



CRITERION INSTITUTE

SEXUAL EXPLOITATION

Types of Violence Roadmaps



Shifting Power Dynamics to End Sexual Exploitation in Supply Chains

Impact investors, development finance institutions, and grassroots gender-based violence organizations co-creating solutions for how investment can shift exploitative power dynamics in supply chains



Within any particular supply chain, there are pockets of exploitation because someone has control over assets, which enables them to exert power over others. For example, within the aquaculture supply chain in Kenya, because women do not own or manage the boats that are used to catch fish, they are forced to trade sexual favors in order to gain access to fish that they can sell at the local market.

Grants are typically used by social changemakers to directly finance the reduction of exploitation in supply chains. While grants channel resources towards productive uses, they are not a sustainable form of capital and are limited in their ability to address power dynamics in supply chains on an ongoing basis.

Impact investors and development finance institutions are well-positioned to finance the reduction of exploitation in supply chains, because the terms of their capital enable them to have a more prolonged influence over the movement of goods, materials, and labor. To disrupt exploitative power dynamics in supply chains, investors can include requirements in their existing investment terms, move their capital into new investments that have safeguards against exploitation, or shift the underlying conditions which allow exploitation to happen. In the above example of aquaculture, if women were able to own or manage the boats used to catch fish, then the conditions under which they trade sexual favors in exchange for access to fish would be eliminated. In addition, removing exploitation and corruption could stabilize supply chains by ensuring women's participation on non-exploitative terms, thereby decreasing the risk of disruption in supply chains. Investors can, therefore, lend their power to women by shifting capital towards women, so that they can gain control over their economic positioning.

Impact investors and development finance institutions are experiencing a moment of transition from negative screening towards more intentionally deploying their capital into impactful investments. This strategy pivot is being played out by impact investors and development finance institutions that are actively trying to finance the reduction of exploitation in supply chains, especially in the context of post-COVID-19 "Build Back Better" campaigns. While they are concerned about the growing prevalence of exploitation in supply chains, they lack the necessary insight into how to use their power to disrupt such exploitative power dynamics. Investors are also unaware of the linkage between the reduction of exploitation in supply chains and the reduction of risks in their investments. Now is the time for impact investors and development finance institutions to pilot and scale new approaches which are informed by the work of grassroots gender-based violence organizations to structure their investments to solve for these issues.

1

Gender-based violence organizations and development finance institutions come together to analyze where exploitation in supply chains occurs and use design sessions to map out the opportunities for finance to leverage solutions to address these exploitative power dynamics.

2

Gender-based violence organizations and development finance institutions pilot high-potential solutions and develop clear strategies for how finance can address this issue.

3

Gender-based violence organizations and development finance institutions share their learnings and strategies with other investors.

4

Gender-based violence organizations use these strategies to advocate for new avenues for change.

Women are not subjected to exploitation in supply chains, because they have equal access to power and wealth. These conditions enable women to participate in economic activities safely and securely.

While exploitation is prevalent in all supply chains, there is potential for action. Investors can use their power to finance new ways of working to recognize the harm that exploitation causes and ensure that women do not consider exploitation a normalized cost of doing business.

Audiences:	Impact investors, development finance institutions, and gender-based violence organizations
Sector:	Agriculture
Types of capital:	Private debt and private equity
Investment approach:	Due diligence

Resources

In addition to this roadmap, which is relevant to supply chains globally, Criterion is developing a detailed road map specific to exploitation in Kenyan supply chains.

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