
CHAINS UNBROKEN: THE CONTINUING CRISIS OF BONDED LABOUR IN INDIA

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ABSTRACT

Bonded labour remains a critical human rights violation in India, manifesting as modern slavery despite five decades of legal prohibition. It is characterized by an exploitative creditor-debtor relationship where debt serves as a coercive tool to restrict freedom of movement and the right to choose employment. Historically entrenched in caste hierarchies and colonial land tenure systems, bondage has evolved from feudal agrarian servitude into diverse forms of "neo-bondage" prevalent in unregulated sectors such as brick kilns, stone quarries, and the informal gig economy.

The constitutional mandate under Article 23 and the Bonded Labour System (Abolition) Act, 1976, provide the statutory framework for eradication. Landmark judicial rulings have expanded this definition, establishing that any labour provided for remuneration less than the legal minimum wage constitutes "forced labour" under the Constitution. However, a significant gap persists between law and practice due to official denial, administrative apathy, and dismal conviction rates, which reached only 3.6% following 2016 policy reforms.

Marginalized communities, specifically Scheduled Castes and Scheduled Tribes, constitute over 80% of victims, highlighting the systemic nature of this exploitation. Sustained eradication necessitates a multi-pronged approach that delinks rehabilitation from conviction, ensures the provision of institutional credit, and enforces simultaneous identification and release to prevent survivors from relapsing into bondage. Ultimately, breaking these cycles requires structural transformation to uphold the human dignity of India's most vulnerable citizens.

Keywords: Bonded Labour, Rehabilitative Justice, Article 23, BLSA, Modern Slavery.

Introduction

Bonded labour, also known as debt bondage or peonage, is a modern manifestation of slavery where an individual is compelled to provide services to a creditor as a means of repaying a loan or fulfilling a social obligation. It is characterized by a long-term, often indefinite, relationship between employer and employee, solidified through a loan or advance.¹ In *Ram Sarup Bhagat v. Bansi Mandar (1915)*, the Calcutta High Court ruled that a contract binding a labourer and their descendants for an indefinite period until a sum was repaid was indistinguishable from slavery and thus unenforceable.²

The Bonded Labour System (Abolition) Act, 1976 (BLSA), provides the definitive legal framework in India, defining it as a system of forced or partly forced labour where a debtor enters an oral or written agreement with a creditor. Under this system, the labourer (or their family members) forfeits several fundamental freedoms, including the right to choose an employer, the right to move freely, and the right to sell the products of their labour at market value.³

Conceptually, the Indian Supreme Court has expanded this definition, ruling that any labour provided for remuneration less than the legal minimum wage constitutes "forced labour" under Article 23 of the Constitution, as it is presumed that no one would willingly work for such low pay without some form of compulsion. Unlike chattel slavery, where the ownership is *de jure* (legal), bonded labour often involves *de facto* (actual) ownership, where the creditor exercises near-absolute power over the labourer's life and liberty due to the debt trap.⁴

Historical Evolution: From Colonial Systems to Modern Indebtedness

Historical Background in India Bonded labour has deep roots in ancient India, tracing back to the Harappa and Vedic periods where defeated populations were treated as slaves called *dasa*. The *Arthashastra* (c. 300 BC) later codified rules for debt bondage, acknowledging that families might bind themselves during distress.⁵ During British colonial rule, land tenure systems like Zamindari further stratified social hierarchies, entrenching landlord power and

¹ Devin Finn, "Bonded Labor in India", (2008) 8(1) *Human Rights & Human Welfare*.

² *Ram Sarup Bhagat v. Bansi Mandar*, (1915) 42 IA 11.

³ Abhishek Sunar, "Landscapes to Labour Law in India: A Critical Study of the Overarching Bonded Labour Issues", (2023) 3(2) *Indian Journal of Integrated Research in Law* 1–15.

⁴ Balwinder Kaur, "Rehabilitation of Bonded Labourers in India: An Analysis", (2023) 3(1) *GLS KALP* 1–8.

⁵ *Ibid.*

rural indebtedness. Although the Indian Slavery Act of 1843 sought to end the legal recognition of slavery, the system morphed into new forms like indentured labour and intensified debt bondage. The practice was formally abolished in independent India via the Bonded Labour System (Abolition) Act, 1976.⁶

Socio-Economic Factors Leading to Bondage (Caste, Poverty, and Illiteracy)

The persistence of bonded labour despite its legal abolition is driven by a "tangled web" of economic and social failures.

Bondage is deeply intertwined with India's social hierarchy. Historically, the caste system was not just a division of labour but a "division of labourers". Statistics consistently show that over 80–90% of bonded labourers belong to Scheduled Castes (Dalits) or Scheduled Tribes (Adivasis). These groups are disproportionately targeted due to their historical exclusion from land ownership and social resources.⁷

Extreme poverty is the primary driver of bondage. Lack of land, job security, and access to institutional credit forces vulnerable families to turn to private moneylenders or "bondmasters" during emergencies, weddings, or medical crises. Loans are often structured with such high interest rates (sometimes exceeding 100% annually) that they become impossible to repay, leading to intergenerational debt where children inherit the burdens of their ancestors.⁸

A critical lack of education prevents many from understanding their legal rights or recognizing that their contracts are illegal. Surveys indicate that over 75% of rehabilitated bonded labourers are illiterate. This allows creditors to manipulate accounts and documentation, further entrapping labourers who lack the "negotiating power" to challenge their exploitation.⁹

These factors create a cycle of "systemic exploitation" where bondage is normalized as a perverse form of "risk reduction" for the ultra-poor who have no other means of survival.

⁶ T. Anthony Sagaya Raj & P. Amuthalakshmi, "Understanding Bonded Labour in India: From the Past to Liberation Strategies", (2024) 1(20) *International Journal of Creative Behaviour* 229–243.

⁷ Varshini N.K. & Vijayenthira Poopathy D.G., "Bonded Labour: Socio-Economic Programme for Rehabilitation", (2022–2023) 4 *Indian Journal of Law and Legal Research* 1.

⁸ *Ibid.*

⁹ *Supra* note 7.

Constitutional Framework in India

The legal struggle against bonded labour in India is built upon a layered foundation consisting of constitutional guarantees, directed state policies, and specific statutory enactments. This framework recognizes that bonded labour is not merely a contractual dispute but a gross violation of fundamental human rights and a relic of a feudal, exploitative social order.

The Constitution of India provides the primary safeguards against the practice of debt bondage under the heading "Right against Exploitation".

While general in nature, **Article 21** has been judicially expanded to include the right to live with basic human dignity. The judiciary has held that failure to effectively rehabilitate a released labourer violates this right, as freedom without the means of survival inevitably leads back to the bondage of hunger and starvation.¹⁰ **Article 23** is the bedrock of the legal framework against bondage. It explicitly prohibits "traffic in human beings and beggar and other similar forms of forced labour," making any contravention a punishable offense. The Supreme Court has expansively interpreted "forced labour" to include any situation where a person is compelled to work for less than the legal minimum wage. The Court reasoned that in a society marked by extreme poverty, economic compulsion is a form of "force" that divests an individual of free choice.¹¹ **Article 24** article prohibits the employment of children below the age of 14 in any factory, mine, or other hazardous employment. This is critical as children are frequently pledged into bondage to work off ancestral or parental debts in hazardous sectors like carpet weaving, matchbox manufacturing, and brick kilns.¹²

Article 39 directs the state to ensure that the health and strength of workers are not abused and that citizens are not forced by economic necessity to enter occupations unsuited to their age or strength.¹³ **Article 42** mandates that the state shall make provision for securing just and humane conditions of work. This principle establishes the state's duty to oversee workplaces and intervene where workers are reduced to the status of "non-beings" or "serfs".¹⁴ **Article 46** provides for the protection of Scheduled Castes (SCs) and Scheduled Tribes (STs) from social

¹⁰ The Constitution of India, art. 21.

¹¹ The Constitution of India, art. 23.

¹² The Constitution of India, art. 24.

¹³ The Constitution of India, art. 39.

¹⁴ The Constitution of India, art. 42.

injustice and all forms of exploitation. Given that over 80-90% of bonded labourers belong to these communities, this directive is the moral anchor for targeted interventions.¹⁵

The Bonded Labour System (Abolition) Act, 1976¹⁶: Key Provisions

The Bonded Labour System (Abolition) Act, 1976 (BLSA) is a comprehensive piece of social welfare legislation designed to end the economic and physical exploitation of weaker sections of society. Effective from 25 October 1975, it provides the legal framework for the identification, release, and rehabilitation of bonded labourers throughout India.

1. Definitional Framework (Section 2)¹⁷

Bonded Labour System: A system of forced or partly forced labour where a debtor enters an agreement (oral or written) with a creditor. Under this agreement, in consideration of an advance, a social/customary obligation, succession, or by reason of birth in a specific caste, the debtor agrees to:

1. Render service to the creditor for a specified or unspecified period, either for no wages or nominal wages (wages below the legal minimum).
 2. Forfeit the freedom of employment or other means of livelihood.
 3. Forfeit the right to move freely throughout India.
 4. Forfeit the right to sell products of their labour at market value.
- By 1985 Amendment an important explanation was added to Section 2(g) to clarify that contract labour and inter-state migrant workmen fall under the "bonded labour system" if they are subjected to any of the aforementioned disabilities.
 - The Act lists several traditional forms of bondage (such as *Hali*, *Kamiya*, *Vetti*, *Sagri*) where the existence of a bonded labour agreement is ordinarily presumed under social custom.

¹⁵ The Constitution of India, art. 46.

¹⁶ The Bonded Labour System (Abolition) Act, 1976 (Act 19 of 1976).

¹⁷ The Bonded Labour System (Abolition) Act, 1976 (Act 19 of 1976), s. 2.

2. Abolition and Legal Status (Sections 4 & 5)

Upon the Act's commencement, the bonded labour system stood abolished, and every bonded labourer was freed and discharged from any obligation to render such labour.

Any custom, tradition, contract, or agreement requiring a person to perform bonded labour is rendered void and inoperative.¹⁸

3. Extinguishment of Debt and Property Rights (Sections 6, 7 & 8)

Every obligation to repay a bonded debt is deemed extinguished. No suit for recovery can lie in any civil court. Any pending decree or order for the recovery of a bonded debt is deemed fully satisfied. All property of a bonded labourer under mortgage or lien in connection with a bonded debt must be restored to the labourer. If restoration is delayed, the labourer is entitled to mesne profits as determined by a civil court. Freed bonded labourers cannot be evicted from any homestead or residential premises they occupied as part of the consideration for their labour.¹⁹

4. Implementing Authorities (Sections 10, 11 & 12)

The State Government confers powers on DMs to ensure the Act is properly implemented. DMs and their authorized officers are duty-bound to promote the welfare of freed labourers and protect their economic interests to prevent them from contracting new bonded debts. It is the duty of the DM to inquire whether the bonded labour system is being enforced within their jurisdiction and take immediate action to eradicate it.²⁰

5. Vigilance Committees (Sections 13 & 14)

The State Government must constitute Vigilance Committees at the District and Sub-Divisional levels. It includes the DM/SDM (Chairman), three members from Scheduled Castes/Tribes, two social workers, and representatives from rural development and credit institutions. Their duties include advising the DM on implementation, providing for economic

¹⁸ The Bonded Labour System (Abolition) Act, 1976 (Act 19 of 1976), s. 4-5.

¹⁹ The Bonded Labour System (Abolition) Act, 1976 (Act 19 of 1976), s. 6-8

²⁰ The Bonded Labour System (Abolition) Act, 1976 (Act 19 of 1976), s. 10-12.

and social rehabilitation, coordinating credit through rural banks, conducting surveys, and defending suits filed against freed labourers for debt recovery.²¹

6. Penal Provisions and Legal Procedure (Sections 15-22)

Burden of Proof (Section 15): Whenever a debt is claimed to be a bonded debt, the burden of proof lies on the creditor to prove that it is *not* a bonded debt.

Penalties (Sections 16-20): Enforcing Bonded Labour: Up to 3 years imprisonment and a fine of Rs 2,000. Advancing Bonded Debt: Up to 3 years imprisonment and a fine of Rs 2,000. Failure to Restore Property: Up to 1 year imprisonment or Rs 1,000 fine (or both). Additionally, the labourer is paid Rs 5 for each day restoration was delayed.²²

State Governments may confer Judicial Magistrate powers on Executive Magistrates to try offences under the Act. These trials may be conducted summarily.²³ Every offence under the Act is cognisable and bailable.

Interplay with Other Laws (Minimum Wages Act, 1948; SC/ST Act, 1989)

The fight against bondage relies on the collective enforcement of several statutes that address its various manifestations.

- **Minimum Wages Act, 1948:** This Act is vital for the identification process. The legal test established by the Supreme Court is that any labour provided for remuneration less than the minimum wage is presumed to be "forced labour" under Article 23, shifting the burden of proof to the employer to show otherwise.²⁴
- **SC/ST (Prevention of Atrocities) Act, 1989:** This Act defines the enforcement of "begar" or bonded labour against members of the SC/ST communities as an atrocity. It provides for stringent penalties and special courts, recognizing that bondage in India is deeply intertwined with caste-based oppression.²⁵

²¹ The Bonded Labour System (Abolition) Act, 1976 (Act 19 of 1976), s. 13-14.

²² The Bonded Labour System (Abolition) Act, 1976 (Act 19 of 1976), s. 15-22.

²³ The Bonded Labour System (Abolition) Act, 1976 (Act 19 of 1976), s. 21.

²⁴ The Minimum Wages Act, 1948 (Act 11 of 1948).

²⁵ The Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989 (Act 33 of 1989).

- **Indian Penal Code (now Bharatiya Nyaya Sanhita, 2023):** Section 374 of the IPC (now **Section 143 of the BNS**) penalizes "unlawful compulsory labour" with imprisonment and fines.^{26,27}
- **Inter-State Migrant Workmen Act, 1979:** Because many modern bonded labourers are migrants lured to different states, this Act provides crucial protections regarding return travel fare, wages during journey time, and parity of benefits, which contractors often withhold to enforce bondage.²⁸
- **Juvenile Justice Act, 2015²⁹:** Specifically Section 79, which penalizes keeping a child in bondage for employment with rigorous imprisonment up to five years and heavy fines.³⁰

Through this multi-pronged legal framework, the Indian state is obligated not just to punish offenders but to structurally transform the lives of the marginalized to realize the constitutional vision of a society free from exploitation.

Judicial Approach and Case Laws

The Indian judiciary has been the most proactive branch of government in the struggle to eradicate bonded labour, often stepping in where executive implementation has faltered. By reinterpreting constitutional guarantees through the lens of social justice, the courts have transformed bonded labour from a hidden social custom into a strictly defined legal violation of human rights.

Landmark Judgments on Bonded Labour

- **Public Union for Civil Liberties (PUCL) v. State of Tamil Nadu (2004 & 2012):** These rulings expanded the scope of implementation by authorising the National Human Rights Commission (NHRC) to monitor the pace and progress of the 1976 Act's implementation

²⁶ The Indian Penal Code, 1860 (Act 45 of 1860)

²⁷ The Bharatiya Nyaya Sanhita, 2023 (Act 45 of 2023).

²⁸ The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (Act 30 of 1979).

²⁹ The Juvenile Justice (Care and Protection of Children) Act, 2015 (Act 2 of 2016).

³⁰ Anti-Slavery International, *Legal Guide: Identification, Rescue, Rehabilitation and Prosecution of Bonded Labour in the Brick Kiln Industry (India)* (Anti-Slavery International, London, 2019), available at <https://www.antislavery.org/wp-content/uploads/2019/12/Legal-Guide-bonded-labour-India-brick-kiln.pdf> (last accessed 30 March 2026).

across all states.³¹

- **Bandhua Mukti Morcha v. Union of India (1984):** In this landmark case involving stone quarries in Haryana, the Court held that bonded labour is a direct violation of human dignity and the Right to Life (Article 21). Crucially, it established a legal presumption of bondage: if a worker is found providing forced labour, the Court presumes it is in consideration of an advance or debt. The burden of proof then shifts to the employer to prove the labour is not bonded.³²
- **Neeraja Chaudhary v. State of M.P. (1984):** The Court forcibly illustrated that identification and release are meaningless without effective rehabilitation. It ruled that failure to rehabilitate freed labourers violates Article 21, as freedom without the means of survival inevitably leads back to the "bondage of hunger".³³
- **People's Union for Democratic Rights (PUDR) v. Union of India (1982):** Known as the **Asiad Workers Case**, this was a watershed moment. The Supreme Court ruled that any labour rewarded with less than the legal minimum wage constitutes "forced labour" under Article 23 of the Constitution. The Court reasoned that in a country marked by grinding poverty, economic compulsion divests an individual of free choice, making such labour "forced" even if the worker ostensibly entered the arrangement voluntarily.³⁴
- **Shankar Mukherjee v. Union of India (1990):** The Supreme Court interpreted the Contract Labour Act, 1970, as welfare legislation that must be read liberally in favour of labourers, noting that some contract labour systems are merely "another form of bonded labour"³⁵
- **P. Sivaswamy v. State of Andhra Pradesh (1988):** The Court held that a grant of only Rs. 738 per family was inadequate for rehabilitation and emphasized that the State has a duty to ensure that released labourers reach a permanent base for residence with access to education and medical care.³⁶

³¹ *People's Union for Civil Liberties v. State of Tamil Nadu*, (2004) 12 SCC 381.

³² *Bandhua Mukti Morcha v. Union of India*, (1984) 3 SCC 161.

³³ *Neeraja Chaudhary v. State of Madhya Pradesh*, (1984) 3 SCC 243.

³⁴ *People's Union for Democratic Rights v. Union of India*, (1982) 3 SCC 235.

³⁵ *Shankar Mukherjee v. Union of India*, (1990) 4 SCC 594.

³⁶ *P. Sivaswamy v. State of Andhra Pradesh*, 1988 Supp SCC 321.

- **Santhal Pargana Antyodaya Ashram v. State of Bihar (1986):** The Court ordered the immediate release and rehabilitation of 2,515 bonded labourers identified by the K.B. Saxena Committee, directing that rehabilitation should not wait for the conclusion of judicial proceedings.³⁷
- **Sanjit Roy v. State of Rajasthan (1983):** The Supreme Court struck down a state law that exempted famine relief work from the Minimum Wages Act. The Court ruled that even the State cannot extract labour for less than the minimum wage, as doing so exploits the misery of the poor and violates the constitutional mandate against forced labour.³⁸

Role of Public Interest Litigation (PIL)

The development of Public Interest Litigation (PIL) in the early 1980s was instrumental in bringing the "low visibility area of humanity" into the judicial spotlight.

Historically, only the aggrieved party could approach the court. Recognizing that bonded labourers are often too poor, illiterate, or intimidated to seek justice, the Supreme Court jettisoned traditional standing rules. This allowed public-spirited citizens and non-governmental organisations (NGOs) like the Bandhua Mukti Morcha to file petitions on behalf of those in bondage.

The Court introduced a simplified procedure where a simple letter or postcard addressed to a judge could be treated as a writ petition. This bypassed technical legal formalities that usually bar the poor from the judicial process.

The judiciary shifted from an adversary model to a collaborative effort involving the petitioner, the State, and the Court. The Court frequently directs State governments to include representatives of social action groups in District Vigilance Committees, noting that grass-root NGOs are better positioned than "petty officials" to identify and release victims.³⁹

Judicial Activism in Eradication

Judicial activism has been the primary driver in ensuring that the Bonded Labour System

³⁷ *Santhal Pargana Antyodaya Ashram v. State of Bihar*, (1986) 3 SCC 156.

³⁸ *Sanjit Roy v. State of Rajasthan*, (1983) 1 SCC 525.

³⁹ S. Gowsalya & N.C. Poornamathi, "A Legal Analysis of Causes of Bonded Labour and Challenges in its Effective Implementation", (2025) 13(4) *International Journal of Engineering Development and Research* 960–973.

(Abolition) Act, 1976, remains a "living" document rather than a "paper tiger".

The courts have redefined "force" to include physical compulsion, legal coercion, and economic necessity. By including hunger and destitution as forms of "force," the judiciary closed the loophole where employers claimed workers "voluntarily" chose bondage.

Because official state reports often deny the existence of bondage, the Supreme Court frequently appoints its own Socio-Legal Investigating Commissioners. These commissions, often led by experts like Dr. Laxmi Dhar Misra, provide the Court with independent data on ground conditions, which are then used to issue time-bound directives to the executive.⁴⁰

Unlike standard cases that end with a judgment, many bonded labour cases are not treated as disposed of but remain open for "further monitoring". This allows the Court to periodically check if its 21-point directives covering aspects like pure drinking water, schooling for children, and medical care in stone quarries are being implemented.⁴¹

The Supreme Court has expressed shock at the indifference of lower magistrates who often impose paltry fines of Rs. 200 on errant employers. The Court has insisted that violations of labour laws must be viewed with strictness, as allowing employers to "buy off immunity" through small fines renders welfare legislation a nullity.⁴²

Through this sustained activism, the judiciary has not only freed thousands of individuals but has also institutionalised a human rights-based approach to labour, forcing the State to acknowledge its constitutional duty to protect the most marginalized from systemic exploitation.

Efforts for Elimination of Bonded Labour

The elimination of bonded labour in India is a multifaceted challenge that involves a combination of legislative mandates, executive schemes, and judicial oversight. While the practice was formally abolished five decades ago, contemporary efforts focus on addressing "neo-bondage"- a form of exploitation that is often time-bound, economic, and prevalent in the

⁴⁰ Mridula Ga, "Bonded Labour System in India", (2023) *Jus Corpus Law Journal* 816–831.

⁴¹ *Ibid.*

⁴² Abhishek Sunar, "Landscapes to Labour Law in India: A Critical Study of the Overarching Bonded Labour Issues", (2023) 3(2) *Indian Journal of Integrated Research in Law* 1–15.

unregulated informal sector.⁴³

Government Initiatives and Schemes

The primary legal instrument for elimination is the Bonded Labour System (Abolition) Act, 1976 (BLSA), which statutorily abolished the system, cancelled all existing bonded debts, and mandated the immediate release of all labourers. To operationalise this, the government has launched several programmatic interventions:

- **The Central Sector Scheme for Rehabilitation of Bonded Labourers (2016):** This scheme revamped the older 1978 centrally sponsored framework. Under the 2016 guidelines, the financial assistance for rehabilitated labourers was significantly increased: ₹1 lakh for an adult male, ₹2 lakh for special categories (children, orphans, or those rescued from forced child labour), and ₹3 lakh for women or children rescued from ostensible sexual exploitation or human trafficking.⁴⁴
- **District Bonded Labour Rehabilitation Fund:** Each state is required to create a permanent corpus fund of at least ₹10 lakh per district, renewable and at the disposal of the District Magistrate (DM).⁴⁵ This fund is intended to provide immediate assistance of at least ₹20,000 to rescued persons irrespective of the status of conviction proceedings against the employer.
- **Convergence with Flagship Schemes:** Effective rehabilitation is designed to occur through the convergence of various social welfare programs. Freed labourers are theoretically prioritised for benefits under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) for wage employment, the Pradhan Mantri Awas Yojana (PMAY) for housing, and the National Rural Livelihood Mission (NRLM) for self-employment opportunities.
- **Specialised Units and Monitors:** The government has established Anti-Human Trafficking Units (AHTUs) to investigate cases and rescue victims, while the Integrated Child Protection Scheme (ICPS) provides shelter and legal aid specifically for child

⁴³ *Supra* note 36 at 11.

⁴⁴ Jawed Alam Khan, *Assessing Budgetary Priorities for the Rehabilitation of Bonded Labour* (Centre for Budget and Governance Accountability, New Delhi, 2018).

⁴⁵ *Ibid.*

victims. The National Human Rights Commission (NHRC) plays a pivotal role in monitoring implementation, as authorised by the Supreme Court.

- **Vision 2030:** The Ministry of Labour and Employment (MoLE) articulated a goal to rehabilitate 1.84 crore bonded labourers by 2030, supported by a three-year action agenda.⁴⁶

Despite these initiatives, implementation remains weak; for instance, between 2016 and 2021, only 12,760 labourers were officially rescued nationwide, a figure critics argue is mathematically incompatible with the 2030 target.

Role of Social Organizations and NGOs

Non-governmental organisations (NGOs) and social action groups are often the only actors successfully identifying victims and bringing them to the attention of the state.

NGOs like Bandhua Mukti Morcha (BMM), Bachpan Bachao Andolan (BBA), and Volunteers for Social Justice (VSJ) conduct grass-roots surveys and "discrete enquiries" to locate victims in remote stone quarries, brick kilns, and agricultural fields. These groups often accompany district officials during rescue raids to ensure proper methodology is used and that statements are not recorded in the presence of the employer.⁴⁷

The introduction of Public Interest Litigation (PIL) by the Supreme Court allowed NGOs to file petitions on behalf of vulnerable groups who could not access the courts themselves. Landmark cases like *Bandhua Mukti Morcha v. Union of India* (1984) exposed the scale of bondage and forced the state to acknowledge its duty to identify and rehabilitate victims.⁴⁸

Post-rescue, NGOs assist newly freed workers with critical documentation, such as obtaining Aadhaar cards, ration cards, and community certificates, which are necessary to access government schemes. Collectives like Shramavahini in Odisha, formed by former bonded labourers, now work to ensure timely reporting and accompany new survivors to government

⁴⁶ Anti-Slavery International, *Legal Guide: Identification, Rescue, Rehabilitation and Prosecution of Bonded Labour in the Brick Kiln Industry (India)* (Anti-Slavery International, London, 2019), available at <https://www.antislavery.org/wp-content/uploads/2019/12/Legal-Guide-bonded-labour-India-brick-kiln.pdf> (last accessed 30 March 2026).

⁴⁷ "Bonded Labour in India", *Wikipedia*, available at: https://en.wikipedia.org/wiki/Bonded_labour_in_India (last accessed 30 March 2026).

⁴⁸ *Supra* note 32 at 9.

offices.

International projects, such as the ILO's PEBLISA, have pioneered microfinance-led approaches. By creating Self-Help Groups (SHGs) and grain banks, NGOs help vulnerable communities build economic buffers, reducing their reliance on exploitative "advances" from employers during emergencies.⁴⁹

Case Studies of Rescue and Rehabilitation

The following case studies illustrate both the successes and the systemic failures within the rescue and rehabilitation process:

The Fishing Camps of Telangana (2025): In July 2025, a rescue team travelled 10 kilometres by boat to reach isolated islands along the Krishna River. They rescued 33 bonded labourers, including four teenage boys, from camps where they had spent six months in "hellish" conditions. While five FIRs were registered and the workers were repatriated to Andhra Pradesh, the mandated interim compensation was not released to them for months, leaving survivors like Erukala Raju to return to low-wage construction work to survive.⁵⁰

Kol Tribals and Mining Rights (Allahabad): In Shankargarh, a protracted process of empowerment led by organisations like Sahyog and Sankalp transformed the lives of Kol tribals. Instead of merely seeking one-time grants, these groups successfully lobbied the district administration to grant sandstone mining rights to tribal SHGs. This initiative nearly trebled their income and drastically reduced debt bondage in the area by removing the exploitative middlemen.⁵¹

The Case of Meni Bibi (Pakistan): A former bonded labourer freed from camps in Hyderabad, Meni Bibi joined a project-supported Self-Help Group. Using a small loan of ₹3,000 (\$75) to purchase a goat, she successfully repaid the debt in eight months and transitioned into a self-sufficient entrepreneur, eventually winning a micro-entrepreneurship award.⁵²

⁴⁹ Abhimanyu Bhargava & Karthik Sivadas, "Case Comment: Bandhua Mukti Morcha v. Union of India (1984)", (2023) 9(2) *Journal of Legal Studies and Research* 316–322.

⁵⁰ How India's Bonded Labour System Outlasted Its Abolition, *Frontline*, available at: <https://frontline.thehindu.com/social-issues/social-justice/bonded-labour-india-50-years-abolition-law-failure/article70561564.ece> (last accessed 2 April 2026).

⁵¹ International Dalit Solidarity Network, "Bonded Labour in India: Its Incidence and Pattern" (2005).

⁵² National Commission for Human Rights (Pakistan), "The Issue of Bonded Labour in Pakistan" (2023).

Santosini Chimda and the Power of Collectives (Odisha): Rescued in 2016 from a brick kiln where she had been forced to work overtime without medical care, Santosini Chimda helped form Shramavahini. This network of former labourers now has 4,000 members and acts as a bridge between destination and source states, ensuring that the "release certificate"-the mandatory legal document for rehabilitation- is actually issued to survivors.⁵³

The "Digital Bondage" Complaint (2026): Newer efforts have identified emerging forms of "digital bonded labour" in the gig economy. Algorithmic systems that assign excessive work and impose penalties for "logging off" effectively coerce workers into long hours without protection. The NCCEBL has recently filed a complaint with the NHRC seeking a special investigation into these practices, warning that 27 million workers could face such conditions by 2030.⁵⁴

These cases underscore a critical lesson: while legal abolition is a reality on paper, the "so-called freedom" of release is meaningless without sustained, timely rehabilitation to prevent survivors from relapsing into the "bondage of hunger".⁵⁵

Challenges in Eradication

The eradication of bonded labour in India remains a massive challenge despite the system being legally abolished for 50 years. While the laws are strong on paper, the ground reality shows that implementation is failing due to administrative, legal, and social hurdles.⁵⁶

Identification and Data Gaps (The "Invisible" Labourer)

Many state governments and district officials simply refuse to acknowledge that bonded labour exists in their areas. They fear that admitting its existence will bring an international "slur" or bad name to their administration. In some cases, states report "NIL" status (zero cases) even when independent surveys show thousands of victims.

Labourers in sectors like domestic work, agriculture, and migrant-heavy industries like brick

⁵³ *Supra* note 50 at 14.

⁵⁴ *Ibid.*

⁵⁵ Smita Premchander, V. Prameela & M. Chidambaranathan, *Prevention and Elimination of Bonded Labour: The Potential and Limits of Microfinance-Led Approaches* (International Labour Organization, Geneva, 2014).

⁵⁶ T. Anthony Sagaya Raj & P. Amuthalakshmi, "Understanding Bonded Labour in India: From the Past to Liberation Strategies", (2024) 20(1) *International Journal of Central Banking*.

kilns often go unnoticed. Migrant workers are especially hard to track because they are absent from their home villages for long periods and work in remote, unregulated areas.

When officials do conduct inquiries, they often record statements in the presence of the employer. Terrified labourers, standing next to their "masters," often claim they are working voluntarily just to avoid punishment. Furthermore, officials sometimes distort statements, recording a plea for unpaid wages as a simple "internal conflict" rather than a case of bondage.⁵⁷

Flaws in the Prosecution Machinery and Low Conviction Rates

Prosecutions are rare, and convictions are even rarer. A recent report noted that not a single case involving surveyed rescued labourers resulted in a conviction before 2016, and only 3.6% led to conviction after that. Registering a First Information Report (FIR) is mandatory, yet over 80% of surveyed workers reported that no FIR was filed in their cases. Without an FIR, there is no criminal case against the employer.

Many employers are powerful and use threats or physical violence to pressure victims and witnesses. Because judicial processes take so long, victims often lose interest or feel too intimidated to testify, causing them to turn "hostile" in court. When convictions do happen, the penalties are often too light to be a deterrent. Some employers "buy off immunity" by paying small fines of just a few hundred rupees, despite the law allowing for three years of imprisonment.⁵⁸

Socio-Economic Re-Bondage: The Cycle of Debt

Identification and release are meaningless without timely rehabilitation. Without immediate cash, housing, or food, a freed labourer often has "no choice but to die of starvation" or return to a new master for survival. A major flaw in the 2016 Rehabilitation Scheme is that full financial aid is often linked to the conviction of the employer. Since convictions are rare and take years, survivors are blocked from receiving the money they need to start a new life.

The primary reason people enter bondage is a lack of access to formal banks for emergencies like medical bills or weddings. Without new sources of cheap credit, poor families are forced

⁵⁷ Hardik Jayal & Shreya Singh Thakur, "A Comprehensive Analysis Regarding the Practice of Bonded Labour in India", (2022) 1(1) *ILE Labour Law Review* 1.

⁵⁸ *Ibid.*

back to private moneylenders who charge interest rates exceeding 100% per year, restarting the debt cycle.⁵⁹

Lack of Awareness and Corruption at the Local Level

About 76% of bonded labourers cannot read or write, meaning they are unaware of their legal rights or that their debts are actually cancelled by law. They often believe they have a "moral duty" to repay a debt, even if it is illegal or inherited from an ancestor.⁶⁰

Many local officials (like Patwaris or Tehsildars) are in sympathy with the powerful landowning classes or are drawn from the same dominant castes. This creates a bias where the state machinery protects the "bondmaster" rather than the worker.

There are frequent reports of rehabilitation funds being stolen by corrupt officials. For example, a labourer might be forced to put a thumbprint on a document for Rs 6,250 but only actually receive Rs 3,000. This corruption discourages victims from seeking help and keeps them trapped in poverty.⁶¹

Conclusion and Recommendations

Fifty years after the Bonded Labour System (Abolition) Act, 1976, bonded labour persists as a form of modern-day slavery, trapping an estimated 11 to 18 million people in India. The system has evolved from traditional agrarian servitude into "neo-bondage", thriving in unregulated sectors such as brick kilns, stone quarries, and the emerging gig economy. Findings reveal that exploitation is deeply intertwined with the caste system, as over 90% of victims belong to Scheduled Castes, Scheduled Tribes, or Other Backward Classes. Despite strong constitutional protections under Article 23, implementation remains crippled by official denial, administrative apathy, and a dismal conviction rate of only 3.6% following the 2016 scheme reforms. Furthermore, data transparency is lacking, as only 2.97 lakh labourers have been officially rescued since 1978, a fraction of the actual scale.

⁵⁹ *Supra* note 48 at 16.

⁶⁰ Smita Premchander, V. Prameela & M. Chidambaranathan, *Prevention and Elimination of Bonded Labour: The Potential and Limits of Microfinance-Led Approaches* (International Labour Organization, Geneva, 2014).

⁶¹ Jawed Alam Khan, *Assessing Budgetary Priorities for the Rehabilitation of Bonded Labour* (Centre for Budget and Governance Accountability, New Delhi, 2018).

Suggestions for Policy Reform

To bridge the gap between law and reality, several targeted policy reforms are essential. The 2016 Central Sector Scheme must be modified to remove the clause linking full financial aid to the conviction of the employer, as judicial delays currently block survivors from essential support.

Bonded labour funding should be reported separately from the National Child Labour Project (NCLP) in the Union Budget to ensure accountability. District Bonded Labour Rehabilitation Funds should be increased from ₹10 lakh to ₹20 lakh, with higher allocations for "bonded labour prone" districts.

District Vigilance Committees must be activated, provided with day-to-day functional budgets, and mandated to include members of social action groups to conduct regular surveys. The government should establish a Management Information System (MIS), similar to MGNREGA, to track the physical and financial progress of rehabilitation.

The Path Forward: Economic Empowerment vs. Legal Enforcement

The eradication of bonded labour requires a multi-pronged strategy that balances strict legal enforcement with structural economic empowerment. Legal enforcement must move beyond symbolic gestures to ensure that release certificates are issued within 24 hours and that the burden of proof is strictly placed on the creditor. However, enforcement alone is insufficient to prevent re-bondage; survivors often return to masters due to the "bondage of hunger".

Economic empowerment must be achieved through the convergence of flagship schemes such as MGNREGA, PMAY for housing, and NRLM for self-employment, which currently lack clear mechanisms for including bonded labourers. While microfinance-led approaches through Self-Help Groups (SHGs) can provide a preventative safety net and reduce reliance on private moneylenders, they should never be used for "debt-swaps" to buy freedom, as this legitimizes illegal bondage. Ultimately, the path forward lies in addressing root causes-including landlessness, illiteracy, and systemic caste discrimination to ensure that the poorest citizens have the negotiating power to live a life of dignity. Only by combining accountable governance with sustainable livelihood support can India fulfil its constitutional promise and break these modern-day shackles.

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