

MEF SCHOOLS MODEL UNITED

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*“Achieving SDGs (Sustainable Development Goals) in line
with the 2030 United Nations agenda.”*



Committee: GA2 Economical and Financial Committee

Agenda Item: The effects of increasing amount of global trafficking and migrant smuggling on global economy

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Positions: Deputy Chair, Deputy Chair.

Introduction

Global human trafficking and migrant smuggling have increased in recent decades due to armed conflicts, economic inequality, climate change, and political instability. While often addressed from a humanitarian perspective, these crimes also have serious economic consequences.

They expand the global informal economy, distort labor markets, reduce tax revenues, and increase public spending on border control, law enforcement, and social services. These activities generate billions of dollars annually, strengthening transnational criminal networks and undermining sustainable economic development.

As the international community works toward achieving the Sustainable Development Goals (SDGs) by 2030, addressing the economic impacts of trafficking and migrant smuggling has become a key responsibility of the General Assembly Second Committee (ECOFIN).

Definition of Significant Terms

Human Trafficking

The illegal recruitment, transportation, or harboring of individuals for exploitation, including forced labor and sexual exploitation.

Migrant Smuggling

The facilitation of illegal entry of individuals into another country for financial or material benefit.

Informal Economy

Economic activities that are not regulated or taxed by governments.

Transnational Organised Crime

Criminal activities conducted across national borders, often linked to trafficking networks.

Forced Labor

Work performed involuntarily under threat, risk, or without fair payment.

Illegal Migration

Movement of people across borders without legal permission or documentation.

Economic Instability

A condition where an economy faces uncertainty, reduced growth, or financial imbalance.

Externalization (Externalizing border control)

Developed nations preventing refugees or migrants from reaching their borders by enlisting third parties such as lesser developed countries or private entities, sometimes even involving criminal organizations at cost of financial aid.

Transit nation

The nation that refugees and immigrants, either documented or undocumented, travel through to reach their destination, the nation they seek refuge in.

Destination nation

The nation that refugees and immigrants, either documented or undocumented, seek refuge in, usually after traveling through transit nations to get to.

Detailed Background of the Issue

Human trafficking and migrant smuggling have expanded alongside globalization and global migration trends. Armed conflicts, economic inequality, climate pressures, and political instability have increased forced displacement worldwide, while limited access to safe and legal migration pathways has pushed many individuals toward irregular routes. In this context, criminal networks exploit vulnerable populations by offering illegal transportation or informal employment, often resulting in economic exploitation and long-term instability rather than improved living conditions. From an economic perspective, these activities significantly distort labor markets. Trafficked persons and smuggled migrants are frequently employed in low-wage and labor-intensive sectors such as agriculture, construction, and domestic work, where labor regulations are weak or poorly enforced. This enables employers to reduce labor costs by bypassing minimum wage standards, tax obligations, and social security contributions, leading to unfair competition and downward pressure on wages. As stated by the International Labour Organization, *“forced labour undermines fair competition by driving down wages and working conditions”* (International Labour Organization). The widespread use of informal and unregistered labor also has serious consequences for public finances. Governments lose potential tax revenues while simultaneously facing increased expenditures related to border management, law enforcement, judicial processes, and victim protection mechanisms. According to the World Bank, *“informality reduces government revenues and limits the capacity of states to finance public services and infrastructure”* (World Bank). This dual pressure weakens fiscal capacity and limits states’ ability to invest in long-term economic development. Human trafficking and migrant smuggling are also closely linked to transnational organized crime and illicit financial flows. The profits generated through these activities are frequently laundered and reinvested into other illegal operations, undermining financial transparency and economic governance. The United Nations Office on Drugs and Crime notes that *“human trafficking is one of the most profitable forms of transnational organized crime worldwide”* (UNODC). In economic terms, forced labor represents a major source of illegal income at the global level. The International Labour Organization estimates that *“forced labour in the private economy generates approximately 150 billion US dollars in illegal profits annually”* (International Labour Organization). These profits strengthen criminal networks while depriving states of legitimate economic growth, posing long-term risks to economic stability and sustainable development. Overall, the economic impacts of trafficking and migrant smuggling extend beyond individual victims, undermining decent work, reducing fiscal capacity, and obstructing progress toward Sustainable Development Goals 8 and 16.

Timeline of Key Events

Date	Description of Event
November 2000	Adoption of the United Nations Convention against Transnational Organized Crime (Palermo Convention), forming the main international legal framework against organized crime.
December 2000	Adoption of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, providing the first internationally agreed definition of human trafficking.
December 2000	Adoption of the Protocol against the Smuggling of Migrants by Land, Sea and Air, criminalizing migrant smuggling at the global level.
September 2003	The Palermo Convention and its Protocols entered into force, making them legally binding for ratifying states.
September 2015	Adoption of the 2030 Agenda for Sustainable Development, including targets addressing forced labour, trafficking, and decent work
September 2016	Entry into force of the Paris Agreement, indirectly increasing focus on climate-related displacement and irregular migration pressures.

Major Countries and Organizations Involved

The United States of America:

With its ever-increasing influence upon global politics, the US is one of the most important nations combating internal and external global trafficking and migrant smuggling, publishing annual Trafficking in Persons (TIP) reports and sorting nations into four tiers in accordance with the results of the TIP reports and their Victims of Trafficking and Violence Prevention Act of 2001. However, even with their funds and efforts in combating this practice, the labor demand of major corporations in the US are being supplied with underpaid and undocumented immigrants from various neighboring states, giving rise to discontent amongst the population and leading to human rights violations under the Republican administration when deporting illegal immigrants, which could be interpreted as to involve discrimination against civilians of Hispanic descent or Muslim beliefs.

The European Union:

The European Union, a supranational union consisting of twenty seven member states across the European continent, has been playing a key role against migrant smuggling and trafficking, with the introduction of the Global Alliance to Counter Migrant Smuggling in November 2023 by the European Commission. The European Union's focus on internal stability when handling this issue is irrefutable, as the union has previously and has been continuously externalizing border control to non-EU states, with these states usually being third world countries, funding human rights violations in the process.

Libya:

As a nation actively undergoing state fragmentation, detention centers in Libya controlled by local militia are used for systematic migrant trafficking, forced labor and extortion. These activities are being blatantly ignored and tolerated by the government and the armed groups linked to the government, as human trafficking has become one of Libya's biggest sources of income. Currently, Libya serves as the main hub of migrant trafficking in Europe, Middle East and Northern Africa, with there being diplomatic agreements between Libya and the EU involving European externalization.

Türkiye:

The Republic of Türkiye is a nation hosting millions of war-affected refugees and immigrants, specifically from Syria and Afghanistan. However, due to the lack of active border control and the refugees being granted citizenship, there is great discontent amongst the Turkish population regarding the matter of refugees, slowly transitioning into racial discrimination. Furthermore, since the EU has made significant monetary contributions to Türkiye with the hopes of the immigrants seeking refuge in Europe being granted temporary residence in Türkiye instead, the government of Türkiye has gained significant leverage against Europe, using the millions of refugees as political bargaining tool, effectively threatening the EU with granting the refugees passage into Europe, which eventually led to Europe asserting pressure on Türkiye, forcing them to tighten the control over their borders.

Mexico:

The Mexican cartel is one of the most influential entities of organized crime, with them having asserted their dominance upon the smuggling routes in Latin America. Although the government of Mexico has tried cooperating with the United States in order to combat the cartel's growing influence in human trafficking and there having been multiple collisions between the cartel and Mexican officials, smuggling is still embedded in the economy of organized crime, despite the reforms made by the Mexican government on paper.

People's Republic of China:

Although the Chinese government has been publicly supporting anti-trafficking conventions, the allegations involving forced labor camps in China have not ceased to exist. Especially in China's Xinjiang province, citizens belonging to ethnic minorities have been and

are being subjected to forced labor, suppression of culture and religion, assimilation under the name of reeducation and institutionalized oppression.

The United Nations:

The United Nations' bodies such as the UN Office on Drugs and Crime (UNODC) and UN High Commissioner for Refugees (UNHCR) have been setting legal standards for all member states and providing an international medium for these issues to be resolved through global cooperation.

International Organization for Migration (IOM):

Established in 1951 and consisting of 175 member states, the UN-affiliated International Organization for Migration is the largest operational actor involved, running shelters and return programs. The organization has previously been accused of prioritizing state interests over migrant rights and sometimes assisting deportations.

Previous Attempts to Solve the Issue

Whilst there have been many attempts to solve the issue of global trafficking and migrant smuggling, most of them relied on the cooperation of destination and transit countries and prioritized border control and containment over proper enforcement, accountability and legal migration, ultimately failing to curtail .

UN Convention against Transnational Organized Crime (UNTOC), 2000.

- Amongst 190+ UN Member States
- Created a legal framework and introduced the Trafficking in Persons Protocol and Smuggling of Migrants Protocol

Palermo Protocol Implementation, 2003.

- Amongst UNODC and regional governments
- Signatories criminalized trafficking and smuggling domestically

EU-Turkey Migration Statement, 2016.

- Between the EU and Türkiye
- Türkiye hosts refugees with European funding without granting them passage into Europe

US-Mexico Migration Enforcement Cooperation, 2014.

- Between the US and Mexico
- States collaborate upon strengthening the Mexico-US border and combat cartel smuggling

Global Compact for Migration (GCM), 2018.

- Amongst the UN and 150+ Member States
- Non-binding framework for safe and orderly migration to represent political commitment

Alternative Solutions

The main reason for past attempts failing to resolve the issue indefinitely is the fact that the core problems of the conflict are not addressed at all, as most developed states with high political influence prioritize internal stability within their own borders and get involved in unethical practices to keep immigrants out of their borders instead of choosing to tackle the problem of human and migrant trafficking rooted in organized criminal groups altogether. Therefore, for the Economical and Financial Committee (ECOFIN) to reach a successful conclusion, it is mandatory that the aspects regarding externalization and involvement of organized crime are addressed, with a special emphasis on third world countries suffering from state fragmentation in which criminal organizations hold way too much power, highlighting the need for order in the area to be restored, which could be achieved through international collaboration and the involvement of task forces.

However, it should also be taken into consideration that taking care of immigrants is a significant burden on the host country, where financial aid and encouragement could be optimal, under the condition there is no political favoritism in question, meaning that the written resolutions should be well-written and include no room for exploitation, where a developed nation could free itself from its responsibilities by bribing another nation or organization to host immigrants, in which case fines and sanctions would be a reasonable approach.

Another aspect to be considered is the importance of border control in this matter, as the lack of which is the main cause of migrant smuggling and undocumented, illegal immigrants. Especially in third world countries and specifically in the Middle East, it should be made sure that the security of international borders is tightened enough to prevent undocumented immigrant intake or smuggling, where there are cases of this necessity being ignored to let more illegal immigrants into the nation with different political goals, such as using them as leverage or loosening the border security as a transit nation even further to grant undocumented immigrants illegal passage to another destination nation.

Finally, the last aspect to consider is always the security of the immigrants and the ultimate prevention of all human rights violations surrounding them, where the perpetrators could be criminal organizations, as well as governments, in which case there should be appropriate consequences imposed by the Economical and Financial Committee.

Useful Links

<https://www.globalinitiative.net/analysis/human-smuggling-trafficking/>

<https://www.walkfree.org/global-slavery-index/>

<https://www.state.gov/humantrafficking-about-human-trafficking/>

<https://polarisproject.org/human-trafficking/>

<https://www.europol.europa.eu/crime-areas-and-statistics/crime-areas/trafficking-in-human-beings>

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<https://www.oecd.org/migration/>

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<https://www.ilo.org/global/topics/forced-labour/lang--en/index.html>

ILO Profits and Poverty: The Economics of Forced Labour

<https://www.ilo.org/publications/major-publications/profits-and-poverty-economics-forced-labour>

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https://home-affairs.ec.europa.eu/policies/migration-and-asylum/irregular-migration-and-return/migrant-smuggling_en

