

## RCEHT ECONOMIC DEVELOPMENT PROGRAM TO FIGHT HUMAN TRAFFICKING WHITE PAPER May 19, 2023

### What Is Economic Development?

Economic development refers to improving a society or region's economic well-being and quality of life. It involves a wide range of activities, including increasing the productivity and competitiveness of businesses, creating new jobs, improving infrastructure and services, and promoting trade and investment. Economic development aims to create sustainable economic growth and ensure that the benefits of growth are shared broadly across society, particularly among those most vulnerable or disadvantaged. Ultimately, economic development aims to enhance the standard of living and quality of life for all members of society.

### How Does Economic Development Fit With Ending Human Trafficking?

Economic factors can play a significant role in creating conditions that make individuals vulnerable to trafficking. Poverty can make people more susceptible to the false promises of traffickers who offer them jobs and better lives in other countries. Lack of job opportunities and low wages can also push people to migrate in search of work, making them vulnerable to exploitation by traffickers.

Moreover, countries lacking economic opportunities may have weaker law enforcement and weaker protection systems for vulnerable populations, making it easier for traffickers to operate with impunity.

Overall, while the lack of economic development is not the sole cause of human trafficking, it is an essential contributor to the conditions that make individuals more vulnerable to exploitation. *Addressing economic inequality and promoting sustainable economic development is crucial to preventing human trafficking and protecting vulnerable populations.*

### How Does One 'Do' Economic Development In A Way That Will Promote An End To Human Trafficking?

Let's start with some principles that may fly in the face of commonly accepted economic development dogma.

**Economic development is a mindset** - It is not about just creating immediate jobs. Having jobs is better than not having jobs. It is not about throwing money, large or small, at 'projects.' A project that is not well thought through and based on a sound basis for economic success is a boondoggle. *Economic development* needs to be about *sustainable, ongoing job development*. It is about finding business situations that have the opportunity to grow long-term (see understanding underserved markets below). It is

the analogy of giving a person a fish to eat or teaching them to fish. You give people a job; they are individually taken care of. However, there is nothing sustainable created. There are no additional jobs that come from that activity. Economic development requires the mindset that we create businesses that have the opportunity to grow and develop, creating more and more jobs and more and more capital that can be invested in yet other businesses.

**Economic development requires understanding markets, particularly underserved market niches** - It is critically important that the populations in underdeveloped economies where human slavery recruitment is rampant learn how to identify underserved markets. It doesn't matter how insignificant or mundane the market might be to our Western eyes as long as real potential exists for filling underserved needs. That will, in turn, lead to building a business with long-term growth potential.

**Economic development requires an understanding and implementation of business best practices** - No matter how small or how insignificant an initial business activity is when it addresses an underserved market, there is a need for those building the business to learn and apply business best practices. This implies scaling down how one trains best practices to be appropriate for the populations being served.

Economic development IS NOT about throwing large amounts of money at a project - No amount of money directed at a project is going to lead to sustainable economic development unless the ventures supported have markets identified that are underserved and can be exploited. Equally, significant amounts of capital are wasted when the enterprises being financed are not managed using best practices to ensure the greatest chance of success. Capital may be required. But often, it needs to be selectively applied based on the circumstances to ensure optimum use of resources.

**Economic development to seed social change and impact requires local and collaborative ownership** - Setting up classic owner-dominated models does not facilitate social change. Too much of the financial return from a successful venture is concentrated in too few hands. The social environments where trafficking occurs have significant populations where people lack belief and don't feel their efforts will pay off. It is critical to help such populations become believers in themselves and believers in the potential for change. Building collaborative ownership and teaching of ownership mentality is key.

**Economic development to promote social change and impact requires a great deal of patience** - Economic development of this nature is about planting seeds instead of building giant projects. The fight against polio didn't happen in a couple of years; it took decades. We are trying to change long-term, embedded cultural and economic patterns that have prevented economies from becoming more prosperous. There is no magic wand we can wave to change things overnight. It will require finding a few areas where work is already being done and gradually adding economic development principles to

them over time. Developing a set of implementation principles that others can use will require a lot of initial experimentation and testing.

## How Does RCEHT Begin Taking Action To Promote Economic Development That Will Fight Human Slavery?

It will not take many resources to make a program like this available or get it off the ground. We will need a small team of experts with the required business knowledge who can make time available to consult with our initial target programs. That implies finding a small number of existing programs already doing job creation in target parts of the world. If we break down how this activity would unfold, it would look like this.

**First, Recruit the team that will provide the necessary expertise for executing the program.**

**Second, Identify existing programs where work is being done in the ideal target populations that can serve as tests.** We don't want to start from scratch. We want to layer the economic development work onto programs already succeeding. We especially want to work with programs that have learned how to deal with local power structures and customs.

**Third, Develop a means of consulting with the test programs in the critical knowledge areas of identifying underserved markets, developing business plans, and using best practices.** These will need to be formulated so that the information can be understood and implemented based on the size of the potential projects, limitations of the local environment, openness to new ideas, and education level.

**Fourth, Help the local partners to begin researching market opportunities and find initial tests of potential underserved markets.**

**Fifth, Work with the local partners to build their business plans and help execute the projects.**

**Sixth, Provide candidates and partners with training and coaching with best practices long-term to ensure the best chance of success.**

**Seventh, Use lean principles to continually test all aspects of the new businesses and ensure viability.**

**Eighth, Secure access to microfinancing to assist ventures that begin to show traction and promise.**

**Ninth, Provide candidates and partners with training and coaching in collaborative ownership to ensure the best chances of success.**

The proposed Economic Development Program to Fight Human Trafficking represents a low-cost, relatively low-time investment effort our Club can put into place that will help us demonstratively carry forth and actualize our mission.