The international community agrees that a family caregiving setting, or an alternative solution that is appropriate and culturally sensitive, is the most conducive environment for the growth, well-being, and safety of children. Removal of a child from the family should only be considered as a temporary, last resort. Studies have found that both private and government-run residential institutions for children, or places such as orphanages and psychiatric wards that do not offer a family-based setting, cannot replicate the emotional companionship and attention found in family environments that are prerequisites to healthy cognitive development. Yet, about eight million children worldwide live in these facilities, even though an estimated 80 to 90 percent of them have at least one living parent. The physical and psychological effects of staying in residential institutions, combined with societal isolation and often subpar regulatory oversight by governments, place these children in situations of heightened vulnerability to human trafficking.

Children in institutional care, including government-run facilities, can be easy targets for traffickers. Even at their best, residential institutions are unable to meet a child’s need for emotional support that is typically received from family members or consistent caretakers with whom the child can develop an attachment. Children are especially vulnerable when traffickers recognize and take advantage of this need for emotional bonding stemming from the absence of stable parental figures. In addition, the rigid schedules and social isolation of residential institutions offer traffickers a tactical advantage, as they can coerce children to leave and find ways to exploit them.

Children are more at risk for human trafficking in ill-managed facilities that allow traffickers to operate in or around the facility with impunity. Residential institutions that are complicit or directly involved in human trafficking take advantage of unfettered access to the children, knowing they have nowhere to turn for support. Several orphanages, including in Oceania, Central America, and Eastern Europe, have been outed in recent years for doubling as brothels. In one instance, children of an orphanage as well as international NGOs reported detailed cases of staff forcing some of the girls, especially those from rural or indigenous communities, out at night to engage in commercial sex. Civil society groups have also identified forced labor in residential institutions, with one instance involving staff of an orphanage for children with disabilities forcing children to assist in construction projects and other dangerous tasks, such as sterilizing soiled mattresses, under the guise of “work therapy.” In several countries, these children are made to perform domestic work in houses in the surrounding village or labor on a farm.

Institutional complicity can even extend to the practice of recruiting children for the facility. “Child finders” travel to local villages or communities—often those affected by war, natural disaster, poverty, or societal discrimination—and promise parents education, food security, safety, and healthcare for their children. Instead of fulfilling those promises, many orphanages use the children to raise funds by forcing them to perform shows for or interact and play with potential donors to encourage more donations. Orphanages have also kept children in poor health to elicit more sympathy and money from donors.

Foreign travelers wishing to include a charitable element in their vacation often partake in “voluntourism” at orphanages, which child advocacy organizations and governments have documented as harmful. Volunteering in these facilities for short periods of time without appropriate training can cause further emotional stress and even a sense of abandonment for already vulnerable children with attachment issues affected by temporary and irregular experiences of safe relationships. In addition, it is rare that background checks are performed on these volunteers, which can also increase the risk of children being exposed to individuals with criminal intent. Voluntourism not only has unintended consequences for the children, but the profits made through volunteer-paid program fees or donations to orphanages from tourists incentivize nefarious orphanage owners to increase revenue by expanding child recruitment operations in order to open more facilities. These orphanages facilitate child trafficking rings by using false promises to recruit children and exploit them to profit from donations. This practice has been well-documented in several countries, including Nepal, Cambodia, and Haiti.
Even when a child leaves or ages out of a residential institution, the vulnerability to human trafficking continues, in part due to the physical and psychological damage many of these children have suffered. The societal isolation of residential institutions often prevents children from building stable, long-term familial or social relationships. By depriving children of opportunities to develop a social support network, receive adequate schooling, experience common life or social situations, and practice using cognitive reasoning and problem-solving skills, residential institutions leave those departing from institutional care more vulnerable to traffickers' schemes. Some traffickers, in recognizing the heightened vulnerability of these children, wait for and target those who leave or age out of institutions.

In response, governments can take steps to protect children from these vulnerabilities, starting with providing assistance to families who find it difficult to provide their children with food, education, and healthcare and may be at risk of losing custody of their children as a result. Also, governments can develop, coordinate, and encourage family-based care options over institutional care whenever appropriate. Oversight bodies should demand stricter monitoring of children's homes, ensuring they meet international guidelines and pursue criminal accountability for those who facilitate or organize trafficking in or near government facilities. Governments can also evaluate their laws to increase protections for children with disabilities and strengthen parental rights and abilities to promote children staying with families when it is in the best interest of the child. Donor countries can ensure foreign assistance prioritizes support for programs or initiatives that preserve family-based care and do not support residential institutions that are not in compliance with international standards. Donor countries can also look at ways to increase oversight of organizations and charities funneling money to residential institutions abroad. Moreover, awareness-raising efforts can counter social media campaigns promoting voluntourism in orphanages, as well as educate well-intentioned groups, such as tourism companies and religious organizations that unintentionally perpetuate the demand for children in residential institutions.

A paradigm shift away from institutional care to a family caregiving setting has its own challenges, beginning with recognizing that family members may be complicit in human trafficking and finding the resources and expertise to develop a solution that is most conducive to the health and safety of children. The international community has acknowledged that certain community care options, such as small group homes and kinship and community care where appropriate, can serve as alternatives while working toward a permanent placement in a family setting. Aftercare plans that include ongoing support from community resources can help children continue to thrive after being discharged. These arrangements can minimize the negative impact on children's development, as well as their vulnerability to human trafficking if they are kept short-term and adhere to international standards, including the UN Guidelines for the Alternative Care for Children (UN General Assembly A/RES/64/14223 (2010)). The depth of research documenting these risks stand as compelling reasons for governments to consider how to transition away from institutional care, while also providing resources for children transitioning from institutional care to successful adulthood.