



# Profits and Poverty: The Economics of Forced Labour

**For Prelims:** Profits and Poverty: The Economics of Forced Labour, [International Labour Organization \(ILO\)](#), [Forced Labour](#).

**For Mains:** Profits and Poverty: The Economics of Forced Labour.

[Source: TH](#)

## Why in News?

Recently, the [International Labour Organization \(ILO\)](#) released a report titled '**Profits and poverty: The economics of forced labour**', which has found that [Forced Labour](#) generates illegal profits worth USD 36 billion per year.

## What is Forced Labour?

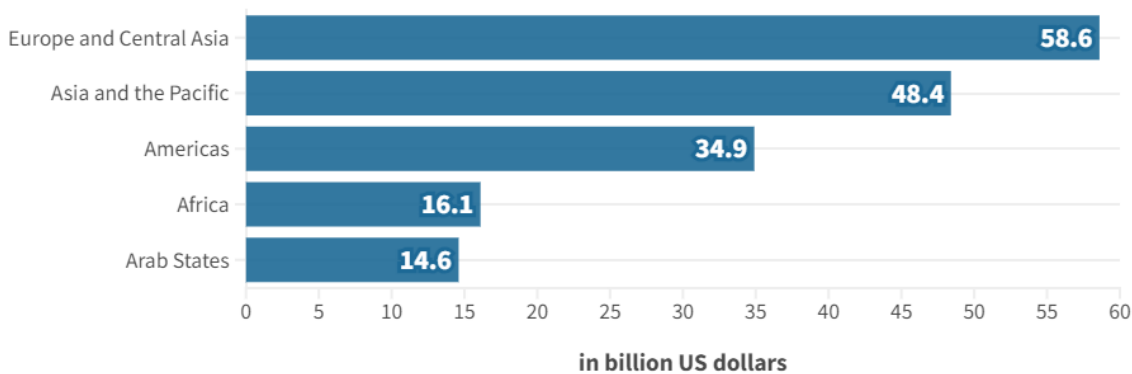
- According to ILO, forced or compulsory labour is “all work or service that is **exacted from any person under the menace of any penalty** and for which said person has not offered himself voluntarily”.
- Forced labour is defined, for **purposes of measurement**, as work that is both **Involuntary** and under penalty or menace of a penalty (coercion).
  - **Involuntary** work refers to **any work undertaken without the free and informed consent** of the worker.
  - **Coercion** refers to the means used to **compel someone to work without their free and informed consent**.

## What are the Key Highlights of the Report?

- **Increase in Illegal Profits:**
  - Forced labour generates **illegal profits worth USD 36 billion per year**, which is a 37% increase since 2014.
  - This increase is attributed to **both a growth in the number of people forced** into labour and higher profits generated from the exploitation of victims.
- **Regional Distribution of Illegal Profits:**
  - Total annual illegal profits from forced labour are highest in **Europe and Central Asia (USD 84 billion)**, followed by **Asia and the Pacific (USD 62 billion)**, the Americas (USD 52 billion), Africa (USD 20 billion), and the Arab States (USD 18 billion).

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## Illegal annual profits from forced commercial sexual exploitation



### ▪ Profit Generation Per Victim:

- Traffickers and criminals are estimated to generate close to USD 10,000 per victim, up from USD 8,269 a decade ago.
- Forced **commercial sexual exploitation accounts** for more than **two-thirds (73%) of the total illegal profits**, despite accounting for only 27% of the total number of victims in privately imposed labour.

### ▪ Sectors with Highest Illegal Profits:

- After forced commercial sexual exploitation, the sector with the highest annual illegal profits from forced labour is industry (USD 35 billion), followed by services (USD 20.8 billion), agriculture (USD 5.0 billion), and domestic work (USD 2.6 billion).
  - **The Industry Sector** includes **Mining and quarrying, manufacturing, construction and utilities.**
  - **The Services Sector** encompasses activities related to **wholesale and trade, accommodation and food service activities, art and entertainment, personal services, administrative and support services, education, health and social services, and transport and storage.**
  - **The Agriculture Sector** includes forestry, hunting as well as the cultivation of **crops, livestock production and fishing.**
  - **Domestic work** is performed in third party households.

### ▪ Increase in Number of People in Forced Labour:

- There were 27.6 million people engaged in forced labour on **any given day in 2021**, representing an increase of **2.7 million since 2016.**

### ▪ Recommendations:

- **Need for Comprehensive Approach:** The report emphasises the urgent need for investment in enforcement measures to stem illegal profit flows and hold perpetrators accountable.
  - It highlights the importance of **strengthening legal frameworks, providing training** for enforcement officials, **extending labour inspection** into high-risk sectors, and better coordination between labour and criminal law enforcement.
- **Addressing Root Causes:** While law enforcement measures are crucial, the report underscores that forced labour cannot be ended through enforcement actions alone. It must be part of a comprehensive approach that prioritises addressing root causes and safeguarding victims.
- **Promoting Fair Recruitment Processes:** Promoting fair recruitment processes is deemed crucial as forced labour cases can often be traced back to recruitment abuses. **Ensuring the freedom of workers to associate and to bargain collectively** is also essential in combating forced labour.

## What are India's Initiatives to Deal with Forced Labor?

### ▪ Article 23:

- It prohibits **trafficking in human beings**, including trafficking for the purpose of forced labour, slavery, or exploitation.

- It recognizes the **inherent dignity and rights of individuals**, ensuring **protection against such practices**.
- **Article 24 of the Constitution:**
  - No child below the age fourteen years shall be employed in work in any factory or mine or engaged in **any other hazardous employment**.
- **Platform for Effective Enforcement for No Child Labour (PENCIL) Portal 2017:**
  - It is an electronic platform that aims at involving Centre, State, District, Governments, civil society and the general public in achieving the target of child labour free society.
  - It has been launched for the effective implementation of Child Labour Act and National Child Labour Project (NCLP) Scheme.
- **Bonded Labour System (Abolition) Act 1976:**
  - The Act extends to the whole of India but is implemented by respective state governments. It provides for an institutional mechanism at the district level in the form of Vigilance Committees.
    - Vigilance committees advise District Magistrate (DM) to ensure the provisions of this act are properly implemented.
  - The State Governments/UTs may confer, on an Executive Magistrate, the powers of a Judicial Magistrate of the first class or second class for the trial of offences under this Act.
- **Central Sector Scheme for Rehabilitation of Bonded Labourers (2021):**
  - The Ministry of Labour and Employment revamped the scheme for **rehabilitation of bonded labourers (2016)** in 2021, providing an immediate financial assistance of **Rs 30,000 to the rescued person by the district administration**.
  - The scheme also provides for the creation of a Bonded Labour Rehabilitation Fund at the district level, with a permanent corpus of at least **Rs 10 lakh at the disposal of the District Magistrate**.
    - This fund can be renewed to extend immediate help to the released bonded labourers.

## What is the International Labour Organization?

- **About:**
  - The **International Labour Organization (ILO)** is the only tripartite UN agency, since 1919. It brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men.
- **Established:**
  - By the **1919 Treaty of Versailles** as an affiliated agency of the League of Nations.
  - Became the first affiliated specialised agency of the United Nations in 1946.
- **Headquarters:** Geneva, Switzerland
- **Founding Mission:** Social justice is essential to universal and lasting peace.
  - Promotes internationally recognized human and labour rights.
- **Nobel Peace Prize:**
  - Received in 1969 for
    - improving peace among classes
    - Pursuing decent work and justice for workers
    - Providing technical assistance to other developing nations

## UPSC Civil Services Examination, Previous Year Question (PYQ)

### **Prelims:**

**Q. International Labour Organization's Conventions 138 and 182 are related to (2018)**

- (a)** Child Labour
- (b)** Adaptation of agricultural practices to global climate change

- (c) Regulation of food prices and food security  
(d) Gender parity at the workplace

**Ans: (a)**

**Mains:**

**Q.** Examine the main provisions of the National Child Policy and throw light on the status of its implementation. **(2016)**

PDF Refernece URL: <https://www.drishtias.com/printpdf/profits-and-poverty-the-economics-of-forced-labour>

