

ANTI-HUMAN TRAFFICKING POLICY COMPLIANCE: THE ROLE OF CORRUPTION

Jayoti Das, Elon University
Cassandra E. DiRienzo, Elon University
Danny Lanier, Jr., Elon University

ABSTRACT

This study extends prior research regarding country compliance with international anti-human trafficking policies by empirically exploring how country corruption and economic freedom interact to impact compliance. It is posited that efforts to reduce corruption in countries that enjoy greater economic freedom will have a smaller marginal impact on policy compliance compared to nations with lower levels of economic freedom. In other words, there is inverse relationship between corruption and compliance with anti-human trafficking policies that decreases in the extent of a country's economic freedom. Using data from 140 countries, empirical evidence in this study supports this hypothesis.

JEL: O57, O15

KEYWORDS: Human Trafficking, Corruption, Economic Freedom, Cross-Country

INTRODUCTION

Globalization has transformed almost every aspect of the international community. As Freidman (2005) notes, globalization has shaped foreign relations and impacted domestic politics, culture, as well as the development of economic and social systems worldwide. While a significant body of literature has explored the outcomes associated with globalization, human trafficking has received increasing international attention. As Cho et al. (2012) note, human trafficking can be seen as one of the dark sides of globalization as the greater connectivity between countries has facilitated the illicit flows of human beings and Interpol (2009) estimates that human trafficking is the third largest transnational crime. International awareness of this issue has led to the creation of major international treaties to fight human trafficking such as the United Nations Convention Against Transnational Organized Crime and its Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children (Protocol). Specifically, the Protocol outlines three distinct policy dimensions to fight human trafficking; the *prosecution* or criminalizing of traffickers, the *protection* and assistance for victims of human trafficking, and the *prevention* of the crime itself.

These anti-human trafficking policies have been widely accepted in the international community and a substantial number of countries and territories have adopted the Protocol treaty. Although the treaty has been widely accepted and adopted in the international community, the degree to which countries actually comply with the policies is a current topic in the literature. Specifically, there is a small, but growing body of literature exploring the factors that make countries more likely to comply with anti-human trafficking policies. These studies have found that countries with lower corruption levels and higher levels of economic development, economic freedom, democracy and female representation in government roles are more likely to comply with anti-human trafficking policies. To date, the majority of these studies have considered how these factors collectively and individually affect compliance with the policies, but have not explored how some of them can interact to have a different impact on country

compliance. Specifically, past studies have found that countries with lower corruption levels and greater economic freedoms are more successful in complying with anti-human trafficking policies. It is suggested here that the effect of corruption on a country's ability to adhere to anti-human trafficking policies is not necessarily independent of the country's economic freedoms and regulations. Barro (1996) and Knack and Keefer (1995) have found that economically free countries engage in more competition and generally have more open socio-economic institutions and practices. Logically, these more globally and socially open countries have an environment that is more conducive to enforcing and complying with government policies; especially those that focus on socio-economic issues such as human trafficking.

On the other hand, less economically free countries tend to suffer from inefficiencies and rigidities in their business and economic markets and institutions, making adherence to any government policy more challenging. While corruption has been found to hinder a country's ability to comply with anti-human trafficking policies, it is argued here that the effect of corruption in these two environments – economically free and economically restricted – is likely to differ. In economically closed countries, political leaders face typically face significant barriers to effect change, which includes adhering to almost any policy or procedure. If corruption were to be widespread in this restricted environment, it would likely exacerbate the country's difficulties in complying with anti-human trafficking policies and efforts to reduce the amount of corruption in these environments is likely to have a significant, positive impact. Alternatively, while a reduction in corruption should also improve a country's ability to adhere to anti-human trafficking policies in an economically free country, the positive effect is not likely to be as substantial. Economically free nations have a structure and environment that is already more conducive to complying with anti-human trafficking policies and while a reduction in corruption should further assist in these efforts, it is likely not to have as significant an effect as a similar reduction in corruption in an economically restricted nation. Thus, it is hypothesized that the marginal effect of a reduction in corruption levels on a country's ability to comply with anti-human trafficking policies in an economically restricted country is greater than in an economically free nation. The primary thrust of this study is to conduct an empirical test of this relationship.

The remainder of the document is organized as follows. The next section discusses the relevant literature and findings related to corruption, economic freedom, and human trafficking. The Data and Methodology section provides a detailed description of the data used in this analysis. This section includes summary statistics and describes the methodology used to empirically test the hypothesis. The following section, Results and Discussion, presents the analysis results and discusses findings in relation to the primary research hypothesis presented in this study. Finally, the section Concluding Comments provides a brief overview of the study, which includes policy implications associated with the findings and offers possible avenues for future research.

LITERATURE REVIEW

Corruption has been used to describe a variety of behaviors such as bribery, collusion, coercion, kickbacks, and the abuse of authority for personal gain and can be found in both the public and private sectors (Aguilera and Vadera, 2008; Johnston, 1996; Hedienheimer, 1989; Van Klaveren, 1989; and Tanzi, 1998). As Tanzi (1998) notes, it can be difficult to define corruption; however, it is generally easy to recognize such practices if they are observed. Although the literature has not agreed on a single definition of corruption, there is considerable consensus regarding its negative impact on a country's institutions and infrastructure. As Shah (2011) discusses, corruption permeates almost every aspect of a society by weakening political systems, hampering economic development, and harming socio-economic factors such as the environment and the health of its citizens. Lambsdorff (2005) summarizes the considerable research that has shown the harmful effects of corruption on a country's total investment, GDP, institutional quality, government expenditures, poverty, and international flows of capital, goods, and aid. Further, the World Bank (2009) has identified corruption as one of the most significant

impediments in a country's economic and social development as it distorts the rule of law and weakens institutional foundations. In sum, a significant body of research has found that corruption systemically harms a country's markets, institutions, and infrastructure in addition to many socio-economic factors and generally weakens a country's ability to compete in the global economy (Kehoe, 1998; Jain, 2001; and Lambsdorff, 2005). Concerning human trafficking, a recent report by UNODC (2011) suggests that this crime and corruption are closely related.

While focusing primarily on corrupt behavior among law enforcers, criminal justice authorities and the private sector, UNODC documents findings consistent with the adverse impact of corruption on the enforcement of anti-human trafficking policies. Specifically, UNODC finds that "the corrupt behavior of law enforcers may help traffickers to recruit, transport and exploit their victims (p. 4)." Moreover, they find that corruption amongst criminal justice authorities may "obstruct the investigation and prosecution of cases, and/or impede the adequate protection of victims of the crime (p. 4)." Finally, the report argues that corruption in the private sector (e.g., travel agencies, hotels, etc.) may also diminish the impact of anti-human trafficking policies. The association between corruption and human trafficking has received increased attention in the press, as well as in the academic literature. For instance, in a recent CNN.com article on the U.S. State Department's decision to downgrade Thailand in its 2014 Trafficking in Persons (TIP) report, pervasive corruption in Thailand was cited as one of the contributing factors:

"According to the State Department, Thailand's efforts to address trafficking are being hampered by 'corruption at all levels.' Some corrupt officials have even protected brothels and food processing facilities from raids and inspections, the TIP report said. Police officers at the local and national level, who had been assigned to regions notorious for trafficking, formed protective relationships with traffickers. Immigration officials and police have allegedly sold migrants who were unable to pay labor brokers and sex traffickers, according to the report. (Brown 2014)"

Relatedly, the article also notes the State Department's view that Thailand officials have made little effort to address the claims of, or to adequately identify, victims of human trafficking, nor have they adequately responded to warnings from the State Department about the use of laws to prosecute those who report on human trafficking (Brown, 2014). The academic literature focusing on the effectiveness of anti-human trafficking policies has also examined the association between corruption and human trafficking. For example, after testing the association between several country-specific factors and the level of human trafficking activity, Zhang and Pineda (2008) conclude that corruption is likely most important factor in explaining human trafficking. They also conclude that countries exhibiting low levels of effort toward the enforcement of anti-human trafficking policies are also countries exhibiting higher levels of corruption. More recently, Cho et al. (2014) have found that compliance with anti-human trafficking policies significantly decreases when corruption is more prevalent.

Cho et al. (2012) note that the government's ability to enforce any policy depends at least to some extent on the quality of the government and the presence of corruption affects the quality and effectiveness of the government and the bureaucracy. In short, Cho et al. (2012) state that as corruption becomes increasingly prevalent, bureaucrats and government officials are less likely to protect and enforce sound policies, such as those outlined in the Protocol. Although past research has clearly found that a greater prevalence of corruption negatively affects a variety of socio-economic factors, including a country's ability to comply with anti-human trafficking policies, this negative effect is likely to be dependent on the level of economic freedom the country enjoys. The Heritage Foundation (2014) defines economic freedom as the right of to control one's own labor and property. Further, the Heritage Foundation describes an economically free society as one where citizens have the freedom to work, produce, consume, and invest as they chose and in which governments allow the freedom for labor, capital, and goods to move without restrictions or constraints. Past research has provided extensive evidence that greater economic freedom has many benefits. Specifically, in a cross-country study, Stroup (2007) finds

that economic freedom consistently enhances the health, education, and the ability to prevent disease within a country. Similarly, Esposto and Zaleski (1999) and Goldsmith (1997) find that countries with higher levels of economic freedom also enjoy a greater quality of life and better overall state of well-being. As discussed above, Barro (1996) and Knack and Keefer (1995) have noted that economically free countries are more likely to engage in global competition and tend to have more open socio-economic institutions and practices.

Economic freedom is also associated with greater efficiencies as Goel and Nelson (2005) note that less red tape and bureaucratic rigidities are found in economically free nations. Gartzke (2005) states that economically free nations have stronger international relationships that are developed through open trade and these relationships help foster cooperation across nations. In sum, there is significant evidence to suggest that economically free nations enjoy greater stability in their infrastructure and institutions, fewer bureaucratic rigidities, efficient markets, societies with improved overall well-being, and have stronger international relations. The characteristics of an economically free nation also serve to increase the likelihood for a country to comply with anti-human trafficking policies. Considering that economically free nations tend to have more open socio-economic institutions and practices and fewer bureaucratic rigidities and stronger international ties that encourage cooperation across nations, these nations are in a better position to adhere to international anti-human trafficking policies. Economically restricted countries with more closed socio-economic practices that are hampered with inefficiencies and lack the international relationships face considerable hurdles in complying with any international policy, especially those addressing human rights issues.

Thus, both economically restricted countries and those with a greater prevalence of corruption are challenged in their efforts to comply with international anti-human trafficking policies. When corruption is found to be widespread and is having a negative effect on a country, past research has often, suggested policies and procedures aimed to strategically reduce specific corrupt practices. While reducing corruption in any nation should yield many benefits, including the country's ability to comply to anti-human trafficking policies, efforts to reduce corruption in an economically restricted nation should have a larger marginal impact on its compliance with anti-human trafficking policies compared to a similar reduction in corruption in an economically free nation. A reduction in the prevalence of corruption should improve the transparency of laws, strengthen institutions, and enhance a country's overall social development and better position a country to adhere to international policies. Nonetheless, an economically restricted nation that suffers from a variety of bureaucratic rigidities, has weaker political systems, and more closed socio-economic practices is likely to observe larger boost in its ability to comply with anti-human trafficking policies compared to an economically free nation that already has an environment that is generally more conducive to adhering to such policies. In other words, reducing corruption in restricted nations should free some of the rigidities and inefficiencies and make laws and policies more transparent; all of which should better position these countries to comply with anti-human trafficking policies. On the other hand, reducing corruption in economically free nations that are already in a better position to adhere to such policies should also enhance their ability to comply, but the effect is not likely to be as significant. Thus, it is hypothesized:

H1: The marginal effect on the ability of a country to comply with international anti-human trafficking policies from a reduction in corruption level is greater for economically restricted nations compared to economically free countries.

DATA AND METHODOLOGY

Data measures for compliance with anti-human trafficking policies, corruption, economic freedom, and other control factors are needed to empirically test H1. Concerning anti-human trafficking, as noted above the Protocol outlines three distinct policy dimensions; Prosecution, Protection, and Prevention, to

fight human trafficking and these policies have been widely adopted in the international community. Specifically, the *prosecution* policy dimension measures governments' efforts to punish and prosecute traffickers on the six different policy areas outlined in the Protocol, while *protection* focuses on shielding and supporting victims, and *prevention* evaluates the level of government efforts to stop the occurrence of human trafficking. Using these three dimensions, Cho et al. (2012) develop a new anti-human trafficking index that measures governments' compliance on each of these dimensions. For each policy area, countries are scored on a discrete, one to five scale in which a score of five represents the greatest level of compliance and a score of zero indicates complete noncompliance.

The un-weighted sum of three policy dimension scores are then aggregated to create an overall index measure of a country's compliance with anti-human trafficking policies. This aggregate index (*3P*) is available for 175 countries. This measure created by Cho et al. (2012) offers the first anti-human trafficking compliance measure of its kind and the *3P* data is used to proxy country compliance with anti-human trafficking policies. Of the countries considered in this analysis, Australia, France, the Netherlands, South Korea, and Switzerland represent the countries with the highest *3P* data values as each received a perfect score of 15. On the other end of the spectrum, Syria, Iran, and Papua New Guinea represent countries with the smallest *3P* scores of 3, 4, and 5, respectively, indicating the lowest levels of compliance with the anti-human trafficking policies.

Concerning corruption, Transparency International's Corruption Perception Index (CPI) is used. According to Transparency International (2009), the CPI is designed to capture public sector corruption and is based on 13 different expert and business surveys that are completed both in country and abroad. The surveys ask respondents a series of questions related to the perceived level of abuse of public power for private benefit such as the degree to which bribes, kickbacks, and embezzlement occur. Each country receives a CPI score that is scaled from zero (highly corrupt) to 100 (minimal to no corruption). In 2009, 180 countries or territories received a CPI score. It should be noted that other country-level measures of corruption exist; however, Berg (2001) notes that the CPI is probably the most well known measure. Further, Lancaster and Montinola (1997) and Serra (2006) state that the CPI is the most complete corruption measure and is more robust than other measures that rely on single sources. Of the countries considered in this analysis, New Zealand, Denmark, Singapore, Sweden, and Switzerland represent the countries with the highest CPI values, or the lowest levels of perceived corruption, with scores of 9.4, 9.3, 9.2, 9.2, and 9.0. On the other end of the spectrum, Chad, Uzbekistan, Turkmenistan, Iran, Burundi, Haiti, and Guinea have the lowest CPI values of 1.6, 1.7, 1.8, 1.8, 1.8, 1.8, and 1.8, respectively, representing the countries with the highest levels of perceived corruption.

The Heritage Foundation's Index of Economic Freedom (*EFI*) is used in this study to measure country-level economic freedom. To create the index, the Heritage Foundation considers 50 different country-level variables that are divided into ten broad categories; Business freedom, Trade freedom, Fiscal freedom, Government spending, Monetary freedom, Financial freedom, Property rights, Freedom from corruption, Investment freedom and Labor market freedom (Heritage Foundation, 2014). The ten categories are scored individually and then averaged to create a country's overall economic freedom score. Thus, the *EFI* ranges from zero (least economic freedom) to 100 (greatest economic freedom). Compared to other measures of country economic freedom, Berggren (2003) notes that the *EFI* data has been used extensively in academic research. Of the countries considered in this analysis, Singapore, Australia, and Ireland represent the most economically free countries with 2009 *EFI* values of 87.1, 82.6, and 82.2, respectively. Alternatively, Zimbabwe, Venezuela, and the Democratic Republic of Congo represent the least economically free nations with *EFI* scores of 22.7, 39.9, and 42.8, respectively.

Finally, both income inequality and the level of economic development are used as control variables as both have been linked to human trafficking. Specifically, Bales (2007) finds that wealth, specifically, the overall economic well-being of a population and the extent of poverty, significantly impact the prevalence

of human trafficking in a country. The 2009 Gini coefficient developed by Corrado Gini in 1912 is used to measure income inequality. The Gini coefficient considers the income distribution in a country and captures the degree to which the distribution is unequal. The coefficient ranges from zero to one such that values close to zero represent an equal distribution of wealth and values close to one represent a highly unequal distribution. Lastly, the natural log of 2009 GDP per capita (LnGDPPC) measures the level of economic development, which is available through the World Bank.

Descriptive Statistics

The data described above is available for 140 countries and this sample is used to empirically test H1. Table 1 provides a summary of the data used as well as the descriptive statistics and Table 2 provides the correlation matrix. The 3P data used in the analysis is the most current data available and the control variables are lagged by approximately two years, as their effect on a country’s compliance with anti-human trafficking policies cannot be expected to occur immediately. Although each of the control variables are collected from the 2009 reported year, it is noted that not all the data from the various sources below is collected at the exact same time period during 2009, which will create some time periods in which the data collection is not perfectly synchronized.

Table 1: Variable Summary and Descriptive Statistics

| Variable | Proxy (Name, Year Reported) | Mean | St. Deviation |
|--|--|-------|---------------|
| Anti-Human Trafficking Policy Compliance | 3P Index (Cho et al., 2012) | 10.61 | 2.61 |
| Corruption | Transparency International, Corruption Perceptions Index (CPI, 2009) | 3.92 | 2.09 |
| Economic Freedom | Heritage Foundation, Economic Freedom Index (EFI, 2009) | 59.7 | 10.8 |
| Income Inequality | Gini Coefficient (Gini, 2009) | 40.57 | 9.27 |
| Economic Development | LnGDP per Capita, World Bank (LnGDPPC, 2009) | 7.62 | 1.58 |

Table 1 provides a summary of the variables in the analysis and their data proxies. As shown in Table 2, the 3P data is significantly and positively correlated with CPI, EFI, and LnGDPPC and significantly and negatively correlated with Gini, indicating that, as expected, countries with greater compliance with anti-human trafficking policies tend to have lower levels of corruption, greater economic freedom and development, and have a more equal distribution of wealth.

Table 2: Correlation Matrix

| | 3P | CPI | EFI | Gini | LnGDPPC |
|---------|----------|----------|----------|----------|---------|
| 3P | 1 | | | | |
| CPI | 0.47*** | 1 | | | |
| EFI | 0.50*** | 0.83*** | 1 | | |
| Gini | -0.31*** | -0.32*** | -0.24*** | 1 | |
| LnGDPPC | 0.51*** | 0.82*** | 0.73*** | -0.27*** | 1 |

Table 2 provides the Pearson correlation coefficient between each of the data variables used in the analysis. The significance of the correlations are defined as: *p <0.10; **p<0.05; ***p<0.01

Regression Analysis

To test H1, the following regression model, Model 1, is estimated:

$$3P = \beta_0 + \beta_1CPI + \beta_2EFI + \beta_3CPI * EFI + \beta_4Gini + \beta_5LnGDPPC + \varepsilon \tag{1}$$

In order to provide empirical support for H1, the estimated coefficients for β_1 and β_2 should be positive and significant and the estimated coefficient for the interaction term (β_3) should be negative and significant. Such results would indicate that, holding all else constant, lower levels of corruption and greater economic freedoms positively affect a country’s ability to comply with the anti-human trafficking policies outlined in the Protocol. Further, a reduction in corruption has a greater marginal effect on an

economically restricted country's ability to comply with the policies compared to an economically free nation.

RESULTS AND DISCUSSION

As shown in Table 3, the regression results provide overall support for Model 1 with an Adjusted R^2 of 0.3222 and a significant F at the 99% significance level. Concerning the coefficients on the control variables, the estimated coefficient on $Gini$ is negative and significant and the estimated coefficient on $LnGDPPC$ is positive and significant. This indicates that, as expected, wealthier nations with a more equal distribution of wealth have greater compliance with the anti-human trafficking policies outlined in the Protocol.

Table 3: Regression Results: Dependent Variable $3P$

| | Coefficient Estimate | Std Err | T Stat | P-Value |
|------------------|----------------------|---------|---------|---------|
| <i>Intercept</i> | 0.484 | 2.652 | 0.18 | 0.8556 |
| <i>CPI</i> | 1.406 | 0.751 | 1.87* | 0.0634 |
| <i>EFI</i> | 0.1405 | 0.044 | 3.22*** | 0.0016 |
| <i>CPI*EFI</i> | -0.0203 | 0.010 | -2.11** | 0.0366 |
| <i>Gini</i> | -0.0504 | 0.021 | -2.42** | 0.0169 |
| <i>LnGDPPC</i> | 0.4446 | 0.208 | 2.14** | 0.0343 |

Table 3 provides a summary of the regression results. The Adjusted R^2 for the regression is 0.3222 with an F test statistic of 14.22***. The significance of the estimates are defined as: * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

Most importantly, the estimated coefficients on CPI and EFI are positive and significant and the estimated coefficient on the interaction term is negative and significant, which offers empirical support for H1. By taking the partial derivative of the estimated regression with respect to CPI , the effect of a reduction in corruption can be examined in more detail. Specifically, the estimated marginal effect of CPI on $3P$ is:

$$\frac{\partial 3P}{\partial CPI} = 1.406 - 0.0203EFI \quad (2)$$

In the most extreme case, in which a country has no economic freedoms, EFI would equal zero. In this situation, the effect of a unit increase in CPI , which indicates a reduction in corruption, on a country's $3P$ index is estimated to be 1.406, holding all else constant. Alternatively, if a country had an average level of economic freedoms with the mean EFI value of 59.7, the effect of a unit increase in CPI would be 0.19409, a considerably smaller impact. Specially, the estimated effect is $0.19409 = 1.406 - (0.0203 * 59.7)$. Further, by solving the first order condition above, the estimated effect of unit increase in CPI in a more economically free country with an EFI value of 69.26 is approximately zero. In other words, holding all else constant, as the level of economic freedom within a country increases, the marginal effect of a reduction in corruption decreases, as theorized in H1.

The analysis raises an interesting result for economically free nations. In a very economically free nation, one with an EFI value greater than 69.26, the effect of a reduction in corruption is estimated to decrease a country's $3P$ score, or hinder a country's ability to comply with anti-human trafficking policies. For example, holding all else constant, the estimated marginal effect on $3P$ of unit reduction in corruption in an economically free country with an EFI value of 80 is -0.28. The negative impact of reducing corruption in highly economically free and developed nations is not new. As Jain (2001) describes, in some situations, corruption can 'grease the wheels' change. In more open and developed economies where resources are abundant and institutional rules are well-established and heavily regulated,

Swaleheen and Stansen (2007), Cuervo-Cazurro (2008), and Lui (1985) suggest that some degree of corruption can reduce some rigidities and transactions costs and improve efficiency. In this specific case, it is possible for a low level of corruption to facilitate transactions and enhance efficacy. Nonetheless, it should be noted that these situations are rare and that in almost every case, corruption has a harmful effect on a country's markets, institutions, infrastructure, and international relations in addition to its ability to comply with anti-human trafficking policies.

CONCLUDING COMMENTS

This study extends prior research concerned with the adverse impact of corruption on the effectiveness of anti-human trafficking policies. Specifically, we empirically test whether the association between corruption and overall compliance with anti-human trafficking policies varies with the extent of a country's economic freedom. Based on prior research suggesting that greater economic freedom is associated with factors that increase the likelihood of compliance with anti-human trafficking policies, we posit that efforts to reduce corruption in countries that enjoy greater economic freedom will have a smaller marginal impact on policy compliance compared to nations with lower levels of economic freedom. Using a sample of 140 countries during 2009, we find evidence to support our prediction. Specifically, our evidence suggests that the inverse relation between corruption levels and the extent of compliance with international anti-human trafficking policies is decreasing in the extent of a country's economic freedom. Our study provides several policy implications. In a recent report commissioned by UNODC (2011), corruption was identified as being highly interrelated with human trafficking; nevertheless, they argue, the lack of attention on the correlation between these two crimes has undermined efforts to develop and implement effective anti-human trafficking policies.

Our findings not only corroborate the UNODC's assertion that corruption and human trafficking are interrelated, but also shed light on the circumstances under which this relation is most prominent. That is, our findings suggest that efforts to reduce the extent of corruption, as a means of strengthening compliance with anti-human trafficking policies, would be better suited for countries with lower levels of economic freedom. An alternative interpretation of our results for policy-making purposes is that the promotion of stronger economic freedom may serve as a natural deterrent to corruption, which, in turn, will allow policy makers to redirect their anti-corruption efforts where they might be the most impactful in battling human trafficking crimes. While this study contributes to the growing body of literature examining the factors that affect a country's compliance with international anti-human trafficking policies, there are limitations to this study. Specifically, the measure of corruption used in this analysis is perceptions data that is primarily on survey data. It is widely recognized that survey data has inherent flaws as it is based on people's opinions and observations.

Further, the CPI data, as with all measures of corruption data, attempts to capture and measure a variable that is largely qualitative in nature. Nonetheless, as noted above, the CPI data has been recognized as one of the most complete and robust measures of country corruption available. Further, any data measure related to human trafficking is subject to question considering the hidden nature of the crime, the difficulties victims face in reporting the crime, and the general lack of public awareness of the crime. Thus, any data measure related to human trafficking should be considered in this light. Finally, this study offers avenues for future research. If leaders are successful in designing and implementing policies that effectively reduce corruption and/or bolster economic freedom, how do these changes affect a country's compliance with international anti-human trafficking policies over time? In other words, what is long-term impact of effective policies aimed to reduce corrupt practices and/or encourage economic freedoms and how do these policies affect compliance with anti-human trafficking policies over time? Such studies could consider the time lag between policy implementation and significant changes in compliance with anti-human trafficking policies. Considering the terrible nature of the human trafficking crime, more studies and international awareness are necessary tools to fight the crime. Almost by definition, this

crime crosses national boundaries and efforts to fight human trafficking need the collective buy-in from the global community as a whole. While globalization is likely to have contributed to the growth in human-trafficking, perhaps it can also serve to help fight it as the international community is more closely tied and connected than ever before.

REFERENCES

- Aguilera, R.V. & Vadera, A.K. (2008) “The Dark Side of Authority: Antecedents, Mechanisms, and Outcomes of Organizational Corruption,” *Journal of Business Ethics*, 77, p. 431 – 449.
- Barro, R.J. (1996) “Democracy and Growth,” *Journal of Economic Growth*, 1, p. 1-27.
- Bales, K. (2007) “What Predicts Human Trafficking?” *International Journal of Comparative and Applied Criminal Justice*, 31(2), p. 269-279
- Berg, E. (2001) “How Should Corruption be Measured?” MSc Economics extended essay. [Online] Available: http://members.multimania.co.uk/eberg/measuring_corruption.pdf (July 1, 2013).
- Berggren, N. (2003) “The Benefits of Economic Freedom,” *The Independent Review*, VIII, 2, p. 193 – 211.
- Brown, S. (2014) “Tackling Thailand's human trafficking problem,” [Online] Available: <http://www.cnn.com/2014/06/20/world/asia/thailand-trafficking-report/> (July 15, 2014).
- Cho, S-Y, Dreher, A, & Neumayer, E. (2012) “The Spread of Anti-trafficking Policies – Evidence from a New Index,” [Online] Available: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1776842 (February 15, 2013).
- Cho, S-Y, Dreher, A., & Neumayer, E. (2014) “Determinants of Anti-Trafficking Policies,” *Scandinavian Journal of Economics*, 116(2), p. 429–454.
- Cuervo-Cazurra, A. (2008) “Better the devil you don’t know: Type of corruption and FDI in transition economies,” *Journal of International Management*, 14(1), p. 12-27.
- Esposito, A. & Zaleski, P. (1999) “Economic Freedom and the Quality of Life,” *Constitutional Political Economy*, 10(2), p. 185–97.
- Friedman, T. L. (2005) *The World is Flat*. Douglas & McIntyre, LTD, Canada.
- Gartze, E. (2005) “Economic Freedom and Peace,” In J. Gwartney, R. Lawson, & E. Gartze (Eds.) 2005 Economic Freedom of the World Annual Report, The Fraser Institute (Chapter 2, pp. 29 – 44).
- Goel, R. K. & Nelson, M. A. (2005) “Economic freedom versus political freedom,” *Australian Economic Papers*, 44(2), p. 121 – 133.
- Goldsmith, A. A. (1997) “Economic Rights and Government in Developing Countries: Cross-National Evidence on Growth and Development,” *Studies in Comparative International Development*, 32(2), p. 29–44.
- Heidenheimer, A. J. (1989) “Perspectives on the Perception of Corruption,” In A. J. Heidenheimer, M Johnston, & V. T. LeVine (Eds) *Political Corruption: A Handbook*, New Brunswick.

Heritage Foundation (2014) [Online] Available: <http://www.heritage.org/index/about> (July 15, 2014).

Interpol, (2009) “Trafficking in Human Beings” [Online] Available: http://www.interpol.int/Crime-areas/Trafficking-in-human-beings/Trafficking-in-human-beings_ (June 19, 2013).

Jain, S. (2001) International Marketing, South Western Publishing: Mason, Ohio.

Johnston, M. (1996) “The search for Definition: The Vitality of Politics and the issue of Corruption,” *International Social Science Journal*, 149, p. 321-335.

Kehoe, W.J. (1998) “The Environment of Ethics in Global Business,” *Journal of Business and Behavioral Science*, 2, p. 47-56.

Knack, S. & Keefer, P. (1995) “Institutions and economic performance: Cross country tests using alternative institutional measures,” *Economics and Politics*, 7(3), p. 207-227.

Lambsdorff, JG. (2005) “Consequences and causes of corruption: What do we know from a cross-section of countries?” Passauer Diskussionspapiere: Volkswirtschaftliche Reihe, No. V 34-05.

Lancaster, T. D. & Montinola, G. R. (1997) “Toward a Methodology for the Comparative Study of Political Corruption,” *Crime, Law and Social Change*, 27, p. 85-206.

Lui F. (1985) “An equilibrium queuing model of corruption,” *Journal of Political Economics*, 93, p. 760-81.

Serra, D. (2006) “Empirical determinants of corruption: A sensitivity analysis,” *Public Choice*, 126, p. 225 – 256.

Shah, A. (2011) “Corruption. Global Issues” [Online] Available: <http://www.globalissues.org/article/590/corruption> (July 14, 2014).

Swaleheen, M. & Stansel, D. (2007) “Economic Freedom, Corruption, and Growth,” *Cato Journal*, 27(3), p. 343- 358.

Stroup, M. D. (2007) “Economic Freedom, Democracy, and the Quality of Life,” *World Development*, 35(1), p. 52 -66.

Tanzi, V. (1998) “Corruption around the World: Causes, Consequences, Scope, and Cures,” IMF Staff Papers, 45(4), International Monetary Fund, Washington, D.C.

Transparency International (2009) “Most Frequently Asked Questions: CPI,” [Online] Available: http://www.transparency.org/files/content/tool/2009_CPI_FAQs_EN.pdf (July 16, 2014).

United Nations Office on Drugs and Crime. (2011) The Role of Corruption in Trafficking Persons. Vienna.

Van Klaveren, J. (1989) “The concept of corruption,” In A.J. Hedienheimer, M. Johnston, & V. LeVine. (Eds.), *Political Corruption: A Handbook*, Transaction Publishers: New Brunswick, N.J.

World Bank. (2009) [Online] Available: <http://go.worldbank.org/FB9OHCT5M0> (July14, 2014).

Zhang, S. X. & Pineda, S. L. (2008) *Corruption as a Causal Factor in Human Trafficking. Organized Crime: Culture, Markets and Policies*, Springer: New York.

BIOGRAPHY

Dr. Jayoti Das is a Professor of Economics at Elon University. She can be contacted at: Elon University, 2075 Campus Box, Elon, NC, 27244. Phone: 336-278-5941. Email: dastina@elon.edu.

Dr. Cassandra E. DiRienzo is a Professor of Economics at Elon University. She can be contacted at: Elon University, 2075 Campus Box, Elon, NC, 27244. Phone: 336-278-5958. Email: cdirienzo@elon.edu.

Dr. Danny Lanier, Jr. is an Assistant Professor of Accounting at Elon University. He can be contacted at: Elon University, 2075 Campus Box, Elon, NC, 27244. Phone: 336-278-5966. Email: dlanier2@elon.edu.

