

A photograph of a person, likely a child or young adult, walking through a narrow alleyway between high stacks of bricks. The person is carrying a heavy load of bricks on their head, which completely obscures their face. They are wearing a yellow and white striped shirt and a blue skirt. The ground is also covered with bricks, and the stacks on either side are very tall, creating a sense of being trapped or overwhelmed. The overall tone is somber and highlights the physical burden of the work.

C4ADS
innovation for peace

SOLD OUT

**How Labor Abuse in South Asia Links to
Global Supply Chains**

ABOUT C4ADS

C4ADS (www.c4ads.org) is a 501(c)(3) nonprofit organization dedicated to data-driven analysis and evidence-based reporting of conflict and security issues worldwide. Our approach leverages nontraditional investigative techniques and emerging analytical technologies. We recognize the value of working on the ground in the field, capturing local knowledge, and collecting original data to inform our analysis. At the same time, we employ cutting edge technology to manage and analyze that data. The result is an innovative analytical approach to conflict prevention and mitigation.

© C4ADS 2021

ABOUT THE AUTHORS

Irina Bukharin is the Program Director for Human Security, where she specializes in human trafficking and forced labor.

Mary Sebastian is a graduate candidate pursuing social policy at London School of Economics and Political Science and a development consultant working on human trafficking crimes in the South Asia region.

ACKNOWLEDGEMENTS

The authors would like to thank all those who provided support, data, insights, and guidance during this project. In particular, this work would not have been possible without the generous support of The Caplin Family Offices and Ricky and Danielle Caplin. The authors extend special gratitude to Sanjay Macwan, Shantanu Dutta, Suzanna Duba, Michael Lohmuller, and the many others whose efforts supported this work. C4ADS would also like to thank its technology partners, whose software and systems were integral to the project's success.

ANALYSIS POWERED BY



LEGAL DISCLAIMER

The mention of any individual, company, organization, or other entity in this report does not imply the violation of any law or international agreement, and should not be construed to so imply.

Cover Image: Photo by Caisii Mao/NurPhoto

EXECUTIVE SUMMARY

Bonded labor networks are embedded in global supply chains. This analysis of over 600 cases of bonded labor in India from between 2002 and 2020 demonstrates that bonded labor cases occurred in almost every industry sector, ranging from fully domestic industries, such as brick kilns, to those with significant global ties, such as manufacturing and rice production. Despite global ties, the corporate structures and labor practices of bonded labor networks often make them hard to identify using publicly available information alone.

Many of the companies using bonded labor that were identified in publicly available information continue to operate commercially, and can be treated as high risk for continued use of bonded labor. For instance, of the more than 600 cases analyzed, at least 15 companies or individuals were repeat offenders, and appeared in the dataset at least twice.

Finding data linking exporting companies to upstream companies that use bonded labor can be difficult. Nonetheless, a number of cases demonstrate that companies associated with the use of bonded labor are connected to global supply chains. In such cases, unwitting consumers may be buying goods produced by bonded labor. There is, then, a need for companies with layered supply chains to exercise accountability and action in ensuring the complete eradication of bonded labor from production, including by seeking greater transparency regarding labor practices from companies in their supply chains. Consumers, too, have a role to play in demanding transparency from companies to aid their decision making. Through this transparency, bonded labor—and the financial incentives for using it—can be removed from supply chains.

TABLE OF CONTENTS

About the Authors	2
Executive Summary	3
Table of Contents	3
Introduction: Bonded Labor in India.....	4
Methodology	7
Bonded Labor Across Industries.....	8
The Persistence of Bonded Labor Networks.....	9
Case Study: Bannari Amman Sugars	11
Conclusion	15

INTRODUCTION: BONDED LABOR IN INDIA

In India, the intersection of the informal sector, poverty, caste, and new factors such as the COVID-19 pandemic have contributed to the persistence of bonded labor. Bonded labor—also known as debt bondage—is a form of forced labor in which debt is used to coerce labor.¹ People are forced to work to repay loans taken by them or a relative from money lenders. These money lenders often take advantage of a lack of literacy on the part of the borrower to charge exorbitant rates of interest, keeping the laborer in a perpetual state of indebtedness and physical servitude. Sometimes, entire families are made to work to pay off the debt, which can be carried into the next generation.

The Role of the Informal Economy and Poverty in Perpetuating Bonded Labor

In India, approximately 90% of the workforce are informal workers, who are employed in both the formal and informal sectors.² ³ This population of approximately 400 million workers contributes to between 33% and 50% of the country's Gross Domestic Product, based on various reports.⁴ Despite the significant contribution of these workers to the Indian economy, they often lack the security of social insurance guaranteed by formal employment, such as safe working conditions, paid leave, fixed remuneration, health benefits, etc. As a result, workers often find themselves vulnerable to exploitative practices.

These workers are hired through both direct and indirect means, creating more worker vulnerability, even for workers technically in the formal sector. For example, in the case of major corporations, the labor force working in their supply chains may be contracted by agents, separating the laborers from the companies' direct supervision through multiple layers. This separation, paired with the nature of informal work, can result in exploitative working conditions, high monetary gains for perpetrators, and little or no penal action. One such form of exploitation is bonded labor.

Bonded Labor in India

Millions of people around the world are caught in bonded labor.⁵ Many of them live and work across South Asia, where bonded labor has a long history. In India alone, the Walk Free Foundation estimates that over 8 million people are trapped in forced labor.⁶ Of these, many are trapped in bonded labor, which is predicated on a debt. Bonded labor in India has been

¹ Office to Monitor and Combat Trafficking in Persons (n.d.). *What is modern slavery?* U.S. Department of State. Retrieved July 15, 2021, from <https://www.state.gov/what-is-modern-slavery/>.

² Ramana Murthy, S.V. (n.d.). *Measuring Informal Economy in India _ Indian Experience*. Retrieved July 30, 2021, from <https://www.imf.org/-/media/Files/Conferences/2019/7th-statistics-forum/session-ii-murthy.ashx>.

³ Ibid.

⁴ International Labour Organization (2020, April 7). *ILO Monitor: COVID-19 and the world of work. Second edition*. Retrieved July 30, 2021, from https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_740877.pdf.

⁵ International Labour Organization and Walk Free Foundation (2017). *Global estimates of modern slavery: forced labour and forced marriage*. International Labour Organization. Retrieved July 15, 2021, from https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf.

⁶ Walk Free Foundation (2018). *India*. Retrieved July 15, 2021, from <https://www.globalslaveryindex.org/2018/findings/country-studies/india/>.

illegal since 1976,⁷ but the scope of the problem, and bonded labor's relationship with caste, migration, and poverty, has prevented its complete eradication.

In India, bonded labor is marked by extreme poverty on the part of the victim, who is often a member of a minority ethnic group or caste.⁸ As documented by leading bonded labor scholar Siddharth Kara, victims usually lack access to formal credit markets, have low levels of education and literacy, and therefore have few or no alternatives to bonded labor.⁹ Once they enter into debt bondage, victims often face brutal working conditions, violence, and other indicators of forced labor.

Though strides have been made in reducing poverty in India over the past few decades, the COVID-19 pandemic threatens to reverse these steps.¹⁰ When the lockdown was announced in March 2020, it led to the loss of 122 million jobs in India.¹¹ Though the majority of these jobs returned by the end of 2020, nearly half of salaried workers moved into more precarious and informal forms of employment, according to a report by Azim Premji University.¹² Construction, agriculture, and small-scale trade were the most common fallback options.¹³ As per the report, "the number of individuals who lie below the national minimum wage threshold (INR 375 per day as recommended by the committee led by Anoop Satpathy) increased by 230 million during the pandemic."¹⁴

The increase in economic and social vulnerability has corresponded to a rise in cases of trafficking, including bonded labor. In light of this, the National Human Rights Commission of India, a government agency, has issued several advisories for the identification, protection, and rehabilitation of bonded laborers during the pandemic.¹⁵ The relationship between bonded labor and the pandemic highlights the complexity of bonded labor and points to the varied roles that the Indian government, civil society, and the private sector can play in dismantling bonded labor.

Bonded Labor and Global Supply Chains

Beyond domestic implications, bonded labor is also present in global supply chains, increasing the responsibility of international stakeholders to ensure its eradication. Perpetrators can profit

⁷ The Bonded Labour System (Abolition) Act, 1976, (Act No. 19 of 1976). Retrieved July 15, 2021, from [https://labour.gov.in/sites/default/files/TheBondedLabourSystem\(Abolition\)Act1976.pdf](https://labour.gov.in/sites/default/files/TheBondedLabourSystem(Abolition)Act1976.pdf).

⁸ Kara, S. (2012). *Bonded labor: Tackling the system of slavery in South Asia*. Columbia University Press.

⁹ Ibid.

¹⁰ The World Bank (2021, March 31). *The World Bank in India*. Retrieved July 30, 2021, from <https://www.worldbank.org/en/country/india/overview#:~:text=Since%20the%202000s%2C%20India%20has,poverity%20reduction%2C%20at%20least%20temporarily,https://www.worldbank.org/en/country/india/overview#:~:text=Since%20the%202000s%2C%20India%20has,poverity%20reduction%2C%20at%20least%20temporarily>.

¹¹ Vyas, M. (2020, May 12). *Longterm cost of lockdown*. Center for Monitoring Indian Economy Pvt. Ltd. Retrieved July 30, 2021, from <https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=2020-05-12%2010:21:58&msec=653>.

¹² Azim Premji University (2021). *State of Working India 2021: One year of Covid-19*. Centre for Sustainable Employment, Azim Premji University. Retrieved July 30, 2021, from https://cse.azimpremjiuniversity.edu.in/wp-content/uploads/2021/06/SWI2021_Web_25June.pdf.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ National Human Rights Commission, India. (2021, June 1). *NHRC issues three more Advisories to the Centre, States and UT Administration calling for specific action within four weeks on the issues of mental health, bonded labourers and migrant informal sector workers in view of adverse impact of Covid-19 pandemic*. Retrieved September 9, 2021, from <https://nhrc.nic.in/media/press-release/nhrc-issues-three-more-advisories-centre-states-and-ut-administration-calling>.

from the unpaid labor of vulnerable workers domestically as well as internationally, through the sale of goods created under such conditions to unsuspecting end consumers.

Therefore, importers of Indian goods, the financial sector, global corporations, and regulators have the responsibility, and opportunity, to fight bonded labor. To inform and encourage these efforts, this analysis uses publicly available information to identify connections between global supply chains and Indian bonded labor, revealing where further information and transparency are needed to inform policy, action, and consumer choices.

METHODOLOGY

In order to understand how Indian bonded labor connects to broader corporate networks and supply chains, C4ADS analyzed a dataset of rescues of bonded laborers in Tamil Nadu, Karnataka, and Delhi that were conducted between 2002 and 2019 by an anti-trafficking organization in South Asia. This case data was varied, but contained information such as date of rescue, case location, workplace name and type, and perpetrator name. C4ADS augmented this data by identifying and adding data points from relevant public reporting regarding these bonded labor cases. Through open source research, C4ADS further identified reported cases of bonded labor in India in 2020 to ensure case data completeness. In total, bonded labor case data spanned the period between 2002 and 2020, and contained information on 624 cases of bonded labor that involved over 13,450 laborers.

The authors standardized the case data to enable aggregate analysis, and then conducted investigations into individual cases of bonded labor to better understand the corporate and trade networks supporting them. C4ADS used official corporate records, property records, trade data, and other publicly available information to match entities named in bonded labor case data with publicly identifiable individuals, companies, and networks of entities. To make sure that entities with similar names were not mistakenly identified as perpetrating entities, C4ADS only matched entities when they shared two or more identifiers (for example, a company in the case data and a company identified on a website sharing a name and address).

This methodology and the insights that can be derived from it are limited by a number of factors. This analysis is restricted to case data provided by the anti-trafficking organization in South Asia and found by C4ADS. As such, certain typologies of bonded labor may be over- or under-represented, though C4ADS attempted to counter this effect by including cases that have been the subject of public reporting. Furthermore, the public records used in this analysis represents a snapshot of corporate and trade activity at a given time: records may not be updated regularly, may not be consistent or wholly accurate, and may not have the same standards of reporting across jurisdictions, among other limitations. In addition, public records do not reveal all details of operations of a company or relationships between entities. Therefore, C4ADS limits its analytical conclusions to those supported directly by underlying documentation.

Unless explicitly stated, the mention of an individual, company, organization, or other entity in this report does not necessarily imply the violation of any law or international agreement and should not be construed to so imply.

BONDED LABOR ACROSS INDUSTRIES

C4ADS found that cases of bonded labor in India occurred in almost every commercial sector, including localized industries and those touching international supply chains. As seen in Figure 1, which illustrates the case prevalence of bonded labor by industry, half of the cases took place in brick kilns and rice mills, two workplace types associated with high levels of bonded labor.¹⁶

The typical corporate structures of these industries vary, as does their relationship to global supply chains. For example, while bricks produced in India are almost entirely consumed by domestic markets,¹⁷ India is one of the world's largest rice exporters.¹⁸ However, both industries generally rely on small-scale, sometimes informal operations, while companies in other relevant industries, such as apparel and manufacturing, may be larger, more formalized, and more directly connected to global supply chains.¹⁹

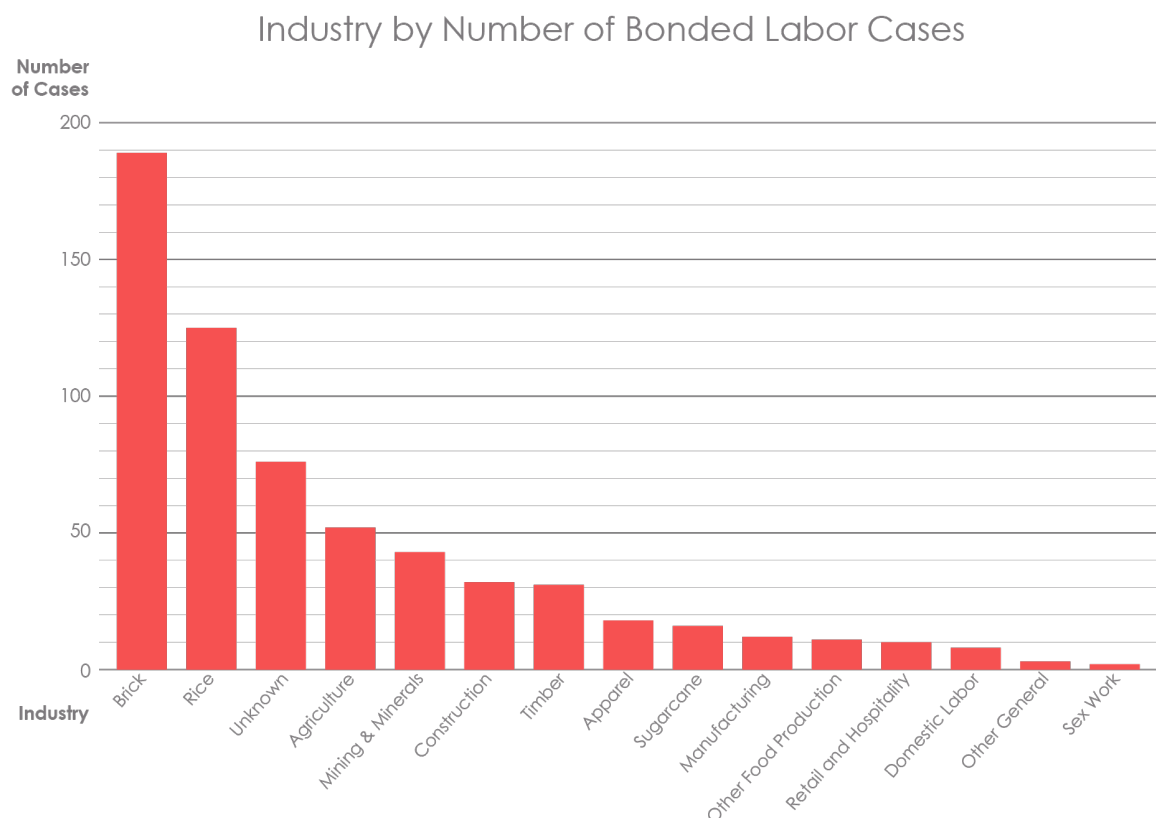


Figure 1: Bonded labor cases analyzed by industry.²⁰
Source: Bonded labor case data.

¹⁶ Department of Labor (2020). *2020 List of goods produced by child labor or forced labor*. Retrieved July 15, 2021, from https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/2020_TVPRAList_Online_Final.pdf.

¹⁷ ICIMOD (2019). *Fact sheet: Burnt clay brick sector in India*. Retrieved July 15, 2021, from <https://www.ccacoalition.org/sites/default/files/resources/Fact%20sheet%20brick%20sector%20India.pdf>.

¹⁸ OEC (n.d.). *Rice*. Retrieved July 15, 2021, from <https://oec.world/en/profile/hs92/rice?redirect=true>.

¹⁹ https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_542925.pdf

²⁰ Unknown refers to cases of bonded labor for which the type of work or type of work location was not defined.

THE PERSISTENCE OF BONDED LABOR NETWORKS

C4ADS used bonded labor case data, along with publicly available information, to map the visible corporate and trade networks associated with cases of bonded labor. Overall, our analysis shows that companies using bonded labor are persistent: they continue to operate after cases of bonded labor have been identified, and many use bonded labor repeatedly. Nonetheless, opportunities exist for stakeholders to attempt to mitigate the use of bonded labor through targeted enforcement and exclusion actions.

C4ADS found public information about the activities—outside of their use of bonded labor—of 50 companies and networks associated with cases of bonded labor. Although public information only reflects a snapshot in time, the online presence of many of these companies indicates that they are still operational. Owing to past records of human rights violations with little evidence of rectification, these companies are more likely to be non-compliant with basic labor rights and standards mandated by domestic and international law. The network chart below portrays the companies and networks that C4ADS identified as having some form of public presence.

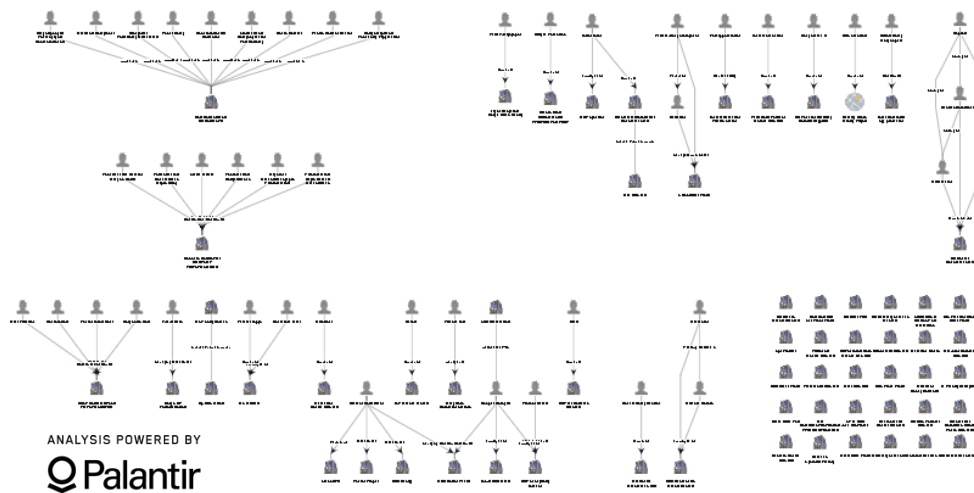


Figure 2: Network map of entities identified as having exhibited conduct consistent with the use of bonded labor in India that can be identified using publicly available information. Building icons indicate a company, person icons indicate a person, and connecting lines indicate a relationship.

Although C4ADS identified the public presence of approximately 50 companies and networks, the ultimate beneficial ownership of many of these companies remains shrouded, as illustrated by the 30 companies in the lower right corner of Figure 2 that are unconnected to any other companies or individuals. This lack of transparency is in part due to the types of companies involved in these bonded labor cases. Of the identified companies, only three are associated with companies registered to the Indian Ministry of Corporate Affairs (MCA), meaning that the rest are not officially registered. Therefore, the remaining companies must be sole proprietorships—businesses run by single individuals that are not required to register with the

MCA—or unregistered companies.^{21 22 23} Both of these forms of companies are significantly less transparent than the companies registered with the MCA, as company ownership, status, and associated networks for these companies are not universally publicly available, creating challenges in monitoring companies and individuals associated with bonded labor.

Despite challenges in pinpointing company ownership, C4ADS did identify the beneficial or shared owners of several entities associated with bonded labor. These extended networks, often comprised of companies within similar industries, are at high risk for using bonded labor across companies. The example of Bannari Amman Sugars, which is part of a larger group of companies, is explored in more detail in the case study below. Though challenging to identify due to the lack of corporate transparency, there have also been publicized instances of individuals using bonded labor across multiple companies. For example, in 2010, 75 bonded laborers were rescued from two brick kilns reportedly owned by one individual, S. K. Rajasekhar.²⁴

Of particular concern are individuals and companies that have perpetrated multiple cases of bonded labor. C4ADS found that at least 15 perpetrating companies or individuals appeared in the dataset twice or more, meaning they were identified as using bonded labor multiple times.²⁵ In total, per the dataset, companies and individuals identified using bonded labor multiple times exploited 1,535 bonded laborers after their first case.

Many companies using bonded labor contribute to global supply chains via intermediary domestic trade partners, making these linkages hard to trace using publicly available information alone. However, investigations that link cases of bonded labor to global supply chains illuminate how these mechanisms work for investigators, regulators, law enforcement, and others stakeholders. The following case study demonstrates how these connections can be identified in publicly available data.

²¹ Cleartax (2021, June 25). *Sole proprietorship registration in India – procedure and advantages*. Retrieved July 15, 2021, from <https://cleartax.in/s/sole-proprietorship>.

²² International Labour Organization (n.d.). *Informal economy in South Asia*. Retrieved July 15, 2021, from <https://www.ilo.org/newdelhi/areasofwork/informal-economy/lang-en/index.htm>.

²³ WIEGO (n.d.). *Informal economy*. Retrieved July 15, 2021, from <https://www.wiego.org/informal-economy>.

²⁴ Asian Human Rights Commission (2010, September 22). *Update (India): 75 bonded labourers including 40 children were released*. Retrieved July 15, 2021, from <http://www.humanrights.asia/news/hunger-alerts/AHRC-HAU-005-2010/>.

²⁵ Two companies were identified as using bonded labor three times.

CASE STUDY: BANNARI AMMAN SUGARS

According to the bonded labor case data and public reporting, in September 2017, Indian authorities reportedly rescued 28 bonded laborers, including children, from sugarcane fields in Karnataka that supply an Indian sugar and granite company, Bannari Amman Sugars Limited.²⁶ Laborers from Mysuru, Mandya, and Tamil Nadu were given advances to harvest sugarcane, but were never paid their daily wages. One victim reported working for three years, unable to leave even to visit their hometown.²⁷ According to media reporting, the employer of the laborers was a contractor for Bannari Amman Sugars, which is part of the large Indian conglomerate Bannari Amman Group.^{28 29}

This is not the only reported case of labor abuse or exploitation linked to Bannari Amman Sugars. In 2012, Bannari Amman Sugars allegedly refused to buy a sugarcane grower's harvest after promising to do so, which caused the sugarcane to spoil and purportedly drove the grower to commit suicide.³⁰ Similarly, between 2007 and 2019, there were numerous reports of farmers accusing Bannari Amman Sugars of either violating purchase agreements, underpaying for sugarcane, or cheating them through other methods.^{31 32 33 34 35 36} Most recently, in April 2020, a laborer was reportedly killed by a sugarcane crushing machine in a Bannari Amman Sugars factory, and in May 2020, Bannari Amman Sugar workers reported not being paid wages for six weeks and being stranded without food.³⁷

Despite these widely-reported labor-related issues, trade data indicates that Bannari Amman Sugars has continued to produce and export sugar and stone products, exporting 1,759 shipments between September 2015 and February 2021. Additionally, trade data shows that 10 other companies sent 167 shipments containing products sourced from Bannari Amman Sugars during this period. In total, these shipments had an estimated value of over 60 million USD. The network chart in Figure 3 portrays the large trade network of Bannari Amman Sugars.

²⁶ Deccan Herald (2017, September 22). *28 bonded labourers rescued from KR Nagar*. Retrieved July 15, 2021, from <https://www.deccanherald.com/content/634309/28-bonded-labourers-rescued-kr.html>.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Bannari Amman Group (n.d.). Retrieved July 15, 2021, from <http://www.bannari.com/>

³⁰ DNA India (2012, April 23). *Sugarcane farmer in B'lore kills himself after failing to sell crop*. Retrieved July 15, 2021, from <https://www.dnaindia.com/bangalore/report-sugarcane-farmer-in-b-lore-kills-himself-after-failing-to-sell-crop-1679514>.

³¹ The Times of India (2018, January 31). *Sugarcane farmers in Erode protest fleeing by pvt firm*. Retrieved July 15, 2021, from <https://timesofindia.indiatimes.com/city/erode/sugarcane-farmers-in-erode-protest-fleeing-by-pvt-firm/articleshow/62716517.cms>

³² City Today (2018, December 20). *Official apathy not to allow sugarcane harvesting criticized*. Retrieved July 15, 2021, from <https://citytoday.news/official-apaty-not-to-allow-sugarcane-harvesting-criticised/>.

³³ The Times of India (2019, October 17). *Sugarcane farmers accuse factories of violating agreement*. Retrieved July 15, 2021, from <https://timesofindia.indiatimes.com/city/mysuru/sugarcane-farmers-accuse-factories-of-violating-agreement/articleshow/71621390.cms>.

³⁴ Star of Mysore (2019, Juny 18). *Sugar factory accused of cheating farmers*. Retrieved July 15, 2021, from <https://starofmysore.com/sugar-factory-accused-of-cheating-farmers/>.

³⁵ The Hindu Images (2007, January 27). *Image ID: 11166548*. Retrieved July 15, 2021, from <https://thehinduimages.com/details-page.php?id=11166548>.

³⁶ The Times of India (2019, June 27). *Farmers, residents protest sugar factory's expansion of ethanol unit in Nanjangud*. Retrieved July 15, 2021, from <https://timesofindia.indiatimes.com/city/mysuru/farmers-residents-protest-sugar-factorys-expansion-of-ethanol-unit-in-nanjangud/articleshow/69964548.cms>.

³⁷ United News of India (2020, August 17). *Labourer dead in K'taka*. Retrieved July 15, 2021, from <http://www.uniindia.com/labourer-dead-in-k-taka/south/news/2124922.html>.

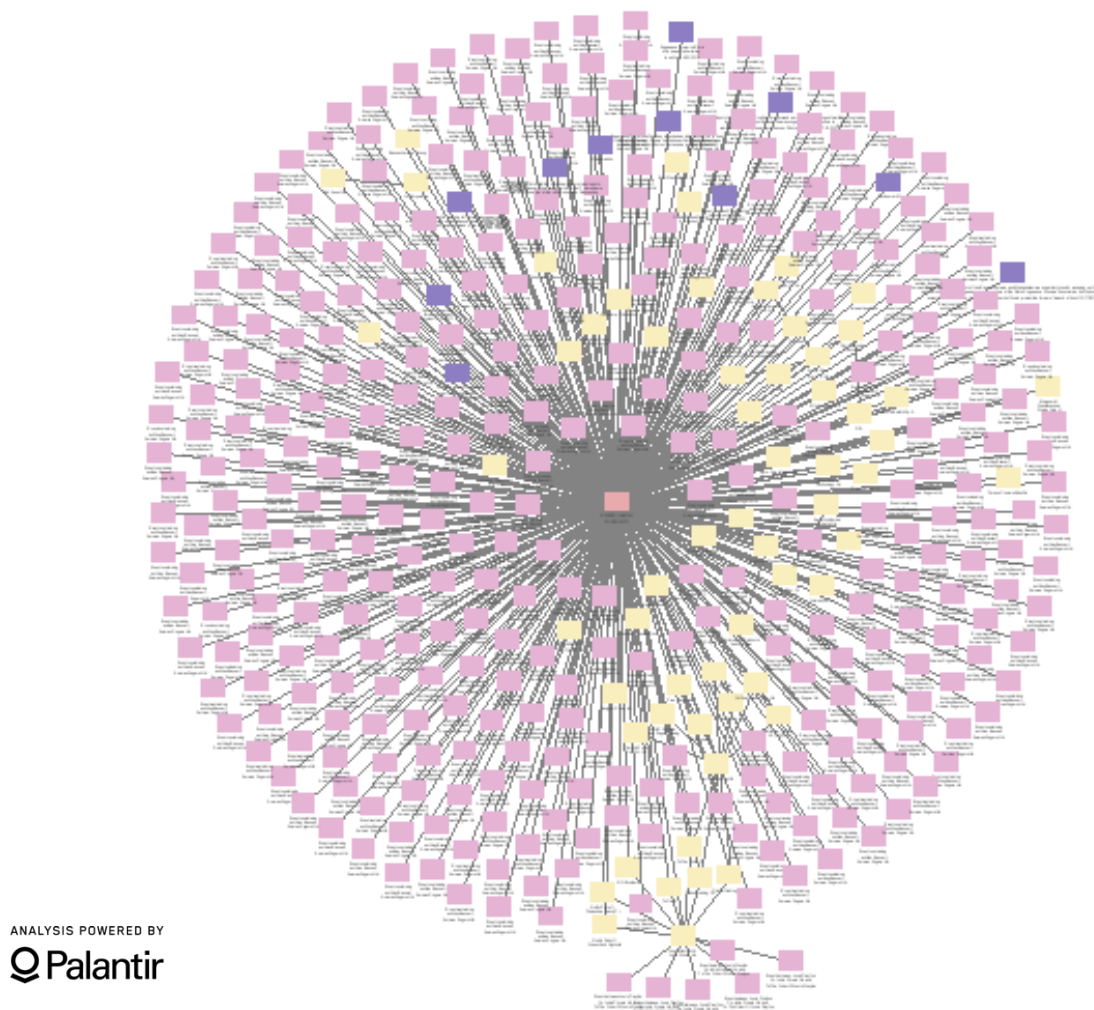


Figure 3: Bannari Amman Trade Network: Bannari Amman Sugars (Red), Bannari Amman Sugars Shipments (Pink), Companies Sending or Receiving Bannari Amman Sugars Products (Yellow).

Per trade data, the shipments were sent to countries around the world (see Figure 4), including to customers such as Agropcorp International, a major commodity trading house, and specialty masonry companies everywhere from Germany to the United States.

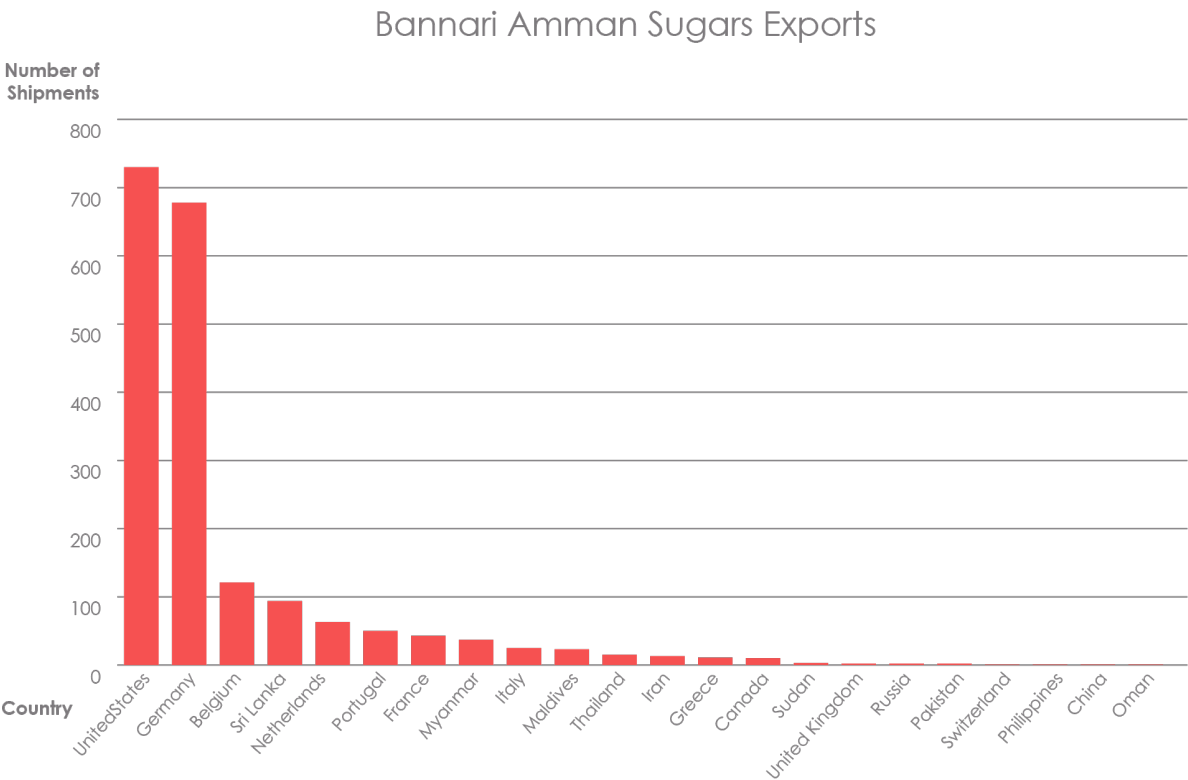


Figure 4: Destination countries of Bannari Amman Sugars exports, per trade data, September 2015 to February 2021.

Given Bannari Amman Sugars' history, one could infer that its products are at a higher risk of being produced by forced labor or through exploitative labor practices. However, the risk does not lie with Bannari Amman Sugars alone. Bannari Amman Sugars is part of a larger conglomerate group, and its directors lead over 30 other companies. All of these companies, many of which themselves export goods internationally, may be at higher risk of using forced labor, given the widely reported practices of their sister company, Bannari Amman Sugars.

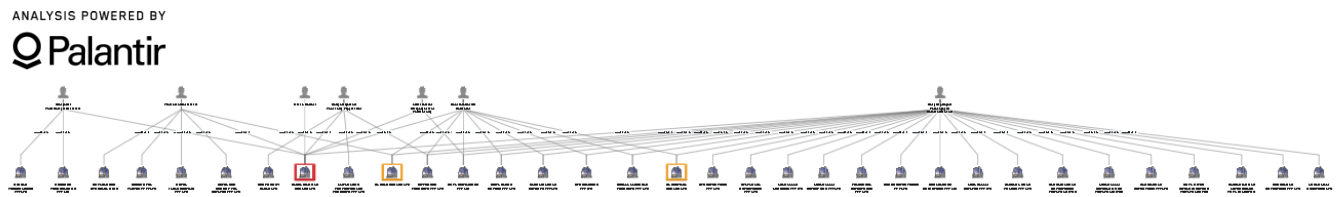


Figure 5: Bannari Amman Corporate Network

The relative transparency of this case of bonded labor, which is not true of many cases, enabled the trade data analysis that connects bonded labor to supply chains. Media stories reported on the link between the contractor directly employing bonded labor and Bannari Amman Sugars. This contractor relationship is otherwise invisible in publicly available information, making investigations more difficult, as well as allowing for plausible deniability on the part of Bannari

Amman Sugars. Informal or contracting employment relationships are not unique to this case, and they increase the challenges for due diligence on the part of global buyers, law enforcement, or civil society. While contracting relationships can rarely be identified through publicly available information, stakeholders in key supply chain positions can leverage their positions to obtain more information on contractors and labor conditions from their suppliers.

As this case demonstrates, goods produced by companies using bonded labor in India can and do enter supply chains that supply consumers around the world. This is facilitated by opaque labor and corporate structures within India, which prevent adequate transparency in many cases.

CONCLUSION

This analysis of 624 cases of bonded labor in India, involving over 13,450 bonded laborers, shows that bonded labor in India is linked to global supply chains. Bonded labor is prevalent in key industries, such as brick and rice production, and companies that have used bonded labor persist in their commercial activities past the public discovery of bonded labor. Moreover, many companies have been identified as using bonded labor multiple times. Unfortunately, corporate and labor structures obfuscate the connections of even these repeat offenders to global supply chains.

Furthermore, as demonstrated in the Bannari Amman Sugars case study, the relationships between bonded laborers, supervisors, and the companies they work for can take place through formal and informal mechanisms. These blurred relationships can be hard to parse using publicly available information alone, creating challenges in tracing supply chains and maintaining accountability.

While global businesses may be rigorous about labor compliance within their own employment practices, that rigor can dissipate when it comes to their supply chains, particularly if they cross international boundaries or involve informal labor. However, this analysis demonstrates how these challenges can be mitigated to better curb the use of bonded labor:

- (a) The application of publicly available information in bonded labor investigations reveals the potential for data to contribute to intervention strategies targeting bonded labor practices in global supply chains, despite some limitations.
- (b) There is significant potential for stakeholders, including the private sector and financial institutions, to use targeted investigation and due diligence to generate impact. This includes identifying and removing bad actors from supply chains, thus disrupting the financial incentive to use bonded labor.

The private sector, especially global buyers and financial institutions, are in a position to acquire information on contractors and national supply chains that is harder to find in publicly available information. Such data may help establish connections between Indian companies and contractors or suppliers that use bonded labor.

Bonded labor affects India's most vulnerable populations, and the COVID-19 pandemic has exacerbated economic insecurity and other key factors that drive people into bonded labor. As per the 2021 Trafficking in Persons Report,³⁸ the crisis has increased the number of vulnerable persons and interrupted existing anti-trafficking efforts. The challenges have only compounded, and the devastation to the informal workforce can spiral out of control unless met with global resolve and action.

The world, and those that benefit from Indian-made goods, are not powerless in the fight against bonded labor. By understanding how bonded labor seeps into global supply chains, and what

³⁸ Office to Monitor and Combat Trafficking in Persons (2021). *2021 Trafficking in Persons Report*. Retrieved July 30, 2021, from <https://www.state.gov/reports/2021-trafficking-in-persons-report/>.

elements of transparency are necessary to identify and stop it, stakeholders can contribute to the fight against bonded labor in India and around the world.