



Part 3

The Labour Question: on Accountability and Dignity

Chapter 5:

Bonded Labour: India Lives in Denial

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The Global Slavery Index 2016¹²² ranked India fourth among 167 countries based on the proportion of population in bonded labour situations. According to the report, “all forms of modern slavery continue to exist in India, including intergenerational bonded labour, forced child labour, commercial sexual exploitation, forced begging, forced recruitment into non-state armed groups and forced marriage.”¹²³ The 2011 Census reported close to 4.4 million child labourers, who form a small sub-set of bonded labour. Most of them are spread across the supply chains of industries such as agriculture, brick kiln, garments, manufacturing and automobiles among others. While there is acknowledgement that modern slavery clearly occurs within India, the realities of global trade and business make it inevitable that countries that import from India will also be exposed to the risk of modern slavery, just as India is vulnerable to the same through imports from other countries where it is

rampant¹²⁴.

According to India Responsible business Index, 2017, 85 companies reported complaints on child labour, forced labour and involuntary labour (all of whom reported 0 complaints) and only 9 have assessed the situation of workers’ rights and labour issues. Only 65 of the top 100 companies have extended their “no child labour” policies to their supply chain and only 49 have extended these policies of human rights to their supply chain. Adani Ports, for example, prohibits the use of child labour by the group, but does not mention the applicability of the same to its supply chain. Maruti Suzuki mentions: “The Company does not have a standalone Human Rights policy. Aspects of human rights such as child labour, occupational safety, non-discrimination are covered by its various Human Resource policies”. While there are six policies available on their website, none of these mention an extension of human rights principles to its vast supply chain.

Caste reinvents itself as unaccountable supply chains

Regardless of a longstanding debate on the use of the term ‘slavery’ for bonded labour, in the Indian context at least, the intrinsic link with the caste system with which the traditional form of slavery was associated, is still in place. Lets look at some examples from our experiences with communities in Bihar. Ramlal¹²⁵, who resides in Doli village in Nirmali block in Supaul district, Bihar, and is from the Ravidas community (SC), works for a landlord who is very influential and belongs to the dominant caste. Ramlal’s grandfather had taken a loan from the landlord on compound interest several decades ago for his sister’s marriage. Since then, his grandfather and then, his father, and now him, have been working for the landlord to repay the loan. Ramlal works in the landlord’s field for more than 18 hours a day. He does not feel that he is bonded, because the employer provides for his

food and clothes and lends him small amounts of money as and when he needs it. In fact, Ramlal feels obligated to his employer for providing him these ‘comforts’. Ramlal’s story is reflective of a very common narrative, normalised to such an extent, that there is seldom any attempt to problematise it.

While one may believe that people like Ramlal exist in the past, and even if they do exist, they do so only in small villages in far corners of the country, the reality of his bondage situation is a form of slavery that one still continues to see in several parts of rural and urban India. And now, it extends across more sectors of work, especially in the primary sector.

Cut back to the secondary and tertiary sectors and one sees Milton Friedman’s idea of Indian

economy's growth characterised by adaptability¹²⁶ playing out, even in the context of bonded labour. The contemporary labour market is a shining example of the adaptation of the feudal form of bonded labour into a capitalist framework.

Birju is one among ten boys from a village in Motihari district who was taken to Tamil Nadu to work in a factory manufacturing nuts and bolts. The contractor who took him paid his mother an 'advance' of Rs 5000 with the promise of a regular monthly salary and teaching her son some strong saleable skills – a tough offer to refuse for a widow with six children to look after. Birju worked in the factory for 18 hours a day, hunched over a loud machine in a room with limited lighting. He was underfed, often drugged (on a hunger suppressant that also kept him awake long hours), prevented from taking more than two toilet breaks a day, not allowed to leave the premises, not allowed to speak to his family for months on end – so much so that he felt he was living in conditions worse than prisons he had seen in films when he was at home. One night eight months later, he scaled the walls of the factory and escaped along with two other boys from his village to make the long and arduous journey back home. Once he got home, he found out that the contractor had not paid his mother a single rupee for the eight months that he had worked. He realised, like many others in similar situations, that there was no way for him to seek redress as there was no documentary evidence that he had actually worked for the employer in the factory.

It is very interesting to see traditional feudal practices find place in modern occupations in a modified form. The three important requirements of a landlord from the traditional system were 'regular and sustainable supply of labour', 'low wage costs' and 'captive labour'. The caste system ensured a regular supply of this labour to the upper caste landlord. With the emergence of modern occupations and with agriculture no longer being the primary form of employment, "advance" payments became the sustaining factor for labour at a cheap cost, and 'fear' of different forms of abuse added the element of 'captive'. The caste system still plays a significant role, but has

been well integrated into the system of contracting and sub-contracting, which is widespread in the supply chain of all the major industries. In addition, the advance is typically routed through a middleman/ sub-contractor that has a link with the location from which a person is recruited, ensuring that even if she/he runs away or escapes the work place, they cannot return safely.

The story of Birju is commonplace in most industries in the informal sector that is part of the primary and secondary sector of our economy. And one almost always dismisses such cases as evils of the 'informal' sector. However, if one takes a closer look at the supply chain of the formal sector, comprising large industrial houses and corporate agencies, what becomes evident is that somewhere down the line, the nuts and bolts that Birju and many like him produced, have found their way directly or indirectly into the premises. While it is more indirect for sectors such as FMCG or pharmaceuticals, it forms a key part of the production process in sectors such as construction, transport, mining and many others. This entry through the supply chain contributes a significant value to the products, which get subsequently "branded" by these companies.

Given that any product purchased has passed through a long chain of producers, manufacturers, distributors and retailers who have all participated in its production, delivery and sale, it is often very difficult to track a component of an end product back to a particular producer and rarely possible to be certain that a product has or has not been produced in bonded labour conditions¹²⁷. It is not surprising that few companies take responsibility for workers in their extended supply chain. They use 'sub-contractors' and 'contractors' to carry out the exploitation of several million adults and several thousand children on their behalf and themselves turn a blind eye. As a result, it is almost too easy for companies to absolve themselves of any responsibility towards this extended supply chain, as such entities fall well beyond the purview of their systems. Data from the India Responsible Business Index 2017¹²⁸ on inclusiveness in the supply chain is telling of the commitment of businesses to responsible supply chains. While 57

companies have disclosure related to recognition of priority to local suppliers, only 15 companies have actually reported systems and mechanisms to recognise local suppliers. Similarly, one

company has reported in its policy the business responsibility to procure raw products at a 'fair price'. This sets the companies on a back foot as far as their core business practices are concerned.

Bonded labour is in no man's land

Unlike child labour and trafficking, the Government of India has been consistently denying the existence of bonded labour for a long time. Statistical institutions in the country do not 'count' bonded labour practices. Similarly, every Ministry and Department, owing to absence of data and lack of conviction, denies the prevalence of bonded labour. India is a curious case of the coexistence of progressive laws and yet, the scaled presence of practice of bonded labour, if one were to go with civil society figures.

As Kevin Bales¹²⁹ put it, "India has the world's best Anti-Slavery laws and the largest number of slaves". It has an excellent bonded labour¹³⁰ legislation - Bonded Labour System (Abolition) Act, 1976 and in addition, the Supreme Court of India has taken a wide view of what may constitute "force" in a labour relationship juxtaposed in contexts of extreme poverty and deprivation. The Constitution, through article 23, prohibits and criminalises human trafficking and forced labour and we have passed the Child Labour (Prohibition and Regulation) Act of 1986. In addition, India has also ratified six out of eight ILO conventions related on abolition of forced labour, equal remuneration and no discrimination between men and women in employment and occupation as well as two conventions on child labour.

There is a global push for eradication of forced labour conditions, especially in supply chains. Initiatives and regulations such as the UK Modern Slavery Act, the California Transparency in Supply Chains Act, French Duty of Vigilance Law on supply chain responsibility and an EU Directive on disclosure of non-financial and diversity information all point towards the need for a robust rights-based approach to supply chain transparency as they have repercussions for Indian businesses.

As a result there have been some changes – such as the acknowledgement of the potential to use satellite imagery to identify bonded labour and steps such as disrupting electricity supply to errant factories or providing training to workers in the supply chain¹³². Several Indian companies in 2017 and 2018 have created anti-slavery and anti human trafficking policy statements that even take cognisance of their supply chains. Despite this, in 2017, 14 of the top 100 companies surveyed on the India Responsible Business Index did not even disclose having knowledge systems on prevention of child labour, forced and involuntary labour.

Accompanying the newly proposed National Guidelines is an attempt to ensure that there is a modern slavery lens used in the new Business Responsibility Reporting formats. In its current draft form, there are questions related to percentages of establishments/ supply chains that have been inspected for forced / bonded labour as well as those remediated, adherence to health and safety norms in the supply chain and child labour in the supply chain.

Only time will tell whether businesses take enough steps to recognise and strengthen their supply chains and enshrine the principles of responsible business practices in the inclusive growth story of India. There is a strong business case for slavery with the ILO¹³³ estimating that forced labour in its various forms generates a shocking \$150 billion in profits a year, which just makes "modern slavery obscenely profitable"¹³⁴. But it is also illegal everywhere, and abhorrent — and with sufficient political will and ambition, there is hope that it can be put out of business¹³⁵.

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