THE REMEDY PROJECT

Are We Fighting Forced Labour or Just Managing It?

WHITE PAPER

April 2025

Abstract

Is relying solely on ILO forced labour indicators enough, or are we institutionalising harm reduction instead of eradication?

The Remedy Project is launching a series of publications aimed at rethinking forced labour risk assessments with a focus on prevention and improving remediation outcomes.

Through this series, we will explore whether decent work deficiencies alongside business model indicators like purchasing practises and cost pressures offer more accurate early warning signals for forced labour than traditional reliance on the International Labour Organization's Forced Labour ("ILO FL") Indicators.

Upcoming case studies will test this hypothesis by applying a refined framework to real-world contexts, offering practical insights on how forced labour assessments can evolve from isolated compliance checks to consider broader structural factors—such as enforcement of legal frameworks, business models that prioritise cost efficiency over worker welfare, subcontracting arrangements, and governance gaps—to help shape accountability for labour abuses.

Is there a more accurate and smarter framework of indicators that is more closely aligned to the systemic and flux nature of forced labour whilst also being grounded in an attribution of responsibility that is more equitable and can lead to better remediation outcomes and prevention of forced labour?

Lastly, as regulations such as the EU Forced Labour Regulation ("EUFLR") and the Corporate Sustainability Due Diligence Directive ("CS3D") gain traction, there is a need to reframe forced labour assessments to focus on systemic prevention, equitable responsibility attribution, and long-term remediation, rather than reactive compliance.

This series invites brands, policymakers, NGOs, worker representatives, academic researchers, human rights experts, and industry practitioners to engage with the findings and contribute to a broader dialogue on eradicating forced labour by tackling root causes. Is it time to move beyond checklist-driven assessments and address the deeper business models that perpetuate exploitation?

Join us in challenging the status quo and driving meaningful, long-term change.

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Introduction

Forced labour remains a persistent issue in global supply chains, but its roots extend far beyond individual supplier misconduct. While suppliers are often held accountable for exploitative practises, the reality is that forced labour emerges from a range of deeper systemic drivers embedded within global production models' such as supply chain power dynamics, institutional and regulatory failures, limitations in corporate governance and broader socio-economic factors.[1] These multiple systemic drivers underscore that forced labour cannot be understood through a narrow lens; instead, it demands a comprehensive examination of both supply-side vulnerabilities and the broader business ecosystem.

To determine the structural causes of forced labour in global supply chains, we must first examine both supply-side dynamics (factors creating a pool of vulnerable workers) and demand-side dynamics (business pressures driving exploitation).[2] Cost pressures, opaque subcontracting arrangements, and rapid delivery can create incentives for exploitative labour practises by prioritising efficiency and cost reduction over worker well-being.[3] The risk of forced labour may arise as early as the procurement stage, with exploitative practises continuing as production is outsourced through intermediaries, where regulations and worker protections may be weak.[4]

Additionally, governance gaps such as inadequate regulatory enforcement, limited grievance mechanisms, and insufficient social security provisions can further heighten workers' vulnerability and create conditions where exploitative practises can take root.

Despite these conditions, workers often enter exploitative jobs due to immediate survival needs, further entrenching them in poverty and exploitation.[5] This highlights the importance of understanding forced labour through a structural lens, rather than solely as an issue of individual employer misconduct.

Current assessments for detecting forced labour rely heavily on the International Labour Organization's Forced Labour ("ILO FL") Indicators, which were designed as diagnostic tools to capture symptoms, such as excessive overtime, withheld wages, or lack of worker agency.[6] However, in practise, these indicators are often applied in isolation without considering the broader context, which may limit their effectiveness in addressing the structural drivers that underpin forced labour.[7]

By focusing solely on individual indicators, current assessments may not fully account for the interplay between different factors, such as wage suppression, excessive overtime, governance gaps, and precarious employment, which together create conditions of exploitation. Without a holistic approach that examines how these indicators interact, assessments risk overlooking systemic vulnerabilities that enable forced labour to persist. Given these limitations, this study seeks to reframe forced labour assessments by shifting the focus from merely identifying the presence of forced labour indicators to examining business model indicators and the absence of decent work conditions.

Research suggests that integrating decent work indicators into forced labour assessments can drive systemic change by promoting accountability across the entire value chain, rather than focusing primarily on compliance at a supplier level.[8] Decent work is defined as work that encompasses fair wages, job security, freedom of association, and access to grievance mechanisms.[9] Integrating these decent work dimensions into forced labour risk assessments can serve as more reliable early warning signals than checklist-style applications of ILO FL Indicators.[10]

Recognising that structural drivers—such as purchasing practices, governance gaps, weak legal frameworks, and socio-economic factors—influence forced labour risks, current assessments may benefit from moving beyond merely detecting symptoms. Instead, they could analyse the interrelationships between decent work predictors and business model indicators to explore how these factors can be integrated into forced labour assessments and corrective action plans.[11]

1 G. LeBaron (2024), The Role of Supply Chains in the Global Business of Forced Labour, 10.1111/jscm.12258
2 G. LeBaron, et al. (2018), Confronting Root Causes: Forced Labour in Global Supply Chains, 10.13140/RG.2.2.35522.68807
3 G. LeBaron (2024), The Role of Supply Chains in the Global Business of Forced Labour, 10.1111/jscm.12258
4 C. Rauzi (2022), Understanding the Relationship Between Procurement Practices and the Utilization of Forced Labor
5 G. LeBaron, et al. (2018), Confronting Root Causes: Forced Labour in Global Supply Chains, 10.13140/RG.2.2.35522.68807
6 Understanding the indicators of forced labour (2021), https://www.sedex.com/blog/understanding-the-indicators-of-forced-labour/
7 Verité', Research on Forced Labour Indicators: Successess, Challenges, and Reflections on Future Engagements, https://verite.org/wp-content/uploads/2023/10/Lessons-Learned-During-Research-on-Indicators-of-Forced-Labor-in-the-Production-of-Goods-v2.pdf.
8 LeBaron (2024), The Role of Supply Chains in the Global Business of Forced Labour, 10.1111/jscm.12258
9 ILO, https://www.ilo.org/topics/decent-work
10 S. Elmetwally (2022), A Multidimensional Approach to Measuring Decent Work in Five Countries Using Count Panel Data Models, 10.37394/23207.2022.19.55
11 N. Nourafkan, C. Tanova, Employee Perceptions of Decent Work: A Systematic Literature Review, 10.1007/s12144-023-04837-1

Ultimately, integrating decent work metrics into forced labour assessments represents more than a technical shift; it redefines how responsibility is attributed across the value chain. By prioritising business resilience, prevention and remediation over compliance-based, punitive, supplier-centric approaches, this model aims to distribute accountability more equitably among brands, buyers, suppliers, and regulators.[12] A more forward-looking, multi-stakeholder governance model can help drive sustainable change, ensuring that forced labour solutions focus not just on detection, but on building fairer, more transparent supply chains through remediation, worker representation and agency.[13]

As regulatory frameworks such as the Corporate Sustainability Reporting Directive ("CSRD"), the EU Forced Labour Regulation ("EUFLR"), and other human rights due diligence ("HRDD") laws are adopted globally, there is an opportunity to reframe forced labour assessments to move beyond superficial compliance. This shift must be reflected not only in regulatory requirements, but also in the design and implementation of guidance around these regulations to help ensure that assessments prioritise systemic prevention, equitable attribution of responsibility, and long-term remediation rather than reactive, compliance-focused approaches.

12 'The 2022 Santpoort Keystone Dialogue, Background Brief 2, What works' in forced labour detection and remedy/supporting decent work?, https://seabos.org/wp-content/uploads/2024/04/what-works-in-forced-labour-detection-and-remedy-supporting-decent-work.pdf

13 G. LeBaron (2024), The Role of Supply Chains in the Global Business of Forced Labour, 10.1111/jscm.12258

Reframing Forced Labour Assessments: Addressing Systemic Drivers and Current Shortcomings

Current forced labour assessment tools often adopt a static, checklist-style approach due to their focus on the formal indicators of forced labour as defined by the ILO. However, in doing so, they overlook dimensions that underpin the causes of forced labour. This narrow focus limits their ability to capture the systemic drivers—such as purchasing practises, lack of regulatory enforcement, governance gaps, poverty—that contribute to forced labour, leading to an incomplete understanding of its root causes. These shortcomings can be attributed to the following:

Research identifies five key purchasing practises (i.e., contract clauses, technical specifications, order placement and lead times, prices and market power, and requests for social standards) that are the leading factors contributing to exploitative conditions.[14] For example, 52% of textile and clothing suppliers reported selling below cost to secure future orders, which drives suppliers to cut labour costs in ways that violate basic worker protections.[15] Additionally, power asymmetries in buyer-supplier relationships can influence these dynamics, with many suppliers relying on a limited number of buyers and, at times, accepting orders at prices that may not fully cover production costs.[16]

Often codes of conduct and corporate social responsibility initiatives are designed as a framework that provide tools for identifying forced labour, and subsequently formulate corrective actions to address such findings. However, the adoption and implementation of these frameworks can sometimes be inconsistent, undermining their effectiveness in preventing exploitation of workers.[17] The use of current assessment tools also tends to focus on compliance. While these tools may address forced labour as a consequence of non-compliance, they do not always engage with its deeper structural causes, such as business models that prioritise cost efficiency over the protection of decent work.

Socio-economic factors such as poverty, lack of viable employment alternatives, structural inequalities, and weak labour protections are amongst underlying conditions that contribute to forced labour. Poverty can lead to desperate acceptance of exploitative conditions due to a lack of alternatives. Similarly, structural inequalities in access to education, healthcare, and job opportunities can leave workers particularly vulnerable to exposure to forced labour.[18] This makes distinguishing between direct coercion and economic desperation difficult and highlights the need for broader socio-economic analysis when assessing for forced labour.[19] As a result, when workers endure exploitative conditions due to the combination of poverty, lack of alternatives, or structural inequalities, it can often go unnoticed because these conditions do not meet all the formal indicators of forced labour as defined by international frameworks.

14 L. Pinedo and D. Vaughan-Whitehead (2017), Purchasing practices and working conditions in global supply chains: Global Survey results
15 ibid.
16 C. Rauzi (2022), Understanding the Relationship Between Procurement Practices and the Utilization of Forced Labor
17 J. Brudney (2023), Hidden in Plain Sight: An ILO Convention on Labour Standards
18 G. LeBaron, et al. (2018), Confronting Root Causes: Forced Labour in Global Supply Chains, 10.13140/RG.2.2.35522.68807
19 Verité', Research on Forced Labour Indicators: Successess, Challenges, and Reflections on Future Engagements, https://verite.org/wp-content/uploads/2023/10/Lessons-Learned-During-Research-on-Indicators-of-Forced-Labor-in-the-Production-of-Goods-v2.pdf

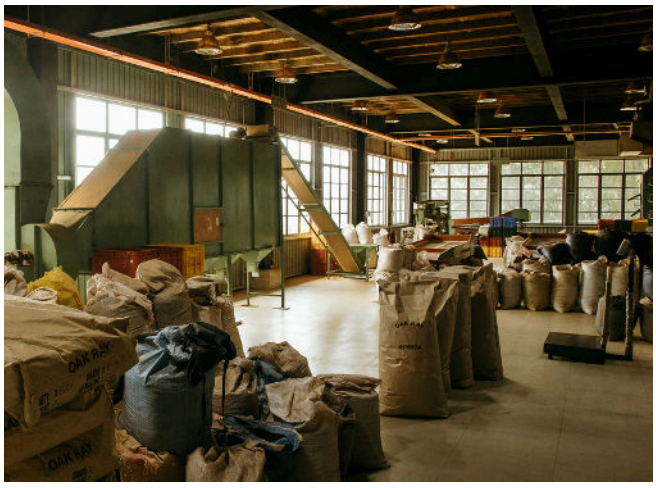
A New Perspective: Moving beyond reactive approach and addressing the entire value chain

Given that ILO FL Indicators are the foundation for assessing forced labour and have informed the design of many risk assessment tools, it is important to consider whether their current use is sufficient for identifying and sufficiently addressing the problem. While useful for detecting isolated symptoms of forced labour, these indicators may not fully capture the underlying structural conditions that enable exploitation. As much of the risk identification relies on ILO FL Indicators, it prompts the question:

Are current assessments designed to prevent forced labour or to document its presence?

Forced labour is not just a result of supplier misconduct; it is influenced by purchasing practises, gaps in legal enforcement, governance issues and socio-economic considerations. Without considering how these structural elements contribute to exploitative conditions, current assessments risk misattributing the causes of forced labour to suppliers alone, rather than addressing the broader system that drives it.

To address forced labour comprehensively, current assessments could consider business model indicators such as purchasing practises, the extent to which codes of conduct are implemented, and how fragmented supply chains contribute to risk exposure. A broader perspective, that complements existing frameworks and considers business model indicators along with the presence or absence of decent work conditions could provide additional insights into underlying risk factors. This approach is better suited for prevention and enhancing business resilience, to ensure that interventions go beyond scratching the surface.



This new framework could also incorporate "attribution of responsibility" for a more equitable allocation of responsibility for forced labour across the value chain, reflecting the roles of brands, policymakers and other relevant actors, whose acts and/or omissions may contribute to exploitation. This aligns with calls for collective accountability that emphasise industry-wide standards, multi-stakeholder collaboration, and cost-sharing models to address systemic risks, rather than isolated corporate efforts that create 'islands of compliance'.[20]

Another important dimension in rethinking forced labour assessments is the recognition of the socio-economic drivers that lead to exploitative working conditions. In reality, forced labour operates on a spectrum, with exploitative conditions often emerging gradually due to economic precarity, social vulnerability, discrepancy between international and local standards, and supply chain pressures.[21] The static nature of current forced labour assessment methodologies does not fully capture the dynamic and evolving nature of coercion in the workplace. This approach tends to treat forced labour as a fixed concept that can be detected through checklist-style applications of isolated indicators. As a result, forced labour risk assessments overlook nuanced and systemic forms of coercion that do not fit neatly into predefined categories. To uncover these hidden risks, forced labour tools could benefit from looking beyond static measurements and integrating socio-economic analysis, which would enable a deeper understanding of the drivers of vulnerability and enhance the overall effectiveness of forced labour prevention efforts.

Reframing forced labour as a symptom of deeper systemic issues, such as economic precarity, fragmented regulatory oversight, and exploitative purchasing practises, shifts the focus from reactive detection to proactive prevention. Strengthening enforcement, particularly in the lower tiers of supply chains, alongside mandatory human rights due diligence laws, can help address jurisdictional gaps that have traditionally hindered accountability efforts.[22] When workers lack job security, fair wages, or avenues for raising grievances, they are more vulnerable to coercion and exploitation.

By linking forced labour directly to the systemic drivers mentioned here, we gain clarity on how global supply chain pressures can escalate into forced labour. Addressing these root causes is essential, as suppliers alone may face disproportionate compliance burdens, despite operating within a system that limits their flexibility.

Focusing on systemic drivers also raises important questions about remediation: If forced labour assessments rely on isolated indicators, how effective can remediation strategies be if they don't address the absence of decent work? Shifting remediation efforts toward systemic issues—such as designing grievance mechanisms and integrating root cause analyses—can strengthen corrective action and enhance worker agency and empowerment.[23] This will also ensure that remediation is not just symbolic, but effectively carried out, with all actors—beyond just suppliers—contributing to meaningful restoration.

Recommended solutions can therefore benefit from a framework that provides more accurate and refined indicators, facilitating a clearer attribution of responsibility across the value chain. This approach could potentially move beyond individual supplier accountability, considering broader, value chain-wide factors that contribute to forced labour risks. In light of weak enforcement mechanisms, limited worker representation, and compliance-driven due diligence processes, this shift could offer a more comprehensive view of the systemic factors that allow forced labour to persist, even in regions with established legal frameworks.

Moreover, many current forced labour assessments focus on after-the-fact symptoms and often emphasise a restorative approach, which, while addressing some issues in spirit, fails to fully remedy them in reality.[24] A framework designed to integrate both prevention and remediation could allow for a more nuanced understanding of forced labour, addressing underlying structural issues while also identifying points for effective intervention.

20 World Economic Forum, Global Agenda Council, Shared Responsibility: A New Paradigm for Supply Chains, November 2015, https://www3.weforum.org/docs/WEF_GAC_Supply_Chains_%20A_New_Paradigm_2015.pdf

21 K. Skrivankova (2010), Between Decent Work and Forced Labour: Examining the Continuum of Exploitation, 20.500.12592/4jp0c6.

22 G. LeBaron (2024), The Role of Supply Chains in the Global Business of Forced Labour, 10.1111/jscm.12258

23 Woolworths Group, The Business Response to Remedying Human Rights Infringements, June 2018, https://www.woolworthsgroup.com.au/content/dam/wwg/sustainability/documents/Remedy%20Report_Australian%20Business%20Pledge%20Against%20Forced%20Labour%20FINAL.pdf

24 K. Skrivankova (2010), Between Decent Work and Forced Labour: Examining the Continuum of Exploitation, 20.500.12592/4jp0c6.

By improving the accuracy of risk assessments and attributing responsibility equitably, this model can potentially support more targeted and timely remediation efforts. Such an approach could help mitigate risks across the value chain, aiming to ensure that both prevention and remediation efforts are more suited to the broader systemic drivers of forced labour. This shift could prevent forced labour by improving accountability, reforming purchasing practises, and strengthening enforcement mechanisms, fostering long-term ethical change across global supply chains.[25]

The evolving regulatory landscape has also created a timely opportunity to broaden the conversation around forced labour risk assessment towards a new framework that incorporates business model indicators, decent work deficiencies, an attribution of responsibility model, and prioritises prevention and remediation of outcomes.

By doing so, the study hopes to influence the guidance and implementation of these regulations as well as contribute to a more forward-looking, actionable, and worker-centred model of forced labour risk assessment—one that responds not only to compliance requirements but to the real-world conditions that shape vulnerability.

25 G. LeBaron, et al. (2018), Confronting Root Causes: Forced Labour in Global Supply Chains, 10.13140/RG.2.2.35522.68807

Testing the Theory: A Call for New Evidence

Through the development of case studies in high-risk sectors, this series aims to test whether monitoring business model indicators and decent work conditions offers a stronger, more accurate predictor of forced labour risks, and can potentially lead to better prevention and remediation outcomes. Given the widespread reliance on ILO FL Indicators in shaping compliance-based solutions, it is timely to critically evaluate their effectiveness as a primary risk assessment tool.

While current assessments identify forced labour in supply chains, they tend to be aimed at being only restorative rather than restorative **and** preventive. For example, reimbursing workers for unpaid wages or compensating them for lost income may help mitigate immediate harm, but it fails to prevent the underlying conditions that lead to exploitation in the first place and are likely to reoccur. Existing tools also tend to focus on compliance over building business resilience and systemic improvements in working conditions.

The proposed framework in this series will explore and incorporate systemic drivers of forced labour—such as purchasing practises, regulatory and governance gaps, and socio-economic factors—into risk assessments. Additionally, the series will examine whether an equitable attribution of responsibility across the value chain, including brands, suppliers, policymakers, and investors, can strengthen prevention efforts. By including these elements, the study aims to develop a more forward-looking and comprehensive framework for identifying and addressing forced labour risks. An equitable approach acknowledges that while suppliers play a role in ensuring fair working conditions, systemic factors must also be addressed at multiple levels to create meaningful change.

It is anticipated that the insights generated through this series will contribute to ongoing discourse and practise in HRDDs and forced labour assessments, supporting the development of more effective, evidence-based approaches to risk identification and mitigation.

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