

Corporate Social Responsibility (CSR) — Financial Sector

The financial sub-sector involves financial institutions, credit card companies, and third party payment companies. This sector is increasingly recognized as being able to play a role in the commercial sexual exploitation of children (CSEC). Therefore, the financial sub-sector should look to how corporate social responsibility (CSR) initiatives could be integrated into its work.

Unfortunately, this sector is less involved in the development of new CSR initiatives in the fight against CSEC than are other sectors. Representatives have largely not participated in conferences or debates such as the World Congresses against the Commercial Sexual Exploitation of Children. Their first participation came at the Third World Congress held in 2008.

How the Financial Sector can be implicated in CSEC

Financial industries can be involved in the buying, selling, and trading of child sexual abuse images. In particular, new online payment services can facilitate transactions of abusive material. Additionally, credit card companies can profit from the selling and purchasing of child abuse images. Credit card companies receive a percentage of each merchant transaction (typically 1-3 percent), as well as interest on the credit cards from the consumer (typically 18-21 percent) and they retain these profits even if the rogue merchant or criminal consumer is caught.

Financial Sector CSR Initiatives

The Financial Action Task Force (FATF) is an inter-governmental body established in 1989. It sets standards and promotes the effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. It seeks to put forth a coordinated response to threats to the financial system. However, because of corruption and collusion on the part of some foreign governments, strict monitoring and enforcement of all financial transactions can be difficult.

The Financial Coalition against Child Pornography was launched in the United States in 2006 (FCACP). FCACP comprises leading banks, credit card companies, third-party payment companies and Internet services companies, and represents nearly 90 percent of the US payments industry. Its goal is to eradicate the profitability of commercial child pornography by following the flow of funds and shutting down the payment accounts that are being used by these illegal enterprises.

Sources:

- Mark Erik Hecht, *Private Sector Accountability in Combating the Commercial Sexual Exploitation of Children* (ECPAT International World Congress III, November 2008).