

# The Bitter Price of Sweetness:

*Why Traditional Approaches Fail to Address  
Forced Labour in India's Sugarcane Fields*



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# Introduction

India is the world's second-largest sugar producer, earning over USD 4 billion annually from sugar exports.<sup>1</sup> Sugarcane cultivation spans over 5 million hectares and supports more than 50 million farmers and workers.<sup>2</sup> Despite its economic significance, India's sugarcane sector remains associated with human rights abuses and forced labour. Maharashtra, one of the key sugar-producing states, contributes over a third of India's total sugar output. The state relies heavily on an informal, migrant workforce—estimated at 1.5 million workers annually—who cut cane under arduous, under-regulated conditions.<sup>3</sup> Numerous inquiries and media reports have exposed patterns of debt bondage, wage withholding, coerced hysterectomies among women workers, child labour and denial of basic entitlements such as rest days, sick leave, housing, insurance, and maternity benefits.<sup>4</sup> Regardless of decades of corporate interventions, government initiatives, and international scrutiny, exploitative labour practises endure. These incidents of misconduct are not isolated, but structural outcomes embedded within procurement systems, pricing pressures, socio-economic conditions and regulatory failures.

This study tests the central hypothesis articulated in the white paper 'Are We Fighting Forced Labour or Just Managing It?'—examining 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.

This case study focuses on Maharashtra's sugarcane supply chain and interrogates the systemic enablers of forced labour. It asks:

- What structural conditions allow forced labour to persist despite extensive intervention efforts?
- Why have existing approaches—audits, certifications, supplier codes of conduct—failed to address root causes?
- What needs to change across the entire value chain, from government policy to business practise, to eliminate rather than merely manage exploitation?

Current assessments rely on the ILO FL Indicators and are shaped as diagnostic tools to capture and identify the most obvious and visible signs of exploitation. However, these approaches fall short in addressing the structural drivers of forced labour, such as socio-economic vulnerability, regulatory gaps, and pressures embedded within business models and procurement practises. They manage symptoms rather than root causes.

The study relies on primary and secondary research conducted in India's sugarcane sector to demonstrate a key finding: a shift towards context-sensitive assessments grounded in decent work principles and business model indicators can lead to better prevention of forced labour and remediation outcomes. It contends that recognising the interplay between landlessness, debt, caste, gender, informal recruitment, pricing policies, and power asymmetries provides a more accurate understanding of labour conditions than a checklist-style audit. A decent work-based lens, combined with an analysis of how commercial pressures shape working conditions, is essential—not only for identifying forced labour, but also for preventing it.



# Research Methodology

This case study adopts a mixed-method qualitative approach, combining desk-based research with field-based interviews to examine the structural conditions enabling forced labour in Maharashtra's sugarcane supply chain.

The research focuses on the sugarcane supply chain and the associated labour exploitation, including but not limited to an industry overview, value chain actors, harvesting and processing of sugarcane, labour migration, pricing structures, procurement practises, regulatory enforcement, certification systems, and the lived experiences of workers.

## Primary Research

Primary data was collected through interviews with key stakeholder groups, including:

- Migrant sugarcane workers (predominantly women)
- Labour contractors
- Smallholder farmers
- Village-level leaders and political representatives
- Worker group representatives

All interviews were conducted anonymously, with informed consent, through experienced local partners familiar with the sensitivities around engaging vulnerable workers.

## Secondary Research

Secondary data was sourced from academic literature, news articles, policy reports, legal reviews, and other publicly available documents. This data informed the design of interview tools and provided context for further analysing the primary data, considering the case study.



# Sugarcane Sector in India: An Overview

## Industry Overview

Maharashtra emerges as a critical case study within India's sugarcane landscape, representing both the scale and systemic vulnerabilities that define the sector. In 2022-23, sugarcane was cultivated on 1.49 million hectares of land in Maharashtra, making it one of India's largest sugar-producing regions.<sup>5</sup> Of this, 1.6 million farmers cultivated 0.7 million hectares, demonstrating the concentrated nature of sugarcane production and its associated labour dependencies.<sup>6</sup>

The state's harvest operations rely heavily on seasonal migration, with an estimated 1.5 million migrant workers arriving annually from drought-prone regions such as Marathwada and Beed.<sup>7</sup> Most concerning is the presence of approximately 0.2 million children under 14 years of age who accompany their parents during each cutting season, highlighting the intergenerational nature of labour exploitation in the sector.<sup>8</sup>

Maharashtra's sugarcane economy is shaped by a stratified farming structure and a powerful cooperative model. The farming structure operates across three distinct tiers: small and marginal farmers with less than 2 hectares who rely primarily on family labour; medium-scale farmers holding 2-10 hectares who hire workers for labour-intensive tasks; and large landholders holding above 10 hectares who increasingly mechanise operations.<sup>9</sup>

This stratified farming landscape connects to a complex value chain supported by Maharashtra's mill infrastructure. In 2023-24, 208 sugar mills operated across Maharashtra, forming a vast network that not only increased production efficiency but also created multiple layers of interaction between farms and processing facilities.<sup>10</sup> However, the scale and complexity of this system enables deflection of accountability for labour conditions across the value chain.

The broader ecosystem consists of interdependent actors, each with distinct roles and risks across the value chain:<sup>11</sup>

- Workers form the foundation of the value chain as predominantly seasonal migrants who are responsible for harvesting and loading sugarcane, among the most labour-intensive stages of the process. Women perform more than 60% of the cultivation process.<sup>12</sup>
- Contractors (mukaddams) function as intermediaries who recruit and manage teams of workers working in the fields. Contractors usually hire workers informally and facilitate wage advances, manage transport and accommodation logistics, and serve as the primary point of contact between mills, farmers, and workers.
- Farmers cultivate sugarcane and supply the cane to the mills. Often, workers are hired by the mills to work on the farms they are allocated to purchase sugarcane from.
- Mills organise procurement, processing, and payments. They are usually located in the vicinity of the farms to reduce the time between cutting and transporting. Mills are required to procure sugarcane from the "command area" at the government-declared rates. Command areas are typically within a 20-25 km radius of a sugar mill and are government designated zones from which mills are required to procure sugarcane.
- Buyers, including domestic and multinational food and beverage companies, source sugar from mills through multiple supplier tiers.
- The government regulates sugar supplies in all private, public or co-operative sugar mills. It defines sectoral pricing policy through instruments like the Fair and Remunerative Price (FRP) and State-Advised Price (SAP) and oversees regulatory enforcement of labour laws.

## Pricing Policy

The Indian sugar industry operates under government intervention at both national and state levels, with pricing mechanisms that are regulated rather than market determined.<sup>13</sup> India's sugarcane pricing mechanism imposes financial burdens that cascade through the value chain and ultimately create systemic cost pressures on mills, which are then passed on to workers.

India's pricing framework is built around three major instruments<sup>14</sup>:

- Fair and Remunerative Price (FRP) set by the central government is the minimum price that sugar mills must pay to farmers;
- State-Advised Prices (SAP) imposed by sugar-producing states such as Maharashtra to enhance farmer incomes by offering a procurement price above the FRP; and
- a Minimum Selling Price (MSP) set by the central government to prevent distress sales. This floor price determines how much mills can charge for sugar in the domestic market.

As of the 2025–26 season, the FRP stands at ₹355 per quintal, having increased from ₹275 in 2019.<sup>15</sup> Maharashtra's SAP often exceeds the FRP by ₹400–₹800, raising procurement costs further.<sup>16</sup> Meanwhile, the MSP for refined sugar remains stagnant at ₹3,100 per quintal, unchanged for several years despite inflation and escalating input costs such as fertiliser, fuel, and labour.<sup>17</sup>

This creates financial stress on sugar mills, who must absorb increasing input costs but cannot raise their sale prices.<sup>18</sup> With farmers demanding higher procurement prices, the pressure to cut costs is most acutely felt at the labour end of the supply chain—contributing directly to wage suppression, indebtedness, and exploitative recruitment practises. Weak enforcement of labour laws, political influence in the cooperative sector, and the absence of binding due diligence frameworks further exacerbate these risks.

## Exploitative Conditions in Sugarcane Farming

The architecture of India's sugarcane supply chain creates cascading cost pressures that are ultimately borne by workers. As mills, farmers, and contractors absorb the impact of fixed selling prices, rising input costs, and delayed payments, it is labour that absorbs the fallout. Positioned at the lowest tier, these workers remain most dispensable and least protected, resulting in entrenched exploitation.

### Debt Bondage and Informal Recruitment

Workers are trapped in cycles of debt bondage through informal contracting systems.<sup>19</sup> Mills provide seasonal advances to contractors, who then recruit teams (tolis) of labour couples, typically Dalit and Adivasi migrants, from drought-prone regions like Beed and Marathwada.<sup>20</sup> The informal nature of recruitment leaves workers without contracts, identity verification, or access to grievance mechanisms, minimum wage, rest days, or social security.<sup>21</sup> This creates structural vulnerabilities that contractors exploit by hiring from different villages to prevent collective bargaining and further isolating workers.<sup>22</sup>

### Inadequate Living Conditions and Health Risks

Workers endure extreme work hours, with no rest days, sick leaves, or other entitlements such as maternity benefits.<sup>23</sup> Housing is temporary, makeshift, and unhygienic. During work hours, there are no rest areas, and workers often take shade under a tree. Workers routinely report machete injuries, snakebites, sunstroke, and dehydration, with no insurance or compensation available for seeking medical assistance for workplace injuries.<sup>24</sup>

### Gender-Based Exploitation and Child Labour

Women face the most severe exploitation. Pregnant women continue fieldwork under unsafe conditions, without access to medical care or maternity benefits, even after childbirth.<sup>25</sup> One of the most disturbing practises is the coercion of women into undergoing hysterectomies.<sup>26</sup> A 2019 state inquiry confirmed over 13,500 cases of forced hysterectomies in Beed district alone.<sup>27</sup> Women also report high risks of gender discrimination, sexual harassment and violence, with no grievance mechanisms or institutional support in place. These conditions form part of a larger pattern of systemic vulnerability that affects entire families, including children—reports indicate the presence of child labour in sugarcane fields, as well as an increase in child marriages in this sector.<sup>28</sup>



# Systemic Drivers of Forced Labour

Maharashtra's position as a major supplier to global brands, combined with its concentrated workforce of vulnerable migrants, makes it an ideal case study for examining how systemic labour risks manifest within India's broader sugarcane industry.

## No. 1 Procurement Pressures and Pricing Structures

India's sugarcane pricing system is governed by FRP and MSP at the central level, and SAP at the state level. While intended to stabilise farmer incomes, these instruments interact in ways that generate cascading cost pressures throughout the value chain. The imbalance between rising input prices and capped output revenues creates a persistent cost-price squeeze for mills. They are unable to pass costs to buyers, and in turn, delay payments to farmers.<sup>29</sup> Farmers, operating as price-takers, absorb this pressure and pass it downward. With limited liquidity from delayed payments, they cannot adequately pay workers or invest in basic worksite infrastructure.<sup>30</sup> As one farmer explained, "We just accept the price; it's fixed. We can't afford to pay extra for labour when we get paid late."

This cascading pressure reaches contractors, the intermediaries between mills and workers. Contractors state that they receive seasonal advances from mills, typically around ₹5–7 lakh, but these often cover only part of the cost required to recruit workers. To bridge the gap, contractors mortgage personal property or vehicles and offer workers year-round cash advances, ranging from ₹500 for groceries to ₹20,000 for emergencies or weddings. Contractors must then recover these informal advances through labour during the harvest season. One contractor explained, "Sometimes a worker takes money from multiple contractors and leaves mid-season. But I still owe the factory. If the worker can't repay their advance through the season's work, they must return the next year to finish repaying it."

Workers bear the ultimate burden. Often illiterate and unaware of repayment terms, workers are recruited under opaque conditions with a fixed piece-rate that remains unchanged regardless of hours worked.<sup>31</sup> These workers receive wage advances to cover travel and living expenses, and repayment is tied to labour output.<sup>32</sup> Meanwhile, mills distance themselves from responsibility and claim no role in the exploitative labour conditions. This contractor system creates multiple layers of intermediaries between mills and workers, each extracting value while diffusing accountability and avoiding legal responsibilities for working conditions, wages, or worker welfare. Labour contractors are vilified in public discourse, but their role masks the structural deflection of accountability engineered into the procurement model. "We are seen as the villains," one contractor noted, "but we are the ones taking the financial hit."

The evidence shows that the conditions driving forced labour are embedded in how sugarcane production is financed and how labour is recruited. In Maharashtra's sugarcane sector, forced labour is not an incidental outcome—it is a predictable result of the procurement model itself. The financial pressures created by the pricing policy, combined with informal recruitment structures, directly predict forced labour indicators: debt bondage, excessive hours, and wage theft.

Current due diligence frameworks are fundamentally reactive, and detect forced labour while it is happening, rather than identifying the warning signs that could prevent it. These frameworks treat forced labour indicators in isolation, focusing on individual instances of abuse rather than understanding how they fit into a larger picture.

Consequently, the focus remains on addressing the symptoms of exploitation rather than identifying and tackling its root causes. Auditors arrive at worksites to assess working conditions, but by then, workers are already trapped in debt cycles that began months earlier when contractors provided advances to secure labour. Unless business model indicators—subcontracting structures, price volatility, and payment schedules—are examined alongside working conditions, compliance frameworks will continue to overlook root causes and allow exploitation to perpetuate under the guise of oversight.

## No. 2 Socio-Economic Vulnerabilities as Systemic Drivers

Across Maharashtra's sugarcane belt, workers migrate seasonally from drought-prone districts such as Beed and Marathwada regions. Worker testimonies reveal that most of them are Dalits and Adivasis, who are indigenous communities in India. They are often the lowest-paid, most precarious jobs in the informal sector jobs, where discrimination and inherited inequalities limit their access to better opportunities.<sup>33</sup> As a consequence of this discrimination, many of them work in sugarcane farming where landlessness, lack of local jobs, and growing agrarian distress leave them with few alternatives. Their migration is also a result of climate stress; it further exposes them to systemic disadvantages such as informal work and discrimination, making them more vulnerable.<sup>34</sup> One respondent noted, "We come back every year because there is no other work available to us."

These workers often start work between 3 am and 6 am and continue until late evening. During harvest season, workers are required to work between 14-16 hours each day to ensure timely loading and delivery to mills. Wages are fixed at a piece rate for the season, irrespective of overtime. Lack of formal agreements allows mills and contractors to exploit workers and not provide any benefits such as rest days, sick days, insurance, childcare, or maternity benefits. Although mills claim to provide insurance, none of the workers interviewed had received benefits or successfully filed claims. As one respondent explained, "Even if someone is bleeding or sick, they have to keep working." Basic infrastructure at the worksites is virtually absent. Workers live in temporary shelters made from bamboo and tarpaulin, and have no access to running water, electricity or sanitation facilities.<sup>35</sup> One worker stated that he sometimes uses facilities in the mills when he goes to deliver the sugarcane.

Women workers face additional forms of exploitation, shouldering the dual responsibility of household care and full-time field work. They lack access to menstrual hygiene products, and use cloths in place of sanitary pads, increasing the risk of infection. Some return to work just days after childbirth, without access to any maternity benefits. Many report ongoing fatigue, untreated menstrual pain, and coerced hysterectomies. Local doctors often recommend these surgeries as a "solution" to menstruation and the common discomforts associated with it, even when not medically necessary. These surgeries are often financed through contractor loans, further entrenching debt bondage.<sup>36</sup> Interviews with women workers also indicated the risk of sexual harassment and violence by the local villagers; they fear harassment due to absence of private changing spaces. The jodi system, also known as koyta, further worsens women's vulnerability by tying their employment to male partners who often receive and control all the pay for their family unit.<sup>37</sup> As a result, women are denied independent labour rights or wage access.<sup>38</sup>

Children, including many under the age of 14, frequently accompany families to worksites, either working alongside adults or dropping out of school entirely.<sup>39</sup> With no access to schools or childcare, many children engage in cane cutting or perform household tasks to support their parents.<sup>40</sup> Girls are often married before the season begins, so they can work as a couple (jodis) with their husbands, increasing household labour capacity and access to higher wages. This practise has increased child marriages in the region's sugarcane farming and locks families into intergenerational labour cycles.<sup>41</sup>



The exploitative conditions of these workers cannot be understood as voluntary when structural inequality systematically removes all alternatives. This system demonstrates that consent can be effectively undermined without overt coercion. Forced labour is not always simply a result of individual coercion; in this context, it is structurally embedded in the socio-economic realities of debt, caste, lack of access to education, unending cycle of poverty, gender discrimination, among other factors.

Current identification and measurement of forced labour relies heavily on monitoring basic labour standards, but this approach falls woefully short given the structural drivers at play. By using a decent work framework—one that includes fair wages, voice, agency, maternity support, occupational safety—the study captures the broader reality that compliance frameworks routinely overlook. Unless audits, assessments and due diligence move beyond a narrow focus of measuring and monitoring labour standards in a bid to identify forced labour, exploitative conditions will continue to appear “voluntary”. Without addressing underlying issues such as landlessness, lack of agency, and discriminatory labour segmentation, these conditions will remain invisible within current compliance focused approaches.

### **No. 3      Regulatory Gaps and Lack of Implementation of Codes of Conduct**

India’s labour law framework encompasses fair employment practises and worker protections related to wages, working hours, conditions, health and safety, social security, and dispute resolution.<sup>42</sup> However, there are notable gaps between legal provisions and ground-level enforcement that limit workers’ practical access to these protections—a factor that warrants consideration in forced labour assessment frameworks. The informal recruitment processes in Maharashtra’s sugarcane sector exemplify these enforcement failures. Workers routinely lack written contracts, cutting them off from minimum wage guarantees, rest days, paid leave, and social security benefits. The tiered recruitment process also absolves mills of any responsibility towards these workers.

The regulatory weaknesses are further compounded by overlapping economic and political interests. In several cases, mills are managed by individuals with political influence.<sup>43</sup> Village leaders noted that this can sometimes result in weak oversight or low responsiveness to complaints. Workers interviewed across districts reported limited engagement with government labour officials and little awareness of formal grievance redress systems.

This regulatory context reveals how implementation failures and fragmented oversight create conditions conducive to forced labour. An example of this can be seen in the Unorganised Workers’ Social Security Act, 2008, and the yet-to-be-implemented Labour Codes of 2019. These legal frameworks are intended to provide social security to India’s informal workforce by formulating welfare schemes for disability, health, maternity benefits, retirement, etc.<sup>44</sup> However, the enforcement is weak and uneven, allowing exploitative conditions such as forced labour to persist.

In the absence of formal hiring systems or accessible grievance mechanisms, workers remain beyond the reach of the law. Current compliance models offer workers a false sense of protection, while allowing value chain actors to claim “compliance” through check-list style assessments. These tools are not designed to capture implementation and enforcement failures and therefore miss critical context-specific features and risk creating a distorted understanding of forced labour issues on the ground. To adequately identify and address forced labour risks, assessment frameworks must move beyond legal compliance on paper to examine the practical realities of regulatory enforcement, workers’ access to their rights, and the presence of genuine worker agency as defined under the decent work agenda.<sup>45</sup>

# Limitations of the Current Approach

## Sugarcane Pricing: The Missing Link in Due Diligence

Current due diligence frameworks systematically fail to consider the economic mechanisms that generate forced labour risks. By ignoring how capped sugar prices, delayed farmer payments, and rising input costs affect labour conditions, these frameworks fail to account for how pricing mechanisms themselves become drivers of exploitation. In effect, sugarcane pricing functions as a tool of cost externalisation, pushing the burden of unsustainable economics downward onto the most vulnerable workers at the base of the value chain. This case study proposes a fundamental rethinking of such gaps. Adopting a well-rounded, context-aware framework of assessment would treat pricing policies and business model pressures as early warning indicators. Simultaneously, it is important to recognise that these economic realities do not absolve value chain actors of their responsibilities. Rather, they underscore the need for ethical sourcing models that account for pricing realities instead of passing the burden to the workers.

## Current Assessment and Certifications Unreliable

Certification bodies often fail to detect or prevent forced labour—not because the indicators are absent, but because the assessment models are misaligned with where, why and how exploitation occurs. They are designed to capture surface level conditions rather than going deeper to assess the root causes. Mills receive “compliant” certifications despite clear forced labour indicators, largely because the assessment scope excludes farm-level operations where the most severe exploitation occurs. Interviews with workers, contractors, and farmers reveal that auditors rarely engage with those most affected; many were not even aware that audits had taken place. Certifications are still issued, even though the worst conditions exist at the farm level. Auditors interview management rather than workers, miss seasonal variations in working conditions, and focus on documenting compliance rather than lived experiences. This approach creates a double distortion: forced labour practises persist while buyers receive false assurances of compliance. Meaningful certification requires grounding in the local context, including understanding pricing policies and procurement processes specific to each region as well as capturing their impact on working conditions of labourers.

## Lack of Worker Voice

Current systems provide no incentive for any actor to include workers, contractors, or farmers in decision-making processes. Mills focus exclusively on buyer relationships while remaining deliberately aloof of realities beyond their immediate contractors. As a result, the perspectives of those most affected by forced labour are systematically left out of remediation and prevention efforts.

## Broader Landscape of Decent Work Deficits and Business Model Indicators

The prevalence of forced labour occurs within a broader context of decent work deficits and structural business practises that create conditions where exploitation can flourish. These include the absence of formal employment relationships, inadequate social protection systems, procurement practises, pricing policies, limited access to grievance mechanisms, unpaid overtime, and poor occupational safety conditions.

Traditional forced labour indicators used in isolation of each other provide a fragmented view that overlooks how these factors interconnect to enable exploitation. Although workers experience a spectrum of decent work deficits that create vulnerabilities to forced labour, current identification methods focus on individual symptoms rather than addressing systemic causes. As a result, assessments fail to capture how business models and poor working conditions collectively create the conditions for forced labour to occur.

# Reframing the Analysis

## Why Focusing Solely on Forced Labour Indicators to Identify and Address Forced Labour Falls Short

Current approaches to forced labour rely on the measurement and monitoring of labour standards using ILO FL Indicators. These indicators are effective in identifying obvious and visible violations, such as restriction of movement or wage withholding. But they fall short in capturing the underlying working conditions, socio-economic factors and business model pressures that make workers vulnerable in the first place. In India's sugarcane sector, for example, instances like debt bondage may be captured by using ILO FL indicators, but they rarely assess the informal recruitment practises that make such debt inevitable. Exploitation begins well before that point, through informal recruitment processes enabled by the debt traps, lack of formal contracts, and denial of basic entitlements or social security. Since many audits, worker interviews, and due diligence assessments are based on the ILO FL Indicators, they apply a snapshot approach to measuring and monitoring labour standards. This approach makes it challenging to capture the deeper, systemic drivers of exploitation and design interventions that address root causes.

Using a comprehensive set of indicators, rooted in decent work indicators and business model dynamics, can offer relevant insights into the situation and perhaps lead to more impactful interventions. In the case of Maharashtra's sugarcane belt, this means assessing not only labour conditions but also the interplay between seasonality of work, economic vulnerabilities, pricing policies, procurement practises, and recruitment structures. By capturing this wider context, such tools can offer a more well-rounded understanding of how forced labour occurs and support better prospects for timely and impactful intervention.

### The Decent Work Lens Advantage

Decent work indicators, when used alongside ILO FL indicators, can provide a more holistic lens for understanding exploitation; one that captures the wider range of risk factors and systemic drivers that often precede and enable forced labour. They:

- Capture the full spectrum of working condition deficits rather than only the most observable violations
- Identify early warning signs before conditions reach forced labour thresholds
- Provide actionable intervention points for businesses and policymakers to address root causes and promote prevention in ways that reactive measurements of labour violations cannot
- Form a stronger foundation for prevention by addressing grassroots-level causes rather than just managing symptoms

### The Business Model Indicators Lens

Business model indicators help highlight how commercial pressures contribute to exploitation. These include:

- Below-cost procurement prices that push financial pressure along the value chain
- Subcontracting arrangements that diffuse accountability
- Informal piece-rate systems that undermine wage security and working hour protections

Together, these pricing and sourcing practises shape conditions long before a single labour standard is violated. Without incorporating these commercial dynamics, forced labour assessments risk managing symptoms instead of addressing root causes.



# Policy and Practical Implications

## Moving Beyond Reaction to Prevention

Field research suggests that workers consistently look to the government for solutions, believing regulatory intervention will improve their conditions. However, this expectation reveals a critical misunderstanding of power dynamics. While the government regulates the market by setting prices and establishing frameworks, private sector actors hold the operational levers that directly impact working conditions.

### The Private Sector's Central Role

From a Human Rights Due Diligence (HRDD) perspective, forced labour represents both reputational and operational risks that businesses are managing in a way that do not address root causes. The interconnected nature of global supply chains means that exploitation in sugarcane production creates salient risks throughout value chains. Limited traceability in supply chains allows businesses to remain disconnected from the ground realities. This further compounds the risks by making it harder to locate the cause of exploitative working conditions.

To meaningfully address forced labour, private sector actors must shift from reacting to single labour standards violations to a broader lens that identifies risk and prevalence across the supply chain. Additionally, private sector actors should work with industry associations to approach this issue on a sector level and invest in interventions such as:

- Mobile health clinics for worker communities
- Educational facilities for workers' children to break intergenerational cycles of vulnerability
- Direct employment relationships that bypass exploitative contractor systems and provide fair terms of engagement such as minimum wages, safe workplace, housing and sanitation, to name a few
- Fair pricing mechanisms that do not force cost-cutting through labour exploitation
- Worker engagement to involve them in decision-making processes and developing context-specific grievance processes

### Worker-Led Solutions: The Fair Food Program Model



Chandan Kumar of the **Indian Sugar Industry Workers Association**<sup>46</sup> emphasises that meaningful intervention by brands must go beyond compliance—it must be driven by a genuine commitment to dignity and decent work. "Our expectation is simple," Chandan says, "that brands join the **Fair Food Program India** and uphold basic humanitarian standards. Brands need to listen to workers and support the systems that enable them to speak up." The Fair Food Program India, an initiative rooted in worker-driven social responsibility, aims to improve transparency and accountability across the sugarcane supply chain by ensuring workers have a direct voice in setting and monitoring their own working conditions.<sup>47</sup> This is most certainly a feature lacking in the current landscape.

### For Government and Policymakers

Policymakers must recognise that regulatory frameworks alone cannot address exploitation without addressing the underlying economic and social vulnerabilities that make workers susceptible to exploitation. Government intervention should focus on creating enabling environments for decent work rather than being solely reliant on reactive enforcement:

- Strengthen enforcement mechanisms: Curb corruption, increase inspection frequency and penalise wrongdoers
- Reform pricing and procurement policies: Ensure price-setting supports fair wages and sustainable production practises
- Expand social protection coverage: Provide benefits that reduce worker vulnerability
- Support industry transformation: Incentivise business models that prioritise decent work
- Facilitate worker voice: Create platforms for worker participation in sector governance

The Bombay High Court has directed the Maharashtra state government to implement comprehensive recommendations to improve sugarcane worker conditions, starting from the October 2025 cutting season. The Court's order includes restructuring the Gopinath Munde Sugarcane Labourers Welfare Board to make it more effective and introducing protective laws like those safeguarding Mathadi workers, a category of manual labourers in Maharashtra engaged in loading, unloading, stacking, carrying, or moving goods.<sup>48</sup> Additional recommendations include enforcing the Contract Labour (Regulation and Abolition) Act of 1970 and the Inter-State Migrant Workmen Act of 1979, while classifying sugarcane workers under the Bonded Labour System (Abolition) Act, 1976, to make them eligible for national rehabilitation programs. The Court has mandated a progress report by November 2025, emphasising accountability in implementation.<sup>49</sup>

### For the Broader Value Chain

Value chain actors beyond direct employers—including traders, processors, retailers, and financiers—must acknowledge that their purchasing decisions and business practises create ripple effects throughout the supply network. These actors cannot remain insulated from the consequences of exploitation that their procurement strategies may inadvertently enable:

- Recognise interconnected risks: Understand how exploitation in one link affects the value chain
- Support systemic change: Invest in sector-wide improvements rather than basic compliance
- Measure holistic impact: Use decent work and business model indicators alongside traditional metrics



# Toward a Shared Responsibility Model

This case study validates the core hypothesis driving this forced labour series: that relying solely on the Traditional FL Indicators is inadequate for identifying and addressing the full spectrum of forced labour risks. Maharashtra's sugarcane sector serves as a compelling demonstration of how these indicators, when used in isolation, fail to capture the structural drivers of exploitation, such as pricing policies, governance gaps, and cost pressures embedded in business models. By contrast, a framework that integrates decent work deficiencies and business model indicators provides a clearer, earlier signal of risk and a stronger foundation for prevention and remediation.

Current accountability frameworks place the burden of ethical conduct almost exclusively on the supplier or contractor, while upstream actors, such as buyers, certifiers, and government institutions, remain insulated from the consequences of exploitation. A truly effective approach requires each actor in the value chain to acknowledge their role in perpetuating or addressing forced labour. Buyers need to move beyond cost-driven procurement practises that pressure suppliers to cut corners, while certifiers must shift from compliance-focused audits to assessments grounded in workers' actual lived experiences, business dynamics, and local realities. Government authorities, too, have a responsibility to strengthen enforcement and create policies that support the economic interests of all actors, rather than a select few. Sugar mills can contribute by formalising working relationships and assuming direct accountability for labour conditions in their supply chains, and workers must be recognised as stakeholders and included in decision-making processes.

This shared responsibility model recognises that sustainable change requires coordinated action across all levels of the value chain, rather than placing the burden solely on those with the least power to effect change. Rather than using indicators to merely diagnose and react, they must be used to inform structural change in how supply chains are governed, how procurement is priced, how employment is structured, and how accountability is shared.

The question is no longer whether forced labour exists, but whether the systems built to identify and prevent it are willing to evolve beyond managing symptoms. Maintaining status quo is unacceptable as it means many more generations of families working in conditions of forced labour. A bitter price to pay for sweetness.



# Endnotes

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