



**CANADIAN CENTER
FOR WOMEN'S
EMPOWERMENT**

**CENTRE CANADIEN
POUR L'AUTONOMISATION
DES FEMMES**

**CANADIAN CENTRE FOR WOMEN EMPOWERMENT, EXECUTIVE DIRECTOR'S
SPEECH ON THE PUBLIC HEARING OF BILL 41 (PROTECTION FROM COERCED
DEBT IN RELATION TO HUMAN TRAFFICKING) AT THE LEGISLATIVE ASSEMBLY
OF ONTARIO**

Jul 10, 2023

My name is Meseret Haileyesus, the founder and Executive Director of the Canadian Center for Women's Empowerment, short CCFWE. We are the only Canadian not-for-profit organization that focuses on addressing Economic Abuse through system change, research, and advocacy.

Economic Abuse is a very common but often overlooked form of domestic violence. It is part of coercive controlling behavior by an abusive partner to restrict a victim's economic resources through economic control, employment sabotage, and economic exploitation.

As the founder of this survivor-centered organization, I strongly support the passing of Bill 41. Working with survivors of coerced debt, we know the systemic financial barriers many survivors face even after fleeing abuse.

Dear honorable committee members,

- Imagine the stress after fleeing abuse of receiving persistent calls from creditors about debt that you didn't even know of.
- Imagine trying to move on from abuse, but coerced debt remains a steady reminder of your traumatic past.
- Imagine not being able to access employment, housing, utilities, or a school loan because your trafficker or abuser destroyed your credit.

- Imagine being evicted from your home in the aftermath of trafficking due to the burden of paying off coerced debt.

All these examples are real life consequences of coerced debt.

The very nature of the relationship between the trafficker and the victim is one of coercive control. It is said that more than half of survivors, 52% more precisely, of survivors deal with coerced or fraudulent debt.

Human trafficking is based on exploitation. Debts that are accrued on the victims' name are thus likely the result of coercion and economic exploitation.

On top of trauma, shame and anxiety that many survivors experience, those who do manage to survive continue to face evictions and criminal records as a direct consequence of the trafficking. Having to pay off their abuser's or trafficker's debt is just an additional significant burden in regaining control of their lives. Coerced debts are also akin to those found in other coercive and abusive relationships, such as intimate partner violence.

Dear honorary committee members, just recently, the Department of Justice Canada announced that intimate partner violence is a severe public health issue that has immediate and long-term impacts for victims, survivors, and their families.

Abusive partners use many methods to control their spouse, including Economic Abuse. Economic Abuse affects an estimated 94% to 99% of women seeking services for intimate partner violence, and damage to credit is a very common tactic.

CCFWE's own research study, which was funded by the City of Ottawa, included qualitative and quantitative interviews with domestic abuse survivors in the Greater Ottawa region. 84% of participants mentioned that they have debt built up under their name as a direct consequence of their abusive relationship. 90% of survivors experienced threats of physical harm if they tried to pay rent or other essential bills to prevent being indebted.

In a national study that CCFWE conducted last year, more than half of participating survivors mentioned that their abusive partner paid bills that were in both names either late or not at all. Almost 2/3rd (61%) of survivors affirmed that their abusive partner built up credit card debt in their name often even without their knowledge.

A study on financial abuse conducted by the Toronto-based organization WomanACT found that “the most common form of financial exploitation reported by both survivors and service providers was coerced debt.”

These findings highlight the similar experience of domestic abuse survivors to those of human trafficking survivors in terms of coerced debt.

Dear honorable members, CCFWE is encouraged to see the proposed legislation supported by four parties, demonstrating their strong commitment to survivor’s economic empowerment. We also see the bill as an essential step towards addressing coerced debt that occurred by intimate partner violence in the future.

The above statistics demonstrate that coerced debt is widespread amongst survivors of human trafficking and intimate partner violence. Coerced debt has further skyrocketed in recent years due to a rise in consumer credit and new advancements in digital banking. Our current financial and legal systems are not set up to protect survivors accordingly.

This has already been recognized by the U.S. federal government that passed a similar legislation, the so-called Debt Bondage Repair Act, or DEBRA, just last year. This Act prohibits consumer reporting agencies from furnishing consumer reports containing coerced debt as a result of human trafficking.

In Canada, Bill 41 is a timely and crucial example for other provinces to follow.

By addressing coerced debt and freeing survivors of this undue burden, you will also contribute to promoting economic equity and women’s economic empowerment.

The National Action Plan to End Gender-Based Violence that was released at the end of last year, states that human trafficking is “a highly gendered crime” as 95% of identified victims were women and girls. CCFWE sees it as the government's responsibility to eliminate any structural and systemic financial barriers that would further damage survivors’ journey to justice and recovery.

I respectfully urge the Standing Committee on Justice Policy to propose passing Bill 41 to support human trafficking survivors in regaining agency over their lives. This will also be an important building block to address coerced debt in similar situations occurred through domestic violence.

As the Executive Director of CCFWE, I look very much forward to working with the Ontario government on addressing coerced debt regarding Economic Abuse in the future.

Once again, I would like to thank the committee members for their interest in this important topic and, most importantly, for bringing this conversation into public hearings.