

# SIREN report

STRATEGIC INFORMATION RESPONSE NETWORK

United Nations Inter-Agency Project on Human Trafficking (UNIAP): Phase III


PHNOM PENH, CAMBODIA

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CB-04

## CAMBODIA: EXODUS TO THE SEX TRADE?

### EFFECTS OF THE GLOBAL FINANCIAL CRISIS ON WOMEN'S WORKING CONDITIONS AND OPPORTUNITIES

<b>KEYWORD</b>	<ul style="list-style-type: none"><li>▪ <b>Topic:</b> Global financial crisis (GFC); debt bondage; sexual exploitation</li><li>▪ <b>Information type:</b> Quantitative survey from women in the entertainment sector in Phnom Penh (brothels, independent 'street/garden' workers, karaoke, and massage parlors); n=357</li></ul>
<b>Synopsis</b>	<i>The financial crisis in Cambodia has led to signs of an increase in women entering the sex trade, driven primarily by declining working conditions. Debt bondage to sex establishment owners appears to have increased, with debts primarily paying for remittances to rural families. However, exploitative brokering and deception do not appear to be on the rise.</i>
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*The objective of this research was to measure increases in human trafficking and exploitation in Cambodia as a result of the financial crisis, specifically, the trafficking of women and girls into the entertainment sector. Retrenched garment factory workers and female members of vulnerable rural families were two key populations of interest.*

*Data was collected in April-May 2009 using a survey in Khmer, administered to 357 women and girls aged 15-49 currently working in Phnom Penh's entertainment sector, including brothel workers, street workers, karaoke workers, and massage parlor workers. Information was collected on their family background; the conditions of their current work and how they got into it; debts they have incurred along the*

*way, to whom, and for what; indicators of exploitation; and information on their previous job and why they left<sup>2</sup>.*

#### **3 key findings include:**

- 1. During the crisis, women have entered the sex trade coming from declining working conditions, such as in the garment sector, where they experienced long working hours and low pay;*
- 2. Debt bondage to sex establishment owners has increased, with an increasing proportion of cash going toward remittances to families; and*
- 3. Exploitative brokering activities have not increased. When women report being deceived into the sex trade, it is often by friends, family, or the sex establishment owner.*

<sup>1</sup> This research is part of a wider inter-agency rapid response effort to mitigate the effects of the financial crisis on trafficking and exploitation in Cambodia. Other key partners include Chab Dai Coalition, Emerging Markets Consulting, ILO, IOM, UNDP, World Vision, and the Government of Germany.

<sup>2</sup> Many thanks are extended to Population Services International (PSI) for sharing their knowledge of and resources on entertainment sector establishments in Phnom Penh.

### 3 RESEARCH QUESTIONS AND ASSUMPTIONS

- 1 Has the trafficking of girls and women into the entertainment sector in Cambodia increased significantly due to the global financial crisis?
- 2 Has the global financial crisis had any effect on women's working conditions, for example in the garment sector? Are any negative effects leading to women changing jobs into the sex sector?
- 3 Is there any increase in women's debts or debt bondage in the sex sector due to the financial crisis, to support struggling families?

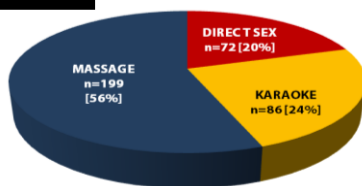
**ASSUMPTION** Financial downturn effects started being felt around September-October 2008. Thus, comparisons will be made between women and girls who entered the entertainment sector prior to September 2008, versus after September 2008. While this is not a perfect estimation, the analyses indicate that there may have been some significant changes in women and girls entering the entertainment sector during this timeframe, as will be discussed below.

#### Field sites and the interview sample at-a-glance<sup>3</sup>

**Field sites and sampling.** Stratified sample of entertainment sector establishments, randomly selected using a roster and GPS mapping of entertainment sector establishments, limited to massage, karaoke, and direct sex workers.<sup>4</sup>

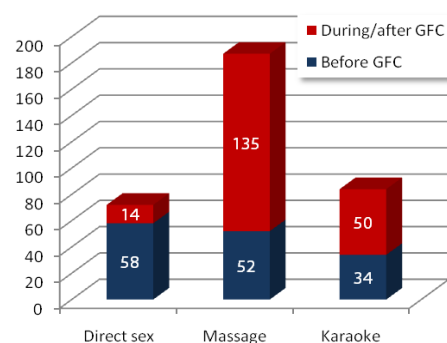
**Interview sample.** 357 girls and women currently working in the entertainment sector, aged 15-49 (average age = 26.7 years) were interviewed, as seen in Figure 1.<sup>5</sup> 199 women (58%) started work in the sector during the financial crisis, while 144 (42%) were working in the sector from 9 months to several years ago, before the financial crisis, as seen in Figure 2.

**FIGURE 1 TOTAL SAMPLE [n=357]**



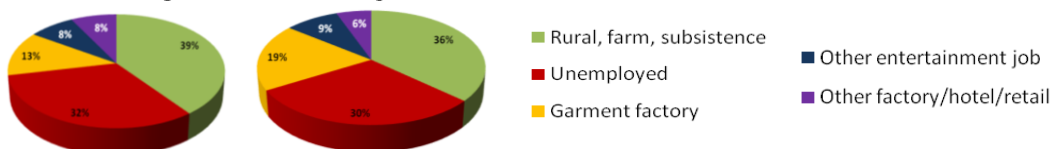
**FIGURE 2**

**TOOK SEX SECTOR JOB BEFORE VS. DURING/AFTER THE GFC? [n=343]**



**FIGURE 3 WHAT WAS THEIR PREVIOUS JOB?**

Fig. 3 illustrates the jobs held immediately before the respondents entered the sex sector (total n=343), for those who entered **before the financial crisis** (left chart), and those who entered **during/after the crisis** (right chart).



<sup>3</sup> The sample size of 357 was determined from a *a priori* power analysis with  $\alpha=.05$  and  $\beta=.80$ .

<sup>4</sup> Due to the difficulty for researchers of entering the most exploitative brothels, these may be under-represented among the sex establishments included here. Thus, the proportion of brothel-based sex workers within the larger sample of entertainment workers here does not necessarily represent the real nationwide proportion of brothel workers within the larger population of entertainment workers. However, for indicators of general trends and patterns *within* the sub-population of brothel workers, this sample is expected to be representative of trends and patterns both before and after the financial crisis.

<sup>5</sup> There were 8 non-respondents for questions on previous jobs, and 14 for date of entrance into the entertainment sector.



3. Massage parlors seem to have seen a marked increase in numbers of workers, though only a very small proportion of these are women who report being deceived into this work – only 4 of the 135 who entered after the financial crisis (3%) reported deception.
4. Numbers of women and girls working in karaoke are less overall (24% of the sample), but, since the financial downturn, a slightly larger proportion report being tricked or deceived into karaoke work (4 out of 50, or 8%). Most of these are women and girls who recently lost their job in the garment sector.
5. Overall, of the 60 women and girls who were former garment factory workers, 6 (10%) felt deceived or tricked into the entertainment sector. However, 3 were tricked before the financial crisis and 3 were tricked after.
6. Recent entrants into the sex trade, whether brothel-based or street-based, are the least in number<sup>6</sup> and appear to see low levels of deception into the sex trade. However, it is the women and girls who have been in the sex trade for longer periods of time that report much higher levels of deception into sex work.

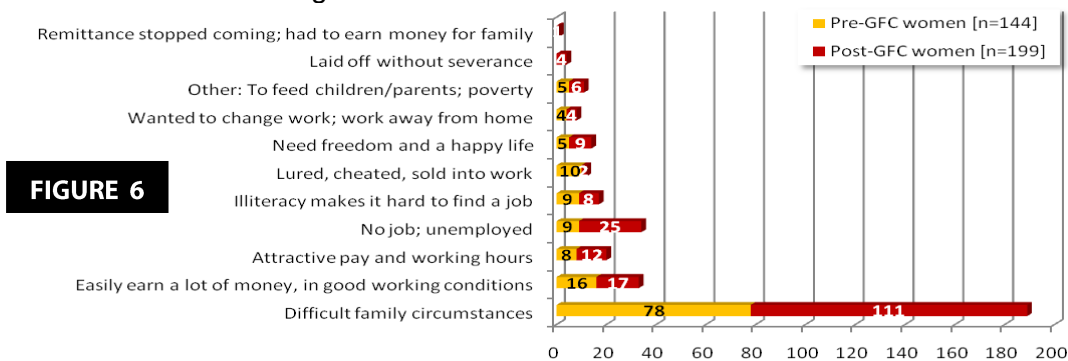
**RISKS OF BEING DECEIVED OR TRICKED INTO THE SEX TRADE:**

*Follow-on multivariate logistic regression modeling found that, overall, women in direct sex work are 8 ½ times<sup>7</sup> more likely to have been deceived into the sex trade, compared with other entertainment sector workers. Both before and after the financial crisis, being deceived or tricked into direct sex work is strongly and clearly associated with the worst levels of violence found in the Phnom Penh sex sector<sup>8</sup>.*

**Why and how did these women and girls enter into the entertainment sector?**

*“It is harder to find money than it was. I do not have enough money to support my children to go to school and to pay my daily expenses”. – Divorced mother of two who independently found a job working in a massage parlor after the garment factory she worked in closed, after the financial crisis.*

**Why enter the sex trade?** The women and girls were asked why they entered the entertainment sector and were asked to answer freely<sup>9</sup>. Figure 6, below, illustrates the reasons for entering entertainment sector work for those entering before the financial crisis and during/after the financial crisis.



<sup>6</sup> This could be related to the limitations explained in footnote 4.  
<sup>7</sup> P=.000; odds ratio = 8.510. P-values between .01 and .001 are considered highly statistically significant, while those between .01 and .05 are considered statistically significant. Above .05 is not statistically significant.  
<sup>8</sup> ANOVA p=.000, with worst cases of violence being based on women’s perceptions of the level of violence they experience, on a 1-5 scale (1=low/no violence, 5=extreme violence).  
<sup>9</sup> Responses were coded *post hoc* for quantitative analysis. ‘Difficult family circumstances’ could be so heavily reported as compared with other responses possibly due to women not naturally sharing the details behind their family circumstances, such as ‘remittances stopped coming so I had to earn money to remit.’

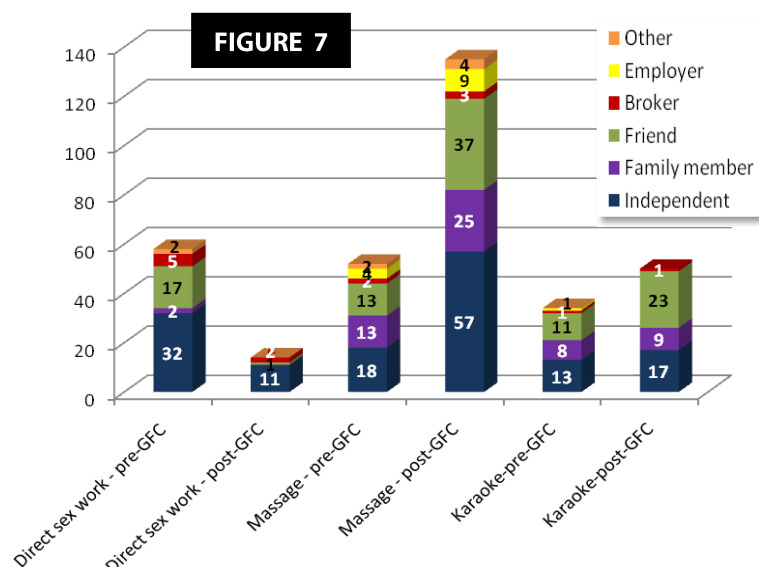
### Preliminary findings:

1. For entertainment workers of all types, by far the most common reason reported for entering the sex trade was ‘difficult family circumstances,’ followed by ‘easily earn a lot of money, in good working conditions.’
2. ‘Laid off’ and ‘remittances stopped coming, must earn money for family’ were rarely reported as reasons for entering the sex sector. However, it is notable that these were only reported by women who entered the sex sector after the crisis.
3. Being lured, cheated, or sold into work was a significant issue for women in entertainment prior to the financial crisis, but these types of cases were rarer among women who started sex sector work during/after the financial crisis.

**How did they enter the sex trade?** Respondents were also asked how they got their job in the entertainment sector – that is, who, if anyone, brokered or facilitated the job. Figure 7, below, summarizes their responses, for women and girls who entered the entertainment sector both before and after the financial crisis.

### Preliminary findings:

1. **Among massage parlor workers**, which has seen a significant increase during the financial crisis, 57 out of 135 (42%) found their jobs independently; 27% received assistance from friends; and 18% received assistance from relatives. Only 3 (2%) found their job through brokers.



2. **Among karaoke workers** who started their jobs after the financial crisis, 23 out of 50 (46%) found their jobs through friends; 34% found their jobs independently; and 18% found their jobs through family members. Only 1 (2%) found her job through a broker. Since several of these women also reported being tricked or deceived, it is suggested that this deceit is being done by people that the women consider to be friends and family, and not brokers.
3. **Among direct sex workers interviewed**, 79% found their jobs independently<sup>10</sup>. **Broker involvement** seems to not be increasing since the financial crisis.

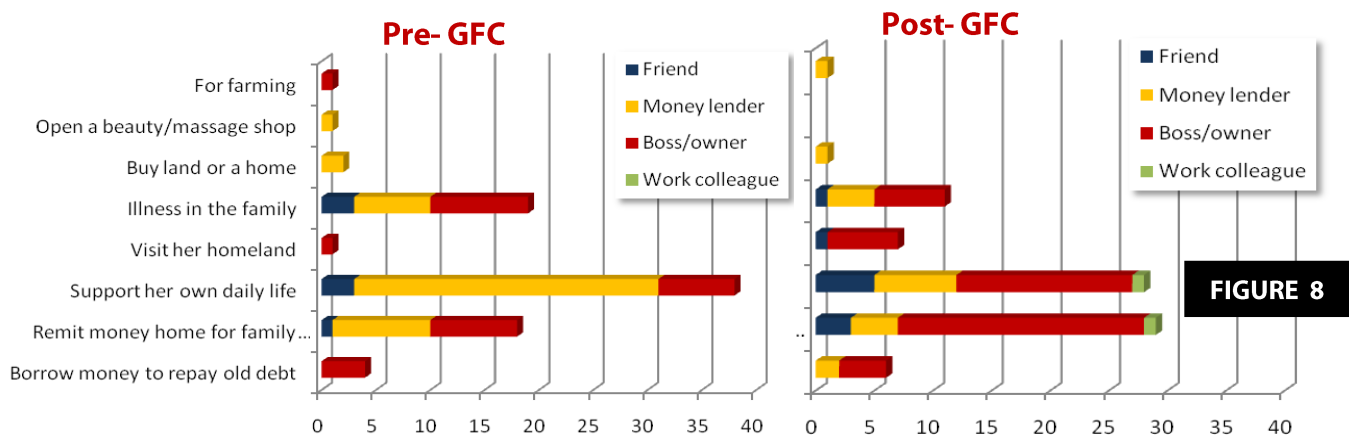
### **How might debt and debt bondage be a risk, as a result of the financial crisis?**

**Prior debts.** For all types of entertainment work, both before and during the financial crisis, most prior debts were to support families at home, followed by illness in the family. Other reasons included buying farming needs or appliances, or paying off old debts. 35.6% of respondents had prior debts.

<sup>10</sup> This could be an overestimate, due to the challenging nature of accessing and interviewing brothel-based direct sex workers who may be indentured or otherwise less free than women who found their jobs independently.

**Recruitment debts.** 19% of respondents held recruitment debts, 63% of which went toward paying for travel to their job. Other recruitment debts paid for cash advances to family members back home.

**Newly incurred debts.** Half the sample – 49.9% - incurred new debts after entering the sex trade. Some interesting shifts in newly incurred debts occurred with the financial crisis, as illustrated in Figure 8 below:



**FIGURE 8**

**Preliminary findings:**

1. 58% of women who entered the entertainment sector before the financial crisis are in debt, while a significantly lesser 42%<sup>11</sup> of the women who entered after the financial crisis were in debt. A separate logistic regression model found that, overall, direct sex workers are nearly 4 times more likely to be in debt than others<sup>12</sup>.
2. Before the financial crisis, 56% of women seeking loans received them from money lenders, while only 36% received loans from their sex establishment owners/bosses. However, 66% of women who entered the sex trade during/after the financial crisis got loans from their sex establishment owners/bosses while only 23% went to money lenders<sup>13</sup>.
3. Debts to get cash for family remittances was 27% of the debt bondage cases among women who entered before the financial crisis, but 40% of the cases among women who entered during the financial crisis<sup>14</sup>.
4. Since the financial crisis, some women are also beginning to turn to other new sources of loan money, namely, work colleagues.

**WHAT IS WORSE: BEING DEBT-BONDED, OR OWING A MONEY LENDER?** It could be assumed that the shift in women turning from money lenders to sex establishment bosses for loans may lead to more women being vulnerable to the control tactics and violence that are often thought to be associated with debt bondage. However, debt bondage was not significantly associated with the worst violence, worst restriction of freedoms, or worst working hours in this sample. Being debt-bonded did not even significantly negatively affect womens' opinions of their bosses. Debts to money lenders, on the other hand, were significantly associated with the worst levels of violence and the worst restriction of freedoms and movement in the sample (ANOVA p=.037 and .030 respectively). Do bosses calculate that they would not ultimately profit from excessive violence against their workers, whereas the welfare of the women would not matter in the same way to a money lender?

<sup>11</sup> ANOVA p=.003.  
<sup>12</sup> Multivariate logistic regression, odds ratio = 3.789; p=.000.  
<sup>13</sup> ANOVA p=.000 for drop in money lenders and p=.258 for increase in debt bondage (not significant).  
<sup>14</sup> ANOVA p=.216, thus, not a statistically significant increase, but a trend to watch over time.

**What are the working conditions in the entertainment sector and other sectors in which women work. How might this be changing due to the financial crisis?**

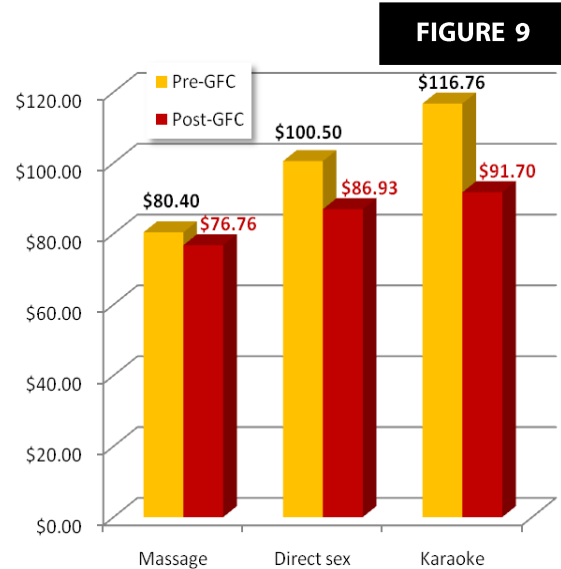
Working conditions and exploitation were examined in 4 ways:

1. **Wages earned**<sup>15</sup>. Wages earned are controlled mostly by the type of work in the sex trade. Wage decreases are seen in all types of entertainment work during the crisis, with karaoke workers earning the most but having the largest wage decline, as seen in the Figure 9 graph of average monthly wages (right). Massage workers earned significantly less than the rest<sup>16</sup>.

2. **Number of hours worked per day and days per week**. Working hours in the sex sector have significantly increased since the crisis<sup>17</sup>. The worst cases of excessively long hours, over 15 hours of work a day, has increased significantly since the crisis. Massage workers have significantly longer hours than the others<sup>18</sup>.

3. **Restriction on freedom and movement**. 16.5% of the cases were categorized as having exploitative restrictions on freedom of movement. Risk factors including having entered the sex sector through a broker<sup>19</sup>, and having entered the sex sector because of a loss or remittances, poverty, or wanting to change work<sup>20</sup>. The financial crisis was not significant for this hazard.

4. **Violence**. 6.4% of the cases were categorized as enduring extreme violence in the workplace, with an increase in overall violence in the sex sector since the financial crisis<sup>21</sup>, and with the likelihood of falling into this 'extreme violence' category being over 6 times higher if a broker was involved<sup>22</sup>, as described in the quote below from a massage parlor worker who was cheated by a broker:



**HOW DO WOMEN IN THE SEX SECTOR FEEL ABOUT 'EXCESSIVELY' LONG WORKING HOURS?**

Respondents were asked to rate their life on a scale of 1 to 5, with 1 indicating unhappiness with their quality of life, and 5 indicating great satisfaction with their life. Interestingly, in comparing ratings of 'quality of life' against working hours, a strong 'upside-down V pattern' was found where the women who were at the unhappy and the very happy extremes (i.e., 1 and 5) had low working hours, but where the average women (i.e., around 3) had work hours in excess of 15 hours a day (ANOVA p=.000). Further comparisons of perceived working conditions found that women valued having many working hours in a day – the higher the available hours, the higher the perceived working condition (p=.000). During a time with such unemployment woes, perhaps these findings are not so surprising.

<sup>15</sup> It was originally hypothesized that there might be interesting trends in the difference between promised and actual wages, but in fact, the difference was often minimal and in 19.6% of cases the women actually earned more than was promised – 8.4% of women actually earn \$50 more per month than expected.

<sup>16</sup> ANOVA p=.002.

<sup>17</sup> ANOVA p=.002.

<sup>18</sup> ANOVA p=.000.

<sup>19</sup> ANOVA p=.003.

<sup>20</sup> ANOVA p=.005.

<sup>21</sup> ANOVA p=.044.

<sup>22</sup> Multivariate logistic regression odds ratio = 6.237, p=.003.

*“It’s hard now at my work place. My boss merely thinks to maximize his income without concern for staff. I once refused to have sex with a heavily drunk customer, but my boss told me not to refuse again otherwise my house will be burned down or my younger sister will be brought to the massage parlor.” – 23-year-old massage worker from Kampong Cham, who was cheated by a broker into sex work during the crisis.*

## SUMMARY OF FINDINGS AND RECOMMENDATIONS

**Q1** *Has the trafficking of girls and women into the entertainment sector in Cambodia increased significantly due to the global financial crisis?*

**Some what.**

Exploitation has increased since the financial crisis, in several forms, but the deception, cheating, and brokering typically involved with trafficking has not increased. Movement of women and girls into the entertainment sector seems to have increased during this time, and debt bondage to sex establishment supervisors and owners has also increased but it is unclear how inherently dangerous this is for women, as compared with owing money to violent money lenders.

**Q2** *Has the global financial crisis had any effect on women’s working conditions, for example in the garment sector? Are any negative effects leading to women changing jobs into the sex sector?*

**Yes.**

Wages are declining and working hours are increasing, for example in garment factories and rural areas. This is leading women to leave those jobs in pursuit of perceived higher paying jobs with better working conditions, including those in the entertainment sector. Within the entertainment sector, women who entered during the financial crisis end up enduring significantly longer working hours, lower pay, and more violence in the workplace as compared with women who entered the sex trade before the financial crisis.

**Q3** *Is there any increase in women’s debts or debt bondage in the sex sector due to the financial crisis, to support struggling families?*

**Yes.**

Women appear to be moving into the entertainment sector driven in large part by debts owed for cash to support their families. Additional debts (most often to money lenders) are then sometimes incurred upon starting the new job to travel to the new place of work. Since the financial crisis, there appears to be a significant increase in new debts being incurred to sex establishment owners and supervisors, primarily for cash to remit home.

## RECOMMENDATIONS

- 1** **Strengthen social safety nets**, designed to meet the needs of families with women who are vulnerable to exploitation and degrading working conditions (Kampong Cham, Kandal, and Prey Veng could be targeted as some of the first priority areas). Loans, health equity funds, microcredit, and savings assistance could reduce the pressures for remittances that are driving working women into further debt, sometimes with risky lenders. These safer alternatives, and information about them, should target working women themselves as well as rural families.
- 2** **Link women who want jobs with better working conditions with alternative livelihood training and job placement assistance**, reaching women in the sex sector as well as other labor sectors seeing degrading working conditions for women. Use targeted outreach through various media to make women aware of these opportunities, and ensure that training leads to jobs. Stipends and other social support may need to be packaged with training, to ensure that women can afford to invest in themselves and support their families while not earning a wage.
- 3** **Use targeted awareness raising and outreach** to provide specific, clear information to people who may be vulnerable, for example how to access social services and training that will lead to jobs; the risks of using moneylenders; and, how to qualify for and access safer sources of loans and credit.