

SOCIAL JUSTICE

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# Why does India still have a bonded labour problem?

A reluctance by the state to acknowledge the problem and lack of access to rehabilitation will lead to India missing its goal to abolish bonded labour by 2030.

by [SHREEHARI PALIATH](#), [INDIASPEND](#)

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12 min read

In July 2016, the Union government told Parliament that in its 15-year vision to achieve “total abolition of bonded labour”, it would identify, release and rehabilitate around 18.4 million bonded labourers by 2030.

Union government data show that 315,302 people were released from bonded labour in over four decades between 1978 and January 2023, of which 94% have been rehabilitated.

Based on the data, the government, since its statement in 2016, has been able to release only 32,873 people from bonded labour, a yearly average of 4,696. This would mean that at the same annual rate, by 2030, the government would have achieved only 2% of its 18.4 million target, our analysis shows, leaving 18 million Indians in bonded labour.

Bonded labour is a form of modern slavery which has been illegal in India since 1976, when the Bonded Labour System (Abolition) Act was passed. It defines ‘bonded labour system’ as the system of forced labour under which a debtor enters into an agreement with the creditor that he would render service to him either by himself or through any member of his family or any person dependent on him, for a specified or unspecified period, either without wages or for nominal wages, in consideration of loan or any other economic consideration obtained by him or any of his ascendants, or in pursuance of any social obligation, or in pursuance of any obligation devolving on him by succession.

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In order to restart their lives and provide meaningful livelihood and job security to rescued bonded labourers, the Central Sector [Scheme](#) for Rehabilitation of Bonded Labourer is supposed to provide financial and non-financial support once they are issued [bonded labour release certificates](#) by district magistrates or sub-divisional magistrates (DM or SDM). But identifying bonded labour is not a priority for governments, and district authorities often do not issue release certificates, say activists and experts.

Anuj Kumar\*, 30, was rescued from a brick kiln in Ambala and has gone back to working as a mason in his native village in Uttar Pradesh's Deoband. Forty-three-year-old Mahesh Kumar\*, another former bonded labourer who was issued a release certificate in March 2022, has migrated to work in construction to neighbouring Telangana from his hometown in Bilaspur, Chhattisgarh. Despite entitlements under the scheme, neither Anuj nor Mahesh, both from Dalit communities, have received any rehabilitation assistance, they told IndiaSpend.

Though it was declared illegal in 1976, each year hundreds of fresh cases of bonded labour and trafficking for work are reported. In 2021, around 11 million people in India were in modern slavery, which includes forced labour, debt bondage, forced marriage, other slavery and slavery-like practices, and human trafficking, according to [Global Slavery Index](#) estimates by [Walk Free](#), an international human rights group focussed on the eradication of modern slavery. India is only one of the [four countries](#)—Iran, North and South Korea—in the Asia Pacific that did not have a National Action Plan on modern slavery, showed the index.

IndiaSpend has written to and called senior officials of the Ministry of Labour and Employment to provide responses to the government's target of releasing 18.4 million bonded labourers by 2030, the process of full rehabilitation, extent of centralised data collation of government's bonded labour rehabilitation assistance, and scheme related survey to identify bonded labour. The story will be updated when we receive a response.

## Burden of proof of bondage

The [majority](#) of jobs created in India are in the informal sector, often leading to [job insecurity](#), low wages and [lack of labour protection](#). According to the State of Working India 2023 [report](#), the levels of informality are a "concern". The report said that between 1983 and 2019, "the share of the non-farm sector in employment rose 20 percentage points, but the majority of such jobs were of the informal variety".

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When earnings and wages are below the statutory minimum wage and workers have to live by borrowing, the condition of the workers slide into bondage, said the 2002 [Report Of The National Commission On Labour](#).

**Preparation of Fifteen – Year Vision Document (2030), Seven Year Strategy Document (2017-18 to 2023-24) and Three-Year Action Plan (2017-18 to 2019-20) of the Ministry of Labour & Employment on Total Abolition of Bonded Labour**

**Perspective (15 years)**

- (i) To identify, release and rehabilitate an estimated 1.84 crore Bonded Labourers
- (ii) To strengthen the prosecution machinery and reaching 100% conviction rate for preventing creation of new bondages
- (iii) To deal with the altered forms of bondage such as organized begging, forced prostitution, commercial sexual exploitation, forced marriage, forced recruitment for insurgency activities, domestic service, etc. under the BLS (A) Act.
- (iv) To pay special attention to the needs of child, women, transgender, disabled and vulnerable people rescued from aggravated conditions of servitude
- (v) To adopt convergence approach at district level for complete rehabilitation and state care including vocational training, general education, marriage, etc.
- (vi) To provide a sustainable monthly earning system for preventing return to bondage

**Strategy (07 years)**

- (i) To bring down the number of bonded labourers to 50% of the present estimate
- (ii) To augment the annual budget to cater to the needs of at least 12 lakh bonded labourers
- (iii) To strengthen the labour enforcement machinery so as to provide due and admissible relief under the provisions of Contract Labour Act 1970, ISMW Act 1979, BOCW Act 1996, Maternity Benefit Act and Minimum Wages Act
- (iv) To amend the labour laws relating to organized sector to widen the ambit of coverage of the vulnerable workers including released bonded labourers within their fold

**Action Plan (03 Years)**

- (i) To monitor bonded labour cases through the regular criminal justice system
- (ii) To release the rehabilitation grants to the district national child labour project society for speedy assistance through DBT mechanism
- (iii) To have a district level Rehabilitation Fund with a minimum corpus of Rs.10 lakh at the disposal of District Magistrate for immediate cash assistance
- (iv) Awareness Generation programmes in 18 states (one in each State per year)
- (v) Reconnaissance Survey of bonded labour system in 18 states @ two per State per annum
- (vi) Evaluatory studies in 18 states (one in each state per year)

Vision document for the abolition of bonded labour. Source: [Lok Sabha](#)

Rehabilitation for rescued bonded labour has been provided [since](#) 1978 through a centrally sponsored scheme. The ceiling of assistance was Rs 4,000 for each worker, which was shared between the respective state and the Union governments. After revisions in the scheme over the years, in May 2000 the [assistance](#) to rescued labourers was fixed at Rs 20,000 and district level survey component, awareness generation activities and evaluation studies were included.

The rehabilitation scheme was [revised](#) again in February 2022, to provide immediate financial support of Rs 30,000 to the rescued labourer. It also includes Rs 1 lakh for a male worker, Rs 2 lakh for each woman and child, and Rs 3 lakh for transgender persons or women and children involving extreme cases of deprivation, sexual exploitation and trafficking, based on the discretion of the district magistrates.

**The Government has adopted a multi-pronged strategy for abolition of bonded labourers system:**

**(i) Central Government enacted the Bonded Labour System (Abolition) Act, 1976; The Act empowers Executive Magistrates to exercise powers of Judicial Magistrate of first or second class for trial of offences; Vigilance Committees at District and Sub-divisional levels have been prescribed to identify and rehabilitate bonded labourers and**

**(ii) Implementation of Central Sector Scheme for Rehabilitation of Bonded Labourers:**

- **Under the Scheme, the Government of India provides immediate assistance amounting to Rs.30,000/- for each case of rehabilitation.**
- **Rehabilitation assistance to the tune of Rs.1.00 lakh, Rs.2.00 lakh and Rs.3.00 lakh are provided to rescued bonded labourers based on their category and level of exploitation on proof of bondage.**
- **The Scheme also provides for financial assistance of Rs. 4.50 lakh per district to the States for conducting Survey once in every three years per sensitive district, Rs. 1.50 lakh for evaluatory studies (maximum of five Evaluatory Studies per year) and Rs. 10 lakhs per State per annum for awareness generation.**

Some measures for bonded labour rehabilitation based on the 2016 Central Sector Scheme. Source: [Lok Sabha](#)

In addition to financial assistance, the beneficiaries are also entitled to non-cash assistance including land allotment for a house, allocation of agricultural land, provision of low cost dwelling units, enforcement of minimum wages etc.

The standard operating procedure to identify, rescue, and rehabilitate bonded labourers mandates that DMs or SDMs must rescue the affected worker within 24 hours of receiving an oral or written complaint of bondage. According to a December 8, 2021 advisory of the National Human Rights Commission (NHRC), once a bonded labourer is freed and issued a release certificate within 24 hours, they should be compensated and rehabilitated. However, the government's support is accessible only if the bondage is recognised by the DMs/SDMs issuing the relevant certificate. In many cases this does not happen, said experts.

Anuj, his parents and three siblings were given an advance of Rs 20,000 by a middleman and promised wages based on the number of bricks they produced. "We were supposed to receive wages every 15 days based on the number of bricks made per person (at least 1,000 bricks daily)," said Anuj, who worked for four months at the brick kiln in Ambala.

The owner however did not pay them their dues, and the family is owed Rs 1.75 lakh. Anuj claims that he has not received his release certificate from the district administration since his rescue in 2019 despite signing documents and being told that the cheque for financial assistance was ready. Fifty bonded labourers were rescued from the kiln, as per a letter from the district, which also says it has issued release certificates for them, but the labourers say they have not received the letters.

Mahesh, a landless migrant worker, was issued his release certificate on March 14, 2022, but till date, he has not been provided any support. There were 22 workers in all from his village, including his wife, who were

promised Rs 700 a day for making bricks, said Mahesh who had worked as a reporter with a small local news outlet until 2008.

“We were treated badly by the owners because the *dalal* (contractor or middlewoman in Mahesh’s case) cheated the brick kiln owner of Rs 5 lakh,” said Mahesh.

According to him, the Bilaspur labour department claims to not have received the documents, and told him that they did not have funds for rehabilitation. “Since the release, the families must have visited the offices 30 km away a dozen times, spending thousands of rupees.”

Complete rehabilitation must include financial and nonfinancial assistance, said Nirmal Gorana, convener, National Campaign Committee for Eradication of Bonded Labour ([NCCEBL](#)), a national-level network for identification, rescue and rehabilitation of trafficked bonded labourers. “The cash assistance includes an interim relief of Rs 30,000,” he said. “But even after being given a release certificate, the meagre interim relief is not given to rescued labourers.”

The state governments may get the workers rescued but they are reluctant to issue a release certificate recognising that the workers are bonded, said Sudhir Katiyar, Founder, [Prayas Centre for Labour Research and Action](#), a rights-based NGO. “Due to this, workers are not able to access rehabilitation. We often get workers released from bondage but hardly anyone gets certificates.”

IndiaSpend has written to the Ambala division commissioner and deputy commissioner, and to the Barara sub-divisional officer, for comments in Anuj Kumar’s case. The office of the commissioner stated that the request has been forwarded to the concerned official in Barara. We have also written to the Bilaspur collector and reached out for comment to a labour official in Mahesh Kumar’s case. The story will be updated when we receive a response.

On October 13, 11 days after this story was published, Chhattisgarh’s labour department wrote to the collector in Kushinagar asking for release- and rehabilitation-related information.



State administrations are reluctant to acknowledge the presence of bonded labour in their jurisdiction. | Picture courtesy: [ILO](#) / [CC BY](#)

## Data show reluctance to acknowledge bonded labour

A February 2023 government [response](#) in Parliament showed that between 2019 and January 2023, 2,650 people were rescued/rehabilitated, but no cases of bonded labour rescue or rehabilitation were reported in India in 2019-20.

However, the National Crime Records Bureau data [reported](#) 1,155 cases (96% crimes were against SC and ST) in 2019 under the [Bonded Labour System Abolition Act, 1976](#) (BLSA). Similarly in [2020](#), 1,231 cases (94% against SC/ST) were registered and in [2021](#), 592 cases (96% against SC/ST) were registered under the Act, showing that rescues and rehabilitation data do not tend to match the number of cases registered.

State administrations are reluctant to acknowledge the presence of bonded labour in their jurisdiction, say experts.

“The FIR has to be filed after the rescue and after it has been identified as a BLSA case,” said Amin Khan, activist and advocate practising at Madhya Pradesh High Court. “If there are 1,155 cases [in 2019] reported, at least that many rescues should be shown.”

There is pressure on district officials to not show bonded labourers because it damages the reputation of the government, and politically powerful people may be involved, he said.

Establishing a person’s bondage is the first hurdle because officials lack training and awareness, and there’s an impression that someone who is walking around without shackles is not bonded, said Santosh Poonia, programme manager (Legal Education, Aid and Advocacy), [Ajjeevika Bureau](#), a non-profit that provides services to migrant and informal workers.

“Usually SDMs do not go for raids, which are conducted by [official] representatives who depend on the police and labour department. They are not a deciding authority,” he said.

Insufficient “political will” in many states has impacted efforts to address bonded labour, said the US Department of State’s 2022 Trafficking in Persons [Report](#) on India. “NGOs previously estimated police did not file FIRs in at least half of bonded labour cases nationally, especially in Bihar and Rajasthan.”

For example, NHRC’s 2019-20 [annual report](#) showed that when a Special Rapporteur visited Pakribarwan block in Bihar’s Nawada district in July 2019, to assess the situation of bonded and child labour, they found that the state government had “failed to allot the immediate cash assistance of Rs 20,000 [before the scheme revision] to most of the identified bonded and child labourers in the district” and no charge sheets had been filed “against the people who were employing bonded labour in the district”.

IndiaSpend accessed data from activists and organisations and found that there are many cases where rescues have not resulted in issuance of certificates or rehabilitation assistance.

Based on the NCCEBL data shared by Nirmal Gorana, in 2019, at least 652 labourers were rescued of whom 207 were issued release certificates. In 2021, 320 bonded labourers were rescued of whom 65 were given release certificates and 49 have been provided financial assistance. No one has received non-financial support for housing or agricultural land.

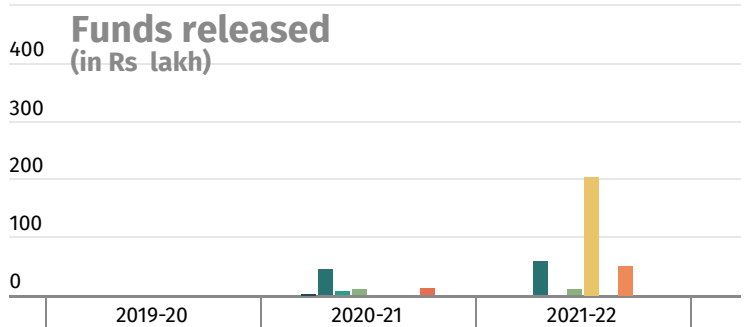
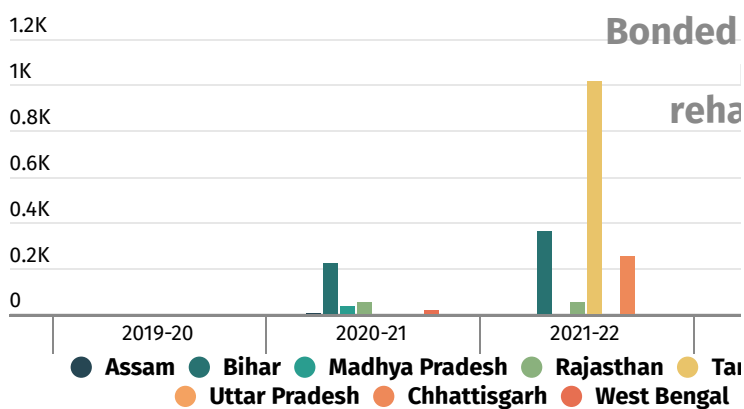
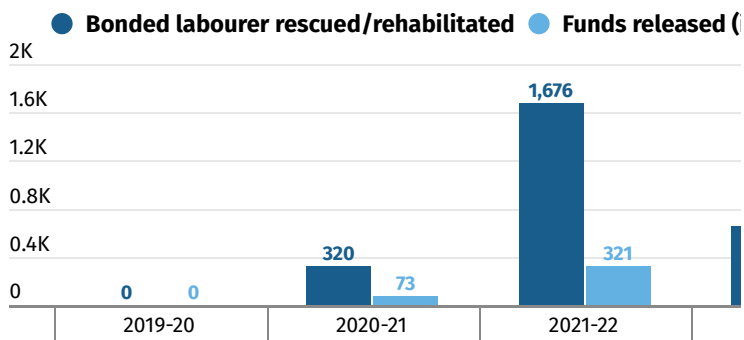
Similarly in 2022, 212 bonded labourers were rescued; fewer than two in three received their release certificate and only 27 received an interim amount of Rs 30,000, showed NCCEBL data. In 2023, not one of the 59 rescued bonded labourers were issued release certificates and associated rehabilitation support. The majority of bonded labourers are from SC and ST communities, per NCCEBL data.

According to Aajeevika Bureau’s data, of 14 cases that were received since November 2020 by their labour helpline and registered with the state governments, only in one case—Mahesh and others—were workers issued a release certificate. Often, workers did not want the hassle of registering a case and preferred to negotiate the pending wages and return home, said experts.

Amin Khan’s data showed that at least 105 workers were rescued and 73 were issued release certificates. But only 15—from a 2021 case—were given interim assistance of Rs 20,000 (the smaller sum is because they were rescued before the 2022 revision), said Khan.

IndiaSpend has filed an application under the [Right to Information Act](#) with the [Ministry of Labour and Employment](#), on September 7, for details of rescue and rehabilitation since 2016, state-specific data on financial and non financial support for rehabilitation, and bonded labour identification survey data. We will update the story when we receive a response.

## Bonded Labourers Rescued And Rehabilitated, 2019-20 to 2022-23



Note: No cases were reported during financial year 2019-20; Data until January 30, 2023  
 Source: [Rajya Sabha](#)

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We received an RTI response from the Ministry of Labour and Employment dated October 17, 2023, 15 days after the publication of this story. The government said that 296,508 bonded labourers have been rehabilitated in four decades until September 30, 2023—that is, 203 more people have been rescued and rehabilitated since January 31. The RTI response shows that between 2016-17 and 2022-23, 13,946 bonded labourers have been rehabilitated and provided financial support through the scheme. It also shows ‘nil’ rehabilitations for 2019-20, same as Parliament data. The scheme

provided around Rs 20.4 crore as central assistance during the six-year period. Uttar Pradesh reported at least one-third of the rehabilitation and was given 42% of the cash assistance.

While the rehabilitation scheme has been implemented for decades, after the revision in the scheme in 2016, it became mandatory to conduct a summary trial, said Katiyar. A [summary trial](#) is supposed to be conducted within [24 hours](#) of the rescue or the date of identification, and completed within three months by an executive magistrate who has been conferred powers by the state to try cases under BLSA.

“The summary trial is mandatory, and the rehabilitation including financial and non financial assistance can be completed based on it. But the trial may take time and the workers cannot be asked to wait until its completion,” said Katiyar.

The release of the overall compensation remained contingent upon conviction of the trafficker or conclusion of magisterial processes, which could take several years, said the US government [report](#). While the government “did not adequately implement any stage of this program”, when it did, it was mostly due to sustained NGO advocacy. Further, some states, as allowed in the Union government’s 2016 bonded labour scheme, controlled how victims could use their compensation, it said.

According to a 2018 [study](#) by the Centre for Budget and Governance Accountability, no expenditure was reported on cash assistance and other components of the scheme in 2016-17 despite a Rs 5 crore budget allocation. This was increased to Rs 10 crore in the subsequent two years.

In the three years until February 2023, the government expended only [half](#) of the budget allocation at most, each year, for the scheme. The highest expenditure was reported in 2022-23 where Rs 4.6 crore of the allocated Rs 10 crore were spent.

The spike is deceptive—this period is after the 2022 scheme revision where the interim relief was increased by Rs 10,000 to Rs 30,000. Thus, while the total amount expended shows an increase, the actual number of workers rescued in 2022-23 was only around one-third of the previous year.

Activist and lawyer Khan said that once the bonded labour release certificate is issued, the summary trial has to only determine compensation and punishment for offenders. “Although there is no law on providing support only after [summary] trial, there are instances where support is delayed because the trial has not been completed.”

## **Scheme is demand-driven, says government**

Contrary to the 2030 vision target of rescuing 18.4 million bonded labourers, the 2023 Lok Sabha standing committee [report](#) shows that the Ministry of Labour and Employment [said](#) the scheme is demand-driven due to which “target cannot be fixed to identify and rescue the bonded labourer”.

104. Achievement under the Scheme as on 13.02.2023, has been cited as Rs. 4.83 crore against the target of Rs. 10 crore for the year 2022-23. Further, the proposed allocation for the year 2023-24 is Rs. 10 crore. Asked to state the plan of action to utilise the earmarked funds in the absence of any targets fixed by the State Governments, the Ministry stated as under:

“The Central Sector Scheme for Rehabilitation of Bonded Labourers is a demand driven scheme and fund is provided/reimbursed to State/UT Governments on receipt of proposals from State/UT Governments. [As keeping labourer as bondage is a punishable offence in terms of Section 16 of The Bonded Labour System \(Abolition\) Act, 1976, target cannot be fixed to identify and rescue the bonded labourer.](#) An amount of Rs.4.83 Crore has already been utilized under Central Sector Scheme for Rehabilitation of Bonded Labourer, 2021, till 31.1.2023.”

Target cannot be fixed to identify and rescue bonded labour.

Source: [Report of the Standing Committee On Labour, Textiles And Skill Development](#)

Corroborating the lack of priority for bonded labour rescue and rehabilitation, as alleged by activists, the Lok Sabha [report](#) shows that the Union government did not have full rehabilitation details of the central sector scheme. The Ministry of Labour and Employment said it did not have details on the non-cash assistance being provided by states as it came “under the purview of state government”.

106. On being specifically enquired on the number of Bonded labourers rescued and rehabilitated as envisaged under the Scheme, the Ministry submitted as under:

Since 1978, through this scheme, during 1978 to 31.1.2023, a total no. of 2,96,305 bonded labourers have been rehabilitated. [Non-cash assistance like allotment of houses and agricultural land, securing educational facilities for children, other welfare schemes of Central / State Government etc. to the rescued bonded labourers come under the purview of State Government. This Ministry does not have details in this regard.](#)

Union government has no data on non cash assistance. Source: [Report of the Standing Committee On Labour, Textiles And Skill Development](#)

The RTI response echoed the statement shared in the Parliament report, stating that the information for rehabilitation may be directly obtained from state departments as rehabilitation falls under state purview.

“The mechanism of distribution of available funds among different components of the scheme was not reported clearly by the Union Government,” said the CBGA report. The bonded labour scheme has always worked in the “mode of reimbursement, and not through advance payment of funds to the districts”.

Further, according to the rehabilitation scheme, each district has to create a [corpus](#) of Rs 10 lakh which is renewable and which would be used for the immediate assistance of rescued labourers. Twenty nine districts in three states–Rajasthan, Tamil Nadu, Uttar Pradesh–[utilised](#) funds from its corpus in 2022-23.

It is unlikely that all districts have corpus funds, and the data on bonded labour under the scheme have discrepancies, said Gorana. “There is no clarity on rescue and rehabilitation. Those who have been given Rs 30,000 have also been included in rehabilitation data, which is wrong.”

The Union government also provides Rs 4.5 lakh to states to conduct a survey of bonded labourers once every three years per sensitive district [where high incidence bonded labour is reported], besides an awareness generation fund of Rs 10 lakh a year to each state and Rs 1.5 lakh each for up to five evaluatory studies per year for eradication of bonded labour.

Surveys do not happen properly, which in turn means that survey-based rescues do not happen, said Ravi, an independent researcher on bonded labour who has helped in the release of 180 labourers. “It is usually based on individual or NGO complaints.”

States have been tasked to monitor this. To identify bondage, the labour ministry advised states “regularly to conduct more and more surveys, awareness generation and evaluatory studies to identify and release the bonded labourers”.

## **What more needs to be done**

The parliament committee has recommended that the government should maintain a central database of assistance provided, irrespective of the jurisdictional aspects.

Experts and policy documents show that surveys and evaluations on bonded labour at the district levels must be conducted on time, and a management information system along the likes of the Mahatma Gandhi National Rural Employment Guarantee Scheme, the rural jobs programme, and Swachh Bharat Mission for household sanitation, should be created to monitor progress.

The scheme is good overall, but there is a need for sensitisation, particularly because bonded labour may also be a case of human trafficking which attracts Indian Penal Code 370 on buying or disposing of any person as a slave, said Katiyar. “If this is properly done and monitored it will increase registration of cases, and data collation will also improve.”

The solution to eradicating bonded labour lies in changing the conditions of work, and not rehabilitation alone, he added.

**Recommendations to improve rehabilitation scheme and end bonded labour**

- Increase corpus funds for sensitive districts
- Improve central coordination and monitoring mechanism of rehabilitation
- Establish National Portal on Bonded Labour for welfare entitlements
- Enable collection of the information from states and maintain a central database of all types of assistance
- Ensure improved conditions of work and timely wages for labourers
- Timely issuance of release certificates to access rehabilitation assistance
- Regular surveys in sensitive districts to identify and eradicate bonded labour and awareness campaigns
- Convergence of bonded labour rehabilitation scheme with others schemes at the Union and state levels to monitor benefits to workers

Source: Experts and various government and non-government reports

Anuj, who was rescued from a brick kiln in 2019, does not own any land, and stays in his parents' two-room house. The two *bighas* (1.2 acres) of land that his family had was sold for his sisters' marriage. "No one has contacted me since I went to meet district labour officials in Ambala to sign for the issuance of the cheque, and I have not received any money yet." He continues to face delayed wages as a mason, but after his previous experience, the safety of being at home trumps his urge to migrate for better wage work.

Mahesh, who is yet to receive any government rehabilitation support since his rescue in 2022, too faces a similar plight. When he and his wife return after months of work, they stay in his mother-in-law's one-room house. "We can manage if we get rehabilitation money and then get land for a house or farming [under the scheme]," he said. "We are not asking for anything big."

*\*Names of the rescued labourers have been changed to protect their identity.*

*Update:*

*1. This story has been updated on October 13 to reflect communication from the Chhattisgarh labour department.*

*2. This story has been updated on October 22 to reflect RTI information from the Ministry of Labour and Employment.*

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