

Summaries

Justitiële verkenningen (Judicial explorations) is published eight times a year by the Research and Documentation Centre of the Dutch Ministry of Justice in cooperation with Boom Juridische uitgevers. Each issue focuses on a central theme related to judicial policy. The section Summaries contains abstracts of the internationally most relevant articles of each issue. The central theme of this issue (no. 7, 2010) is *The informal economy*.

The informal economy: concept, causes and development

B.M.J. Slot

'Informal economy' is a controversial concept defined in many different ways. This is reflected in the amount of synonyms, such as shadow economy, parallel economy, hidden economy, black economy etcetera. On the international level the concept of the informal sector was first used in 1972 by the International Labour Organization (ILO) in its report on a mission to Kenya. The popular view of informal sector activities was that they are primarily those of petty traders, street hawkers, shoeshine boys and other groups 'underemployed' on the streets of the big towns. The evidence presented in the report suggested that the bulk of employment in the informal sector, far from being only marginally productive, is economically efficient and profit-making, though small in scale. The informal sector is formed by the coping behaviour of individuals and families in economic environment where earning opportunities are scarce, or where regulation is too complex. The informal sector can also be a product of rational behaviour of entrepreneurs wishing to escape state regulations. There is a relation between welfare (GDP per capita) and relative size of the informal sector. Richer countries have relatively a smaller informal sector. However, government policies and attitudes are important as well. The relative size of the informal sector depends, among other factors, on the 'regulatory capacity' and 'regulatory intent' of governments. There is little known about the relation between informal and criminal activities. The informal economy seems to be a permanent feature of both high, middle and low income countries. Due to the actual economic crisis, people are pushed from the formal to informal economy. Rapid urbanisation is a factor as well. While the problem

of size measuring is not insignificant, most observers agree that the informal economy is large and growing and will be an enduring feature of the economy of mega-cities.

The share of narcotics production and trade in the national income of the Netherlands

M. Rensman, A. Bruil, A. van de Steeg and B. Kazemier

Illegal activities like smuggling, prostitution and the production and sales of illicit drugs contribute to the national income of a country. In practice, however, they are not included in the statistics, because reliable estimates of the size of these activities hardly exist. Recently *Statistics Netherlands* started research into the share of illegal activities in the national income. This article presents the first estimates for the production and trade of illicit drugs. The total contribution of illicit drugs to the national income of the Netherlands ranges from € 1,300 million in 1995 to almost € 1,800 million in 1998 to 1,200 million in 2008. This is equal to approximately 0.45% of the national income in the 1990s to about 0.2% in 2008. The main reasons for this decrease are the decrease in the prices for drugs, the deterioration of terms of trade and the increase in international competition, especially for xtc and amphetamines.

Labour in the fringe; young people illegally staying in the Netherlands

R. Staring and J. Aarts

A large number of former unaccompanied minors in the Netherlands leave for unknown destinations during the asylum procedure or after being rejected. In this contribution the authors provide answers to the question how undocumented (former) unaccompanied minors provide for their living and housing. The study is based on interviews with 118 former undocumented unaccompanied minors who were recruited through the personal networks of the researchers and through contacts with representatives of (private) organizations who support the youngsters. The undocumented minors are excluded from formal employment as well as provisions of the welfare state. By far the largest group of the undocumented (former) unaccompanied minors has never been involved in criminal activities and only one third of them work in the informal economy. The sectors in which these youngsters perform informal work vary from cleaning

and construction to catering and personal services. The work is characterized by uncertain working hours. There are often few hours available and the work often takes place on call. The pay is meagre and few respondents can survive exclusively on their earnings. The undocumented (former) unaccompanied minors are mainly supported by friends and private organizations for their living and housing. It is because of this support that the youngsters do not roam the streets and can continue their illegal stay in the Netherlands. The strong orientation of the youngsters towards a lawful residence in the Netherlands causes them to fear the risks of arrest while working, so they rather settle for the limited support of private organizations and friends. The support of private organizations and the focus of the youngsters towards a lawful stay thus constitute a buffer against exploitation.

Human trafficking and labour exploitation; recent developments in Dutch jurisprudence

L. van Krimpen

This article describes the developments in jurisprudence on human trafficking in sectors other than the sex industry. In October 2009, the Supreme Court for the first time ruled in a case about human trafficking outside the sex industry. Whereas the number of cases before the Supreme Court ruling was limited, with only a few convictions for this type of exploitation, and with differences in the way courts interpreted the legal definition, this has changed tremendously after this ruling. The Supreme Court, in the case about exploitation in a Chinese restaurant, gave a very clear interpretation on the elements ‘intention of exploitation’ and the means ‘abuse of a vulnerable position’. Following the Supreme Court ruling, the number of cases has increased, as well as the number of convictions for this type of exploitation. Among these cases are also cases of criminal exploitation. It is not completely clear yet what type of behaviour falls within the scope of criminal exploitation.

The fight against labour exploitation; strategies and investigation results from the Social Intelligence and Investigation Service

A. Bogaerts, P. Plooi and R. Zoetekouw

In this article the strategies and investigation results of the Social Intelligence and Investigation Service (SIOD) concerning labour

exploitation are discussed. The results from reactive criminal investigation confirm current ideas in the literature about labour exploitation in relation to vulnerable (victim) groups. However, an increase in reports did not lead to more investigations. This is partly caused by bad or incomplete reports. Therefore the SIOD is in addition developing a new approach: the labour exploitation risk model. This method fits into the idea of Intelligence-Led Policing and tackles the problem that many exploitation cases are not reported to the police. In a risk model enterprises and employers with a (high) risk of violations are selected for control or investigation on the basis of particular characteristics generated from various information databases of various (government) agencies. The authors discuss the further development of the risk model and conclude with a look ahead.