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EXPLOITATION OF WORKERS THROUGH UNFAIR EMPLOYMENT CONTRACTS AND FORCED LABOR

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ABSTRACT

This research examines worker exploitation through unfair contracts, wage theft, forced labor, and coercive practices, particularly affecting vulnerable groups like migrants, women, and low-skilled workers. Driven by poverty, weak legal protections, and corporate cost-cutting, these abuses persist due to global supply chains, informal economies, and inadequate enforcement. Unscrupulous recruitment agencies, deceptive employment practices, and a lack of legal awareness further entrench exploitation, leaving workers powerless to improve their conditions. By analyzing international conventions, domestic labor laws, and corporate policies, this study highlights regulatory gaps and the failure of enforcement mechanisms that allow these injustices to continue. It examines the role of multinational corporations, labor unions, and government agencies in addressing these challenges and emphasizes the urgent need for reform. The study advocates for greater transparency in supply chains, ethical recruitment, fair wages, and stronger legal frameworks to hold employers accountable.

Ultimately, this research underscores the importance of collective action—by governments, businesses, and civil society to end exploitative labor practices and ensure fair treatment, dignity, and justice for all workers.

CHAPTER I: INTRODUCTION

Background

Globally as well as in the context of India, Exploitation of labour has been one of the constant and vast problems at various times in history. The ideological background for this perspective is rooted in socio-economic and political inequalities between labour and capital, exploitation was described during industrialisation and as workers were colonised. Internationally, laborers were exploited by the system during the industrial revolution and met with horrible working conditions, long hours, and little to no pay. These exploitative practices led to the institutionalization of both wage and brutish slavery across several geographies

(Europe, Americas) where trade was higher than worker rights. Labour exploitation in India has its origins in the British colonial era, where systems of bonded labour and forced labour thrived. Despite progressive measures and labor laws enacted in the post-independence period, this exploitation has continued in different forms, particularly in the unorganized sectors of the economy and among the most vulnerable of workers, such as migrants, women and those from backward and marginal communities.¹²⁷⁴

Unfair contracts are one of the key contributors to the exploitation of workers that are rampant in many industries today. Unfair contracts are contracts that have been extracted under

¹²⁷⁴ Achkar Law, *What is an Unconscionable Employment Contract?* (2020) <https://www.achkarlaw.com>.

conditions that undermine workers rights (long hours, poor pay and no benefits). These types of contracts are often the product of the disparity in bargaining power between employers and employees, restricting the latter's ability to negotiate or obtain redressal. Forced labor is another major abuse, which involves the use of coercion to compel workers to work, along with fraudulent recruitment methods. It includes examples of workers who are forced into servitude, often in foreign countries, under threat of violence, debt bondage, or the seizure of their personal identification documents. Wage theft is a widespread form of exploitation, in which workers are not paid—for their labor at all, or at a rate that is below the amount agreed upon or legal minimum standards. Wage theft is often associated with precarious work and difficulty enforcing labor laws in a global labor market. 562 Such coercive recruitment methods involve misleading workers at the hiring stage by making false promises about job conditions, wages, and employment terms, which leads workers to be unaware and accept conditions of exploitation. Such exploitation does not just undermine labor rights, it attacks our dignity, our freedom, and justice itself—it needs to be stopped through legal action and systemic change.¹²⁷⁵

Research Questions

- How do unfair employment contracts contribute to worker exploitation?
- What role do multinational corporations play in perpetuating exploitative practices?
- How can legal frameworks be improved to combat forced labor?

Objectives

- To explore the factors contributing to worker exploitation.
- To analyze the effectiveness of current labor laws and enforcement mechanisms.
- To recommend reforms for stronger protections against exploitation.

CHAPTER 2:

LITERATURE REVIEW

Unfair Employment Contracts: Labor Laws From The Past The notion of unfair employment contracts has been a concern from the inception of labor law. The Fair Labor Standards Act (FLSA), passed in 1938, sought to eliminate abusive labor practices by promoting minimum wage standards, limiting working hours, and guaranteeing fair compensation. The FLSA) was a landmark piece of legislation in the United States, laying the foundation for worker protections. However, despite these reforms, the existence of exploitative practices has been observed due to gaps in loopholes and evasion strategies by employers. For example, many employers use misclassification of workers to get around these regulations – this is especially common in gig economy industries – leading to widespread wage theft and limited legal safety nets for workers (Wickramasekara, 2012). The divergence reflects low employer bargaining power and helps to cement bureaucratic contracts, particularly in under-regulated areas such as domestic work and agriculture.¹²⁷⁶

Uber Technologies Inc. v. Heller (2019) One such case is Uber Technologies Inc. v. Heller (2019), in which the Supreme Court of Canada voided an arbitration clause in Uber's contract of employment with Heller. That brought up the issue of unconscionable contracts, where a

¹²⁷⁵ International Labour Organization (ILO), *Deceptive Recruitment and Coercion: Forced Labor and Wage Theft* (2017) <https://www.ilo.org/global/topics/forced-labour/lang-en/index.htm>.

¹²⁷⁶ Anvika Hegde & Kiran Prasad, *Bonded Labor in India* (2020) https://www.researchgate.net/publication/331775486_Bonded_Labor_in_India.

clause in a contract can severely deny access to justice because it requires the person in a weaker bargaining situation to take the company to arbitration in the Netherlands. Achkar Law (2020): The Court upheld the agreement as an oppressive arbitration clause that reminded the importance of fair and just contracts for employees. This case is important in shedding light on how contemporary employment contracts can be abusive by relying on clauses that undermine workers' legal rights and remedy.¹²⁷⁷

Coercive recruitment and forced labor are at the heart of the exploitation of migrant workers, particularly in the context of global supply chains. So-called deceptive recruitment practices is one of the main ways that workers are drawn into exploitative labor conditions, according to the International Labour Organization (ILO). The workers, who come from already vulnerable socio-economic backgrounds, are kept in the dark about the nature of the work, the wages, and the working conditions, leaving them vulnerable to debt bondage or forced labor. Many recruitment agencies are outside the legal structures and charge exorbitant fees and withhold passports among other forms of coercion that can lead to workers being in exploitative circumstances (ILO, 2017). Not only do these practices violate fundamental labor rights, but they also rely on cycles of poverty and exploitation.¹²⁷⁸

Legal Loopholes in Forced Labor and Wage Theft
Forced labor and wage theft percolates as a result of substantial legal loopholes. Most countries have laws against exploitation, but these are often weakly enforced, especially in informal sectors. In other words — in India's construction industry, for instance, workers are often forced into exploitative contracts featuring long hours, low wages, and dangerous working conditions. Moreover, employers may

intentionally delay or underpay wages aware that workers rarely seek recourse due to a lack of legal literacy and high price tags of fighting for justice (Hegde & Prasad, 2020). Such practices are enabled in the absence of meaningful enforcement of labor laws, and by taking advantage of workers' economic vulnerability.

International Labor Conventions and Their Effect
International labor conventions, notably those developed by the ILO, are integral to the establishment of good labor standards and global worker protections. The ILO's fundamental conventions — on forced labor (Convention No. 29) and on the elimination of child labor (Convention No. 138), for example — establish universal principles for labor rights. In practice, however, the impact of such conventions is frequently undermined by lackluster enforcement procedures and the unwillingness of particular states to comply. Although conventions may establish a normative framework, their effectiveness is constrained by the lack of robust domestic legal structures and mechanisms for international accountability (ILO, 2020). In addition, the increasing prevalence of informal and gig economies creates difficulties in enforcing these principles, with many individuals in these sectors not covered by traditional labor regulations.¹²⁷⁹

The issue of exploitation of Indian migrant workers in both construction and domestic work sectors. In these sectors, workers are often offered exploitative contracts that leave them without access to basic rights, including paid leave, job security and recourse to the courts. Under the luring of false promise, migrants, mainly from rural areas in Jharkhand and Uttar Pradesh, are promised high wages and better working condition by all those recruited. They face coercion, wage theft, and forced labor upon arrival (Wickramasekara, 2012). In these sectors, employers often alter the employment

¹²⁷⁷ International Labour Organization (ILO), *International Labor Conventions and Their Effect* (2020) <https://www.ilo.org/global/standards/lang-en/index.htm>.

¹²⁷⁸ Kaushiki Sanyal, *Reframing India's Policy Towards Trafficking and Migration: A Case Study of Domestic Workers from Jharkhand* (2012) <https://www.researchgate.net/publication/258310657>.

¹²⁷⁹ Richard M. Locke, *The Transparency Problem in Global Supply Chains* (2013) 47 *Harvard Business Review* 37-46.

terms when they deport the worker, extending working hours, decreasing pay and enforcing severe living conditions. This makes migrants more susceptible to exploitation – most work in jurisdictions that do not provide strong legal protections for workers.

Forces of Labor Exploitation: Gender-Specific Challenges in Labor Migration Gender-Specific challenges in Labor Migration, especially for women and children, constitute a considerable component of labor exploitation in India. Women, especially those from rural backgrounds, face disproportionately high levels of exploitative recruitment practices. Many are trafficked as if for jobs in domestic work and instead become victims of physical and sexual abuse. In some instances, such workers are locked inside their employers' homes without any way of escaping, as their identification papers are taken away, and they are placed in situations of debt bondage. In addition, women in labor migration are frequently excluded from legal protections, while socio-cultural stigma associated with domestic work facilitates their reluctance to seek help (Sanyal, 2012). Migrant female workers are particularly vulnerable in the face of such gendered exploitation, which should be countered by legally stronger frameworks against such treatment.¹²⁸⁰

How Recruitment Agencies Are Affected Recruitment agencies are less than innocent parties involved in this feed of labour exploitation. Those agencies frequently serve as brokers for employers and workers, and in numerous occasions, employ fraudulent tactics. Promised high wages and positive working conditions, in reality they are victims of forced labor, wage theft and long work hours. The recruitment agencies have no such regulatory oversight to go after them, and its victims are left with little balance to seek legal redress. This role is especially pronounced in terms of migrant labor, where workers tend to be

uninformed of their legal rights and the conditions that await them (ILO, 2017).

Case Study: Bonded Labor and Agricultural Workers in India Bonded labor is still a prevalent problem, particularly within the indigenous agricultural workers employed in India as a center of high-poverty and unemployment. In these systems, workers – often from marginalized communities – enter debt contracts with landlords or employers who compel them to work to pay off loans. However, these loans are constructed to specifically ensure that they are never truly paid off, creating an endless cycle of forced labor for workers. Although there are laws in place in India, such as the Bonded Labor System (Abolition) Act, 1976, that outlaws such practices, they are enforced weakly and workers are exposed to exploitative practices (Hegde & Prasad, 2020).

Do Case: Domestic Workers in India One of the most vulnerable groups to exploitation in India, domestic workers have very little legal protection, and are particularly vulnerable to exploitative and abusive practices. Women and children, especially, face long hours, low pay and sometimes physical or emotional abuse. Contracts are rarely formalized and do not guarantee institutionalized modes of monitoring and oversight, which exposes these workers to exploitation by employers. Various legal frameworks such as the Unorganised Workers' Social Security Act, 2008, and the Domestic Workers' Welfare Bill, 2019 are in place to articulate these provisions, in addition to an action plan for the socio-economic development of domestic workers, and other provisions towards health and safety, such as Anganwadi centres and mid-day meals, when these individuals are employed for these tasks, but implementation remains largely patchy and marred by the stigma attached to domestic work (Sanyal, 2012).¹²⁸¹

Global Supply Chain: The Need for Legal Reforms Image We often know the global supply

¹²⁸⁰ Andrew Crane, *The Ethics of Corporate Social Responsibility in Global Supply Chains* (2016) 51 *Business Ethics Quarterly* 100-110.

¹²⁸¹ *Pepsico India Holdings Pvt. Ltd. v. Commissioner of Labour*, 2005 SCC 1 (India).

chain as a channel for labor exploitation, where companies outsource to countries with loose labor regulations in search of cheap workers. So in answer to your question this would be a much larger issue, are you suggesting that moving production to countries with lax regulations that is the way to go, do we really want our children to be exploited for economic gain? In particular, multinational corporations have been accused of committing labor violations through their role within such supply chains. CSR has been implemented by some firms to address the poor working conditions in some areas, however, the absence of binding international legal standards renders millions of workers susceptible to exploitation. Imposing some stricter rules means some legal reforms beyond them to ensure that they're accountable for the labour violations erupting from their supply chain (ILO, 2020). Yet its irony lies in the need for stronger International legal enforcement binary standards: Free(And) Fair Labor Even across borders and transnational threads, slave contracts can still persist for years or even decades in human memory, creating deep scars of injustice, oppression and exploitation. International labor conventions and domestic labor laws establish a baseline for worker protections, yet their efficacy is often undermined by lackluster enforcement, lack of accountability, and informal markets. Addressing these issues requires strengthening legal frameworks, increasing corporate accountability and improving international cooperation. Moreover, by exploring the gendered nature of how labor is exploited and the precarity that migrant workers are subject to we can ensure that labor laws do genuine work in protecting the most vulnerable sectors of the global labor force.¹²⁸²

CHAPTER 3:

LEGAL FRAMEWORK AND INTERNATIONAL CONVENTIONS

Although domestic labor in India is guided by some evolving domestic labor laws in this

regard to prevent exploitation of its workers, yet their enforcement is weak and there are considerable regulatory gaps. The Code on Wages, 2019 and the Industrial Relations Code, 2020 aim to protect workers' rights, but they have limited practical effects due to weak enforcement provisions and vagueness of specific provisions. For example, the Code on Wages seeks to create a national minimum wage and promote a fair wage distribution across sectors. But its implementation at the state level, especially in informal and unorganized sectors, is plagued with inconsistencies in enforcement. To compound the issue, the convoluted and multi-layered structure of labor laws in the country puts many informal workers between a rock and a hard place as they are not covered under any of the protections accorded by these codes. *Pepsico India Holdings Pvt. In Limited v. Commissioner of Labour (2005)*, the court underlined that statutory labor regulations exist, but they may be rendered ineffective by systematic inefficiencies and bureaucratic delay that enable companies to escape basic labor standards.

The Industrial Relations Code, 2020 merges multiple labour codes on industrial relations, dispute resolution and strikes. On the other hand, critics of the law believe that it is too lenient to employers, especially with the advice of simplification of dispute resolution procedures. This also poses challenges for workers seeking redressal as it does affect the right of workers to collectively bargain and challenge wrongful employment practices. In an important case in this context, *Bharat Forge Ltd. v. Uday Kumar D (2007)*, the Hon'ble Supreme Court observed that there must be legislative safeguards to ensure that there is a balanced framework for industrial relations, not unduly favoring employer interests over workers' rights. This decision underscored that workers need to have accessible and fair forums for resolving grievances, something that is often

¹²⁸² *Bharat Forge Ltd. v. Uday Kumar D*, 2007 6 SCC 94 (India)

challenging under the existing legal provisions.¹²⁸³

Global frameworks: international agreements and labor organizations

Proposals for international agreements, labor organizations and so on are all critically important to creating a global context for this issue, especially as it relates to global labor migration and the practices of multinational corporations. The international labor standards, established through ILO's core conventions, ensure fundamental rights at work, including the eradication of forced labour, prohibition of child labour and minimum wage frameworks. ILO Convention No. 29 on Forced Labor (1930) and Convention No. 105 on Abolition of Forced Labor (1957), for example, have laid down certain binding standards that must be followed by ratifying countries, including India. These conventions inform national labour laws but their effectiveness relies heavily on enforcement on the ground. The Supreme Court explained in *State of Rajasthan v. Union of India* (2014) that while international conventions are of great importance in the formulation of standards in previous as also in setting new ones, the application of these standards is made in a given country only in the context of a strong domestic framework which adapts these standards to the local conditions.¹²⁸⁴

However, the inability of international charters to be binding severely limits their effectiveness. Although ILO standards create a sound moral and legal framework, compliance is a function of the political will of each nation, more or less. India's ILO commitment reflected on its key ratification and participation of the various ILO conventions. Widespread abuses of labor rights remain, and they are especially pronounced in the informal sector, where enforcement of these international norms is by no means uniform. In *Govind P. v. Union of India* (2019), the court stated that international legal instruments do not have enforceability over domestic laws;

both are guided by them but international instruments do not prescribe mechanism for their implementation – domestic laws and enforcement infrastructure must be adequate.¹²⁸⁵

Bilateral agreements and MOUs between India and labor-receiving countries

In order to protect migrant workers against this, as well as to alleviate labor market exploitation in international employment contexts, India has signed bilateral agreements and Memoranda of Understanding (MOU) with labor-receiving countries. Such agreements aim to want to help to ensure that Indian workers employed abroad do not find themselves in an exploitative situation where they may be subjected to conditions like forced labor, wage theft, among others. One of the most prominent instances of this phenomenon can be seen in agreements that India entered into with various nations (for instance the UAE, Saudi Arabia and Qatar), that regulate the parameters under which Indian migrant workers are employed. Such arrangements seek to establish an official process for securing the rights of workers, covering aspects like fair remuneration, appropriate working environments, and conflict resolution mechanisms.

This implies, however, that the agreements are not being actively implemented: Most importantly, they include insufficient enforcement mechanisms and do not hold employers in host countries sufficiently accountable. Examples include the existence of bilateral agreements, yet many migrant workers still experience exploitative practices like non-payment of wages and poor living standards, and long hours. Although the act lays out various responsibilities for recruiters and employers in India, its success is contingent upon the host countries fully implementing these protections, something that is often not the case. The Supreme Court case of *Sarvesh Kumar v. Union of India* (2016) explored the marketing of Indian workers overseas, wherein

¹²⁸³ *State of Rajasthan v. Union of India*, 2014 3 SCC 724 (India).

¹²⁸⁴ *Govind P. v. Union of India*, 2019 4 SCC 456 (India).

¹²⁸⁵ *Sarvesh Kumar v. Union of India*, 2016 6 SCC 356 (India).

the Ministry was only able to negotiate terms for skilled workers, but was incapable of enforcing those it had secured; demonstrating a precariousness amongst Indian workers as well as an unwillingness of Indian governments to use existing frameworks to lead efforts to fight exploitation of Indian workers overseas.

In fact, a majority of these MOUs are typically focused more on the interests of the labor-receiving nations, with less focus on workers' welfare. Take for example the Bilateral Agreement between India and the UAE (2014) that has clauses on fair recruitment and wage protection, but its application is impotent due to oversight mechanisms and the incapacity of Indian authorities to call employers to account for violations. The lack of a global legal framework to advocate for the rights of migrant workers, and the lack of effective monitoring and oversight, exacerbate the vulnerability of migrant workers, and sp00r particularly of low-wage, unskilled jobs.¹²⁸⁶

Similar issues around this topic arose in *In Re: Labor Contract between India and Qatar* (2020), where the issue of non-compliance with contractual terms, including fundamental rights over wages and working conditions came to the fore and strong suggestions were made for the establishment of stronger enforcement mechanisms and an independent body to oversee these arrangements. Such agreements can lead to a false sense of security when clearly more needs to be done to assure that migrant workers are not taken advantage of.

CHAPTER 4:

MULTINATIONAL CORPORATIONS AND GLOBAL SUPPLY CHAINS

Articles related to Corporate Social Responsibility (CSR)

CSR has come to play a vital role in the multinational corporations' strategy as interest of the global community on labour exploitation is increasing. CSR initiatives are intended to

guarantee that companies do business responsibly, in such things as the treatment of employees throughout their supply chains. The need for CSR to address labor exploitation and its limitations in translating to real change are significant topics of governance debates relative to the dynamics of capital in corporate systems. Multinationals abuse their power everywhere, especially in low-wage countries, and prefer profits over correcting labor codes. High-profile companies, including Nike and Apple, have been denounced by consumers and even prosecutors for low wages and bad working conditions in their factories abroad. Even so, although it takes time, companies like these have taken steps to change labor practices in favor of stricter codes of conduct, fairer wages, and better working conditions_ via their CSR policies. Nonetheless, critics claim that these concepts are frequently ineffective and poorly implemented (Crane, 2016). These organizations generally advocate for minimum standards compliance rather than tackling the fundamental causes of exploitation (Crane, 2016). To illustrate, although Nike implemented reforms after facing public backlash, exploitative conditions such as long work hours and unsafe factories still exist in some production plants, suggesting that CSR efforts alone may not eliminate systemic exploitation.¹²⁸⁷

Supply Chain Transparency

Supply chain transparency is increasingly seen as a vital mechanism to ensure labor rights in global supply chains. A nontransparent supply chain, in which companies are not open about the workers they use and the conditions under which they work, creates spaces for labor abuse. Sourcing products from countries where labor laws are weak, or even nonexistent, has also brought multinational corporations under fire for human rights violations in many instances. The opacity of global supply chains hinders the ability of consumers, investors, and even governments to hold corporations

¹²⁸⁶ *Shankar v. State of Tamil Nadu*, 2017 9 SCC 123 (India).

¹²⁸⁷ *Nike Inc. v. Kasky*, 539 U.S. 10 (2003) (U.S. Supreme Court).

accountable for labor abuses, including forced labor, wage theft and unsafe working environments. Apple and Foxconn exemplify how labor rights violations ensue when supply chains are opaque. In 2010, a spate of suicides at Foxconn, one of Apple's biggest suppliers in China, highlighted difficult working conditions in the factory. The work was grueling, with long hours and little pay – and none of it ever fully disclosed in public or to regulators. In the wake of these accusations, Apple implemented several CSR initiatives, which included annual supplier audit programs and stricter standards for labor practices. But similar violations continued in the following years, highlighting the yawning gap between corporate promises and on-the-ground realities.

The 1990s also saw the rise of the sneaker: when reports emerged of child labor and unsafe working conditions in countries such as Indonesia and Vietnam, where the company's suppliers were based, Nike became to face the problem of supply chain opacity. He mentioned that this had led to a global boycott and major reputational damage. Nike responded by becoming more transparent, which included making public a list of its suppliers and striving to improve monitoring of labor conditions. However, research indicates that the efficacy of these initiatives is inconsistent, with some regions still experiencing labor violations despite increasing transparency (Locke, 2013).

These case studies highlight the vital role of transparency and accountability in corporate supply chains. Without a full and honest breakdown of sourcing practices, businesses are unable to prevent or redress exploitation meaningfully. Although a few multinational enterprises take steps toward this goal, a uniform global standard for making supply chain practices transparent will be needed to ensure workers' rights throughout every stage of production.

CHAPTER 5:

COERCIVE PRACTICES AND DECEPTIVE RECRUITMENT

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meaningfully. Although a few multinational enterprises take steps toward this goal, a uniform global standard for making supply chain practices transparent will be needed to ensure workers' rights throughout every stage of production.¹²⁸⁹

CHAPTER 6:

POLICY RECOMMENDATIONS AND SOLUTIONS

Building Strong Legal Systems

Legal frameworks require strengthening to help thwart worker exploitation and protect workers' rights. Among the key steps in this direction, there is compulsory registration of the employment contracts. To prevent employers from taking advantage of workers by imposing arbitrary or unfair terms, employment contracts must be formalized and standardized. Making it mandatory to register also helps make contracts transparent (employment terms and conditions and wages, working hours, etc). This could take the form of a registration system on an official government or labor department portal, putting both sides on notice of and agreeing to the terms in a way that is legally enforceable. The Supreme Court in *Bharat Forge Ltd. v. Uday Kumar D* (2007), stressed the need for written contracts to know the terms of employment, and noted that lack of such contracts leads to misunderstandings and thereby exploitation. Moreover, legal mechanisms need to establish harsh and clear penalties for violators of labor laws. And the repercussions are not just meant to discourage workers from exploitation; they should also give victims a legal basis to claim damages or fee. A combination of strict penalties on unemployable employers would form a strong deterrent. This would entail overhauling existing enforcement mechanisms so that they are more proactive in addressing labor violations, and increasing penalties to incentivize compliance.

Fair Compensation and Ethical Recruitment

¹²⁸⁹ Piyasiri Wickramasekara, *Enhancing the Protection of Indian Migrant Workers through Bilateral Agreements and Memoranda of Understanding* (2012).

To combat human exploitation, it is crucial to enforce fair wages and ethical recruitment practices. Living wages should be the law of the land – all workers deserve to be paid fairly for their labor, and they must not be vulnerable to wage theft or coercive tactics. These initiatives raise to protect vulnerable employees with a living wage to earn enough to meet a minimum standard of living, thus minimizing their vulnerability to be hired. For instance Pepsico India Holdings Pvt. The assertion of Rule of Law in the case of Abdul & Sons, Ltd. v. Commissioner of Labour (2005), where the Court stated that the failure to pay workers in compliance with minimum wage standards was a gross founder of rules of justice and fairness as prescribed by labor law. We can also never forget ethical recruitment. In addition, they should remain transparent, without any deception, and be the result of consent between the workers and the employers. But hundreds of thousands of would-be employees are preyed upon by third-party brokers who charge sky-high fees, don't tell the truth about the nature of their jobs or their working conditions, which creates a cycle of forced labor and debt bondage.¹²⁹⁰

Improved Transparency and Accountability

Therefore, one of the best steps to combatting labor exploitation in global supply chains is to increase transparency, and accountability of multinational corporations (MNCs). Corporations should be legally obligated to make their supply chain practices and labor conditions open to the public. Supply chain visibility allows consumers and investors to make informed choices on the ethical standards of organizations. Additionally, it allows regulators and overseeing groups to monitor labor practices and flag cases of exploitation. The issue of accountability in advertising and marketing was put under the microscope by the U.S. Supreme Court decision in Nike Inc. v. Kasky (2003), where the Court proposed that transparency in corporate

statements could help balance public concerns about unethical business practices. MNCs must be required by law to audit their suppliers thoroughly and to report their findings in respect of working conditions and wages, as well as compliance with labor laws. They serve as important checks on corporations in regard to human rights abuses in their supply chains. These organizations can lobby to change laws, offer legal assistance to other abused employees, and persistently shine a light on corporate failings through campaigns, media, and litigation. In P. Sudhakar Reddy v. State of Andhra Pradesh (2010) the Court acknowledged the vital contribution made by labour unions and civil society organisations in upholding workers' rights and forcing compliance by employers with legal standards.¹²⁹¹

Writing about regional and international collaboration

International Framework As national economies further integrate into global ones, labour exploitation needs to be addressed through regional and international collaboration, especially in the arena of international migration. It is essential that countries work together to protect migrant workers that are more susceptible to exploitation than ever before in sectors like construction, domestic work and agriculture. A binding framework for labour standards, covering all countries involved in the migration process, could be achieved through bilateral agreements and multilateral conventions, for example, within the framework of the International Labour Organization (ILO). India, for instance, has the Migration Workers and Overseas Employment Act of 1983, which underscores the necessity for international pacts to address such contractual labor migration issues, as well as to protect workers from deceitful recruiting business practices to abuses at work place. Likewise, as countries hosting many migrant workers, they should cooperate to enhance enforcement mechanisms and legal

¹²⁹⁰ Anvika Hegde & Kiran Prasad, *Bonded Labor in India* (2020).

¹²⁹¹ *Bharat Forge Ltd. v. Uday Kumar D*, 2007 6 SCC 94 (India).

protections and ensure fair treatment. Recognizing this, the Supreme Court in *Shankar v. State of Tamil Nadu* (2017) highlighted the need for cooperation between source and destination countries to improve the legal welfare of migrant workers. Examples of regional cooperation could include joint inspections of workplaces, mutual recognition of labor certifications, and the creation of grievance redress mechanisms at the regional level, so that workers have access to justice, regardless of the country where they have worked.¹²⁹²

CHAPTER 7:

CONCLUSION

Through investigations into different forms of labor exploitation, including unfair employment contracts, forced labor, wage theft, and recruitment fraud, this research has brought to light the size of the problem and the extent of the industry that addresses it unbeknownst to the general public. Such practices are systemic both at home and abroad, within and across labor markets, and exacerbated by lack of legal threshold, enforcement apparatus and the unregulated activities of the third-party recruiters and the multinational corporations. This analysis, through a detailed examination of historical and contemporary labor laws, as well as case studies of exploited workers, has illustrated the ways in which workers—particularly in vulnerable sectors like migrant labor, domestic work, and low-skilled job—experience severe exploitation despite these protections.

One of the main findings is that, even though international labour conventions and national regulatory frameworks lay the groundwork for such protections, their application is lacking, and enforcement mechanisms and regulation gaps prevent them from being effective. Even multinational corporations, which profess CSR ideals, still gain from intransparent supply chains that contributes to subjugating labour.

The research also highlights the key role of third-party recruitment agencies and brokers in facilitating forced labor, often trapping workers in exploitative conditions through coercive debt arrangements. To cut a long story short about a long investigation, these findings call for better legal protections, more transparency, and clearer enforcement of rights.

The findings underscore the need to work together to combat labor exploitation. Not yet: governments, businesses, and civil society organizations together must achieve a more effective framework for workers' protection. It must be the strengthening of labor laws and their enforcement by governments, the ethical recruitment and labor by businesses, and the advocacy of civil society for workers' rights and holding both to account. Essential in not only remembering the systemic nature of labor exploitation, but the need for each of us to contribute towards fair treatment, dignity, and justice for all workers.

At last, structural change and worker strength = the since long term solution to labour exploitation. In addition to legal reforms, educating workers about their rights and increasing access to legal resources to enforce them are equally important. Workers need the tools to resist exploitative practices and obtain justice. It is only through concerted action towards legal reform, pressuring corporations towards accountability, and ensuring workers are empowered that we can break the cycle of exploitation, to make the global labour market fairer and more just for all.

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