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## THE PARADOX OF PROGRESS: PERSISTENCE OF BONDED LABOUR IN A DEVELOPING INDIA

-Saumya Sinha<sup>1</sup>

"Slavery emerges at the conjunction of individual vulnerability, social exclusion and failure of the rule of law"

It is indeed a slow walk to freedom. Five decades have passed since the Bonded Labour Abolition Act was passed by the government aiming to end this inhumane exploitation of human beings. When in 2016 the Indian government announced its 15-year vision for achieving "total abolition of bonded labour by 2030", it seemed like hope was still left for recovery but now the data suggests that by working at its usual annual rate, the government will be able to achieve only "2% of its 18.4 million target", leaving behind 18 million in bonded labour.<sup>2</sup>

Bonded labour refers to the practice of employers giving high-interest loans to workers who, in return, work at low wages. Thus, workers are trapped in a vicious cycle of work with little to no pay and uncertain terms for debt repayment. Bonded labour exists in both rural and urban pockets in unorganized industries such as brick kilns, stone quarries, coal mining, agricultural labour, domestic servitude, circus, and sexual slavery. The "2023 Global Slavery Index" estimates that on any given day in 2021, 11 million people were living in modern slavery in India, the highest number of any country. This equates to a prevalence of eight people in modern slavery for every thousand in India, ranking 34th out of 160 countries globally. The Indian government has acknowledged the challenge, reporting that over 315,000 bonded labourers were identified and released between 1978 and January 2023, with 94% rehabilitated. However, this figure represents a fraction of the estimated total.

Beyond the numbers, the realities of bonded labour are concerning. Workers in brick kilns, stone quarries, and garment factories often endure inhumane conditions, excessive working hours, and

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<sup>&</sup>lt;sup>2</sup> Paliath S, Paliath S and Indiaspend, "India Will Miss 2030 Target to End Bonded Labour–By 98%" (*Indiaspend*, October 23, 2023) https://www.indiaspend.com/governance/india-will-miss-2030-target-to-end-bonded-labourby-98-877306

<sup>&</sup>lt;sup>3</sup> "Global Slavery Index | Walk Free" (Walk Free) https://www.walkfree.org/global-slavery-index/

<sup>&</sup>lt;sup>4</sup> Paliath S, Paliath S and Indiaspend, "India Will Miss 2030 Target to End Bonded Labour–By 98%" (*Indiaspend*, October 23, 2023) https://www.indiaspend.com/governance/india-will-miss-2030-target-to-end-bonded-labourby-98-877306

wages far below the legal minimum. Reports indicate that entire families, including children, are forced to work under extreme conditions, with no opportunity for escape. Climate change is worsening the plight of these workers, especially in industries like brick kilns, where rising temperatures make already hazardous work life-threatening.<sup>5</sup>

A December 2024 report exposed harsh conditions in Bihar's brick kilns, where workers endure extreme heat and debt bondage. In January 2025, an NGO found forced labourers, including child workers, in Madhya Pradesh's cotton farms. Tamil Nadu's Sumangali scheme continues to exploit young girls from poor backgrounds, promising lump-sum payments after years of work in textile mills, which often go unfulfilled. Reports by the International Justice Mission (IJM) highlight how the COVID-19 pandemic worsened this crisis, with factory owners in Tiruppur District recruiting vulnerable children and young women. In Karnataka, nearly 1,500 bonded labourers were rescued in 2021, but many remain trapped across various industries.

The primary reasons for such a situation are deep-rooted economic and social complexities. Extreme poverty and lack of access to formal credit push these vulnerable classes of people towards this trap of high-interest debt. 90% of the workforce is engaged in the informal sector, and further job insecurity and lack of social protection further expose the workers to exploitation. "Caste discrimination is one of the most pernicious forms of discrimination, as it condemns individuals from birth to a life of marginalisation. The links between caste, social hierarchy and slavery are strong. In India, the overwhelming majority of bonded labour victims in agriculture, brick making, mining and other sectors are from Scheduled Castes and Scheduled Tribes."- Special Rapporteur on contemporary forms of slavery, Ms Gulnara Shahinian. Caste-based discrimination is one of the major reasons for this social issue; Dalits and Adivasis are living a marginalized life for centuries having limited access to education and employment opportunities. As a result, many families inherit debt across generations, perpetuating a cycle of bonded labour.

Further, the migrant workers are at a higher risk. They are often lured by false promises of employment. Human trafficking networks exploit their desperation, and inadequate legal

<sup>&</sup>lt;sup>5</sup> Reporter GS, "'I Feel Dizzy but I Can't Stop': Global Heating Is Already Making Kiln Workers' Lives Unbearable. And It Will Only Get Worse" *The Guardian* (March 3, 2025) https://www.theguardian.com/global-development/2024/dec/09/global-heating-indian-kiln-workers-bricks-heat-stress-extreme?utm\_source=chatgpt.com

<sup>&</sup>lt;sup>6</sup> García L, García L and García L, "Modern Cotton Slaves in 18 Countries Work for Large Textile Companies and Many Are Children" *EL PAÍS English* (January 28, 2025) https://english.elpais.com/international/2025-01-28/modern-cotton-slaves-in-18-countries-work-for-large-textile-companies-and-many-of-them-are-children.html 
<sup>7</sup> Sudhakar P, "'Girl Workers Exploited Sexually'" (*The Hindu*, April 2, 2015) https://www.thehindu.com/news/national/tamil-nadu/girl-workers-exploited-sexually/article7060615.ece

<sup>&</sup>lt;sup>8</sup> DHNS and DHNS, "A Slow Walk to Freedom" (*Deccan Herald*, November 5, 2024) https://www.deccanherald.com/opinion/editorial/a-slow-walk-to-freedom-3263493

safeguards leave them defenceless. The COVID-19 pandemic worsened the situation, pushing millions of workers further into economic distress. There was a considerable rise in bonded labour and human trafficking.

This impacts economic growth negatively as it traps individuals in low-paying unskilled jobs preventing skill development and economic mobility, encouraging a cycle of poverty with limited consumer spending thereby reducing overall economic growth. Studies suggest that a 1% rise in female employment in bonded labour can reduce economic development by 5.463%. At its core, this is nothing but a blatant violation of human rights and dignity. Individuals are coerced to work and lie under such inhumane conditions and are stripped of their autonomy. This is not just confined to one individual; it spans over generations.

The psychological toll and health consequences are quite alarming. The labourers endure extreme stress, anxiety and depression working under such conditions. There is an increase in mental disorder rate among women currently at 64.8 per 1,000. Working under such conditions without proper safety measures leads to injuries, chronic illness, and reduced life expectancy. Additionally, there is a lack of healthcare services for them increasing their plight. There is also a gender-disproportionate effect. Women and children are the most vulnerable. Women are often subjected to sexual harassment, rape and violence. Children born into bonded labour families often sacrifice education for work, perpetuating poverty across generations. They are robbed of their childhood and potential.

India has a strong legal framework to eliminate bonded labour, ensuring dignity and protection for workers. The Bonded Labour System (Abolition) Act, of 1976 declares bonded labour illegal, cancels associated debts, and mandates rehabilitation for freed labourers. The Indian Constitution also upholds these rights. Article 21<sup>11</sup> guarantees the right to live with dignity, while Article 23<sup>12</sup> prohibits human trafficking and forced labour. Article 24<sup>13</sup> bans child labour in hazardous industries. To prevent exploitation, the Minimum Wages Act, of 1948, ensures fair wages, reducing the risk of debt bondage. By setting wage standards, it protects workers from being forced into exploitative labour due to financial distress. Internationally, India has ratified key International Labour Organization (ILO) conventions, including the Forced Labour Convention, 1930 and the

<sup>9</sup> Khan A and others, "Economic Costs of Gender Inequality in Health and the Labor Market: India's Untapped Potential" (2023) 11 Frontiers in Public Health https://doi.org/10.3389/fpubh.2023.1067940

<sup>&</sup>lt;sup>10</sup> Kundal AB, "Fundamental Health Services for Women: Analysing Gender Disparities" (*orfonline.org*, October 10, 2023) https://www.orfonline.org/expert-speak/fundamental-health-services-for-women-analysing-gender-disparities

<sup>&</sup>lt;sup>11</sup> Constitution of India 1950, Art 23

<sup>&</sup>lt;sup>12</sup> Constitution of India 1950, Art 23

<sup>&</sup>lt;sup>13</sup> Constitution of India 1950, Art 24

Abolition of Forced Labour Convention, 1957. These reinforce India's commitment to eradicating forced labour.

Supreme Court has consistently upheld the rights of bonded labourers through landmark judgments, emphasizing the state's duty to eradicate forced labour. In "People's Union for Democratic Rights v. Union of India (1982)"<sup>14</sup>, the Court expanded the interpretation of Article 23, ruling that even low wages and exploitative conditions could constitute forced labour. It held that the government must proactively prevent such exploitation, shifting the burden of proof to the employer. Similarly, in "Bandhua Mukti Morcha v. Union of India (1984)"<sup>15</sup>, the Court recognized bonded labour as a violation of fundamental rights and directed authorities to implement rehabilitation measures.

The Central Sector Scheme for Rehabilitation of Bonded Labour (2016) provides financial aid— ₹1 lakh for adult males, ₹2 lahks for women and children, and up to ₹3 lahks in extreme cases along with skill development and housing support. The National Child Labour Project (NCLP) focuses on rescuing child labourers and enrolling them in special schools, but funding constraints and poor enforcement limit its impact. National Human Rights Commission (NHRC) too struggles with delayed action and coordination gaps. NGOs like Bachpan Bachao Andolan (BBA), led by Kailash Satyarthi, conduct rescues and advocate for stronger laws. International Labour Organization (ILO) provides policy support and aligns with Sustainable Development Goal 8.7 to eliminate forced labour by 2030.

Despite legal safeguards being available, bonded labour remains a prevalent practice in India due to systemic issues about identification, rescue, and rehabilitation. According to the Global Slavery Index, an estimated 11 million individuals are still victims of this modern-day slavery. Now, while most countries in the Asia-Pacific region have a National Action Plan, India still doesn't. <sup>17</sup> One of the major hindrances has been the ineffective implementation of the Central Sector Scheme for Rehabilitation of Bonded Labourers. District authorities delay the issue of release certificates, halting access to financial and non-financial aid. Several cases show how victims receive no support

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<sup>&</sup>lt;sup>14</sup> 1982 AIR 1473

<sup>15 1984</sup> AIR 802

<sup>&</sup>lt;sup>16</sup> Factly, "TBI Blogs: Towards an Unchained Nation – Analysing the Govt's Revised Scheme to Rehabilitate Bonded Labourers" (*The Better India*, December 17, 2016) https://thebetterindia.com/78706/key-facts-schemerehabilitation-bonded-labourers/

<sup>&</sup>lt;sup>17</sup> —, "India Will Miss 2030 Target to End Bonded Labour–By 98%" (*Indiaspend*, October 23, 2023) https://www.indiaspend.com/governance/india-will-miss-2030-target-to-end-bonded-labourby-98-877306

despite legal measures being available solely for their use. The amount for immediate relief was raised from 30k to 3 Lakh in 2022 but still many remain excluded.

Structural issues in India's labour market exacerbate the problem. The informal sector dominates employment, accounting for 90% of jobs, leading to job insecurity and debt cycles that push workers into bondage. Further data discrepancies reveal that there exists reluctance on the part of the government to acknowledge bonded labour. A 2023 Parliament response recorded only 2,650 rescues between 2019 and January 2023, while the National Crime Records Bureau (NCRB) documented 1,155 cases in 2019, 1,231 in 2020, and 592 in 2021 under the Bonded Labour System Abolition Act.<sup>18</sup> Political pressure to protect the image and reputation of the government led district officials to detest the actual numbers.

The US State Department's 2022 Trafficking in Persons Report<sup>19</sup> found that NGOs often drive rescue efforts, while state authorities delay or refuse to register First Information Reports (FIRs). In states like Bihar and Rajasthan, at least half of the bonded labour cases fail to get registered in FIRs. The "NHRC's 2019-20 Report" found that Bihar's state government had failed to distribute even the previous Rs 20,000 cash relief to rescued labourers, and no legal action was taken against employers. Monetary or budget allocation seems to be insufficient as well. While Rs 664.5 lakh was allocated for rehabilitation in 2017-18, funding was reduced by 61% to Rs 253.3 lakh the following year. Interestingly, no funds were spent in 2019-20. The Union government lacks centralized data on non-cash assistance, leaving rehabilitation largely at the discretion of insufficiently funded state governments. Even the surveys for identifying bonded labour are poorly conducted. The Ministry of Labour and Employment provides Rs 4.5 lakh per sensitive district for surveys, yet identification often relies on NGO complaints.<sup>21</sup> Additionally, bureaucratic inefficiencies delay the disbursement of funds and assistance. Many workers struggle to obtain their compensation due to complex documentation and administrative processes. Women, in particular, are often denied release certificates since labour contracts are typically made with male family heads.

Recently, the Supreme Court of India has emphasized a collaborative approach to address the issue of trafficked bonded labourers. In November 2024, the court underscored that the plea concerning

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<sup>&</sup>lt;sup>18</sup> https://sansad.in/getFile/annex/259/AU95.pdf?source=pgars

<sup>19 &</sup>quot;——" https://www.state.gov/reports/2022-trafficking-in-persons-report/india/

<sup>&</sup>lt;sup>20</sup>Annual Reports | National Human Rights Commission India" https://nhrc.nic.in/publications/annual-reports <sup>21</sup>—, "India Will Miss 2030 Target to End Bonded Labour–By 98%" (*Indiaspend*, October 23, 2023) https://www.indiaspend.com/governance/india-will-miss-2030-target-to-end-bonded-labourby-98-877306

the enforcement of fundamental rights for these labourers is non-adversarial. The Court urged both the central and state governments to work in unison to tackle this pressing issue. Attorney General R Venkataramani presented updates on measures taken following the Court's directives from November 2024, highlighting significant gaps in providing immediate financial aid to released labourers. The Court stressed the necessity for a unified strategy to effectively combat inter-state trafficking and to support victims. Low chakra. Furthermore, in December 2024, the Supreme Court directed the Union Labour Secretary to convene a meeting with state counterparts to ensure that rescued bonded labourers receive immediate financial assistance for their rehabilitation. <sup>23</sup>

To deal with such issues, authorities must ensure stricter implementation of laws, increase penalties for violators, and improve coordination between law enforcement, labour officials, and local administrations. Fast-track courts should be established for bonded labour cases to ensure speedy justice. Increasing corpus funds for sensitive districts is essential to ensure adequate financial resources for rehabilitation efforts. Strengthening central coordination and monitoring mechanisms will improve the overall effectiveness of rehabilitation programs. Establishing a National Portal on Bonded Labour can streamline welfare entitlements and enhance accessibility for affected individuals. Additionally, the timely issuance of release certificates will enable rescued individuals to access rehabilitation assistance without delays.

Economic security is crucial to breaking the cycle of debt bondage. Expanding microfinance programs and self-help groups can reduce dependence on exploitative moneylenders. Strengthening employment programs such as Mahatma Gandhi National Rural Employment Guarantee Act and promoting skill development & entrepreneurship can help vulnerable communities achieve employment and income security; thereby financial independence. Improving Rehabilitation programs is the need of the hour to ensure rescued bonded labourers do not return to exploitative conditions. Most of the benefits of the Central Sector Scheme for Rehabilitation of Bonded Labour - financial assistance, skill training, and housing support- fail to reach the victims. State governments should actively monitor and streamline rehabilitation processes, ensuring access to education, vocational training, and social security measures such as health benefits and housing. Another aspect that can lead to the eradication of this issue is the

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<sup>&</sup>lt;sup>22</sup> Singh P, "Supreme Court Stresses Non-Adversarial Approach to Address Bonded Labour Trafficking Issue" (*LawChakra*, January 24, 2025) https://lawchakra.in/supreme-court/supreme-court-bonded-labour-trafficking/?utm\_source=chatgpt.com

<sup>&</sup>lt;sup>23</sup> Thomas A, "'Convene Meeting of States': SC Orders Centre on Assistance for Bonded Labourers" *Hindustan Times* (November 21, 2024) https://www.hindustantimes.com/india-news/convene-meeting-of-states-sc-orders-centre-on-assistance-for-bonded-labourers-101732193062041.html?utm\_source=chatgpt.com

emphasis on education, particularly among children. Ensuring universal access to quality education under the Right to Education (RTE) Act, 2009 can prevent children from falling into bonded labour. Special bridge schools and evening classes should be set up in vulnerable communities to help rescued child labourers catch up on their education. Regular surveys should be conducted in high-risk districts to identify and eradicate bonded labour while raising awareness about workers' rights. Integrating the bonded labour rehabilitation scheme with other Union and state-level welfare programs can improve monitoring and ensure that workers receive the benefits they are entitled to.

Bonded labour still remains a harsh reality for millions in India. Deep-rooted economic, social, and legal weaknesses continue to perpetuate the system. While legal frameworks, NGOs, and government schemes have made some progress, a stronger commitment to enforcement, rehabilitation, and social reform is essential. The fight against bonded labour is a fight for dignity, freedom, and justice. It is a battle that India must win.

Think about it: is convenience and profit worth the suffering of millions? Millions who toil in silence, bound by invisible chains of debt and oppression. These are not just workers—they are human beings, with dreams, dignity, and the right to live free. Bonded labour is not just a violation of law; it is a violation of humanity. No wage should come at the cost of freedom. No industry should thrive on exploitation. The price of cheap labour is paid in stolen childhoods, broken families, and lost futures. This cycle of bondage, passed from generation to generation, must end. No human being should ever be reduced to a mere tool of labour. No one should be owned. Exploitation may have shaped history, but justice must define the future. We must break these chains.

"Slavery does not merely mean a legalized form of subjection. It means a state of society in which some men are forced to accept the will of others"- **Dr. B.R. Ambedkar.** 

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