migrants into Europe, there is a significant gap in the discussion as to where these migrants end up and the roles they are pushed into. Much of the public concern focuses on illegal markets and security issues, yet a more pervasive but less visible threat is the integration of these individuals into legitimate supply chain employment where they are vulnerable to exploitation. This public discourse oversight not only hinders comprehensive solutions but also perpetuates the cycle of abuse and exploitation within sectors that are integral to the European economy.

## Threatening Market Equity and Triggering Social Conflict

The exploitation of migrant workers is not only detrimental to the individuals involved, it also poses a significant threat to the European economy as a whole. By driving down wages, worsening labour conditions, and decreasing salaries, companies engaging in these practices gain unfair advantages over their law-abiding competitors. This not only distorts the market but also weakens the social fabric of European societies, fueling tensions and undermining public trust in economic systems designed to protect the welfare of all citizens.



## Innovative Solutions: the European Project INVERT

The European Union funded INVERT project aims to develop a comprehensive set of risk indicators that could revolutionise the way we tackle labour exploitation. This approach reduces information overload by condensing and cross-referencing large amounts of data into synthetic risk scores. The indicators, integrated into an AI-powered tool, simplify and enhance the work of regulators and law enforcement agencies, to identify both potential victims and exploitative enterprises before egregious abuses occur.

### Company-Focused Indicators: Legitimate Business and Sophisticated Supply Chains

Exploitation thrives in environments where oversight is challenging. For example, companies engaged in excessive outsourcing create convoluted supply chains that are difficult to monitor. Such structures often disguise labour abuses deep within their networks. Moreover, companies with a history of labour violations or those operating in high-risk sectors such as agriculture and construction are often repeat offenders, exploiting workers to cut costs and sidestep legal obligations. To detect these phenomena, a first typology of the INVERT risk indicators is thus aimed at the active player, the companies, in order to unravel these complex structures and detect possible anomalies: opacity of ownership, links with high-risk individuals, entities and sectors, or suspicious financial activities.

### Victim-Focused Indicators: a Bi-directional Analysis

Indicators that may flag cases of ongoing exploitation involve not only the companies, but also the victims. By identifying people at risk, it is possible to track down the perpetrators of the illegal activity. Many are migrants trapped by their irregular status, unable to seek help for fear of deportation. Others show signs of physical and psychological abuse or lack essential personal documents, being held hostage by their employers to prevent them from escaping abusive conditions. They often share common behavioural patterns and personal characteristics, employment conditions or links to people with a suspected or known criminal history.

The early identification of potential victims makes it possible not to have to rely solely on their testimony, which can sometimes be compromised by the fear and threats of the traffickers, and to break the criminal chain at an early stage.

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## Real-World Applications

**Let us consider two examples where these risk indicators could have provided early warnings:**

**Case One:** A recent investigation by the Italian authorities into operations linked to a renowned fashion house uncovered a network of subcontractors engaged in labour exploitation. Despite the prestigious brand, the subcontractors were found to be employing migrant workers in deplorable conditions, significantly below legal labour standards. This case, involving the garment industry, known for its complex supply chains and risk of exploitation, highlights the critical need for robust oversight and the effective use of risk indicators such as those developed by the INVERT project.



**Case Two:** In another high-profile case, a luxury brand known for its fine wools and fibres came under scrutiny over allegations that it exploited migrant workers to source vicuña wool in the Andes. The workers, often from local indigenous communities, faced harsh working conditions and unfair pay. This example not only illustrates the necessity of applying risk indicators to supply chains but also emphasizes the importance of ethical sourcing practices that respect both human rights and traditional livelihoods.

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The adoption and application of the INVERT project's risk indicators can enable authorities and organisations to address potential exploitation scenarios pre-emptively. By integrating these indicators into regular monitoring and enforcement mechanisms, Europe can protect its most vulnerable workers and ensure that economic competition is fair and humane.

The fight against labour exploitation requires vigilance, innovation, and commitment. The European INVERT Project provides us with the tools to transform our approach, making a significant impact on the lives of countless individuals and the integrity of our markets. Let us embrace this opportunity to make labour exploitation a relic of the past.