

## Preventing Labour Exploitation: Tackling Modern Slavery is Everyone's Business

- **Labour market governance in the UK is fragmented, under resourced and failing against international labour inspection standards. This enables criminal gangmasters to extract profit from exploitative labour at scale, through a spectrum of abuse - from poor labour law compliance right through to labour exploitation and, modern slavery.**
- **This impunity contributes to high levels of labour exploitation reported each year; primarily among migrant workers and in sectors such as care and agriculture. Criminals exploit hopes of an honest wage – charging high recruitment fees, demanding work for no wage to repay these ‘debts’, confiscating passports to limit freedoms, and forcing workers into excessive hours.**
- **The IASC is working to strengthen responses to forced labour in the UK – ensuring that efforts to curb illegal immigration do not adversely affect victims of modern slavery – and, calling for tougher legislation on companies to tackle slavery in supply chains.**

### Labour Exploitation in the UK numbers and trends:<sup>1</sup>

- For 10 years labour exploitation has been the most reported form of adult exploitation in the National Referral Mechanism (NRM), the framework for identifying modern slavery victims in the UK. In 2023, 26% of adults in the NRM reported labour exploitation and the majority were non-UK nationals.

### What needs to change to tackle labour exploitation in the UK – the call for a coordinated response:

- **A ‘Fair Work Agency’ modelled on a Single Enforcement Body needs to be created – the inefficiency of the existing fragmented system is heightening risks of modern slavery.** Labour market governance is dispersed across multiple public bodies, hindering effective oversight and identification of exploitation. The number of labour inspectors available to investigate exploitation in the UK falls short of the International Labour Inspection Convention.<sup>2</sup> Compliance declines when inspections decrease, leaving workers to report abuse. Workers, notably those with insecure immigration status, rarely speak out, fearing risk of destitution and detention. A Fair Work Agency would help the level playing field for employers and provide a single point of contact for redress.
- **High-risk sectors, such as the care sector, need to be prioritised – A ‘Fair Work Agency’s’ resourcing must be informed by labour market trends.** The Agency must have the agility and partnerships to act on adverse impacts of immigration policy changes, intelligence from its own operations and, from the third sector. Equally it must work across departments to ensure labour and immigration policy do not heighten modern slavery risks in the first place.
  - **The Care Sector Case Study:** Since Care Workers were added to the shortage occupation list for the Health and Care Workers Visa Scheme (H&CWV) the Gangmasters and Labour Abuse Authority (GLAA) saw an over 400% rise in allegations and the Modern Slavery Helpline saw a 606% increase in social care sector case work in 2022.<sup>3</sup> In the care sector some agencies charge workers fees for visas and costs that should be paid by the employer, trapping them in debt bondage. Steps can be taken to mitigate against this, such as increasing the days within which workers under H&CWV can change employers (currently only 60). This would improve workers ability to report and escape abuse without fear of deportation

<sup>1</sup> National Referral Mechanism Statistics, 2024, [link](#).

<sup>2</sup> Indicators of forced labour, International Labour Organisation, 2012.

<sup>3</sup> Modern Slavery Act 2015 Committee, March 2024, [link](#). Unseen Care Sector Report, 2023, p.4, [link](#).

and destitution. Australia is piloting a ‘Workplace Justice Visa’ that allows migrants with evidence of workplace exploitation a temporary visa to pursue a workplace justice matter.<sup>4</sup>

- **A ‘Fair Work Agency’ must address labour violations across the spectrum – and have specialist teams dedicated to tackling the most serious offence of modern slavery.** It must also systematically protect against lower-level violations to prevent abuse escalating to modern slavery and identify risks and structural causes of exploitation. To do this it must:
  - Have a dedicated modern slavery team: The GLAA is the only part of UK labour market enforcement with a mandate to tackle modern slavery. This mission needs to be maintained if the function is incorporated into a ‘Fair Work Agency. Currently the GLAA is sponsored by the Home Office Modern Slavery Unit, any new sponsorship department must build a strong working relationship with Modern Slavery Unit and the anti-slavery sector more broadly.
  - Operate independently: It must have transparent accountability mechanisms such as an independent board incorporating workers’ voices and be a legal entity that can pursue appropriate action, rapidly and independently with an accessible face to potential victims of all nationalities.
  - Work consistently across the UK: Whilst a level of centralisation is needed for operational effectiveness and operational standards should be consistent, it is vital that they are informed by intelligence from local areas labour markets and communities.
  - Meet international standards: The World Bank recommended a ratio of 60% proactive investigations versus 40% reactive investigations. The International Labour Organisation (ILO) recommend a ratio of 1 inspector per 10,000 workers.
  - Provide remediation: Victims’ cases must be dealt with fairly and effectively, with remediation accessible and timely, whilst meeting the victim's immediate recovery needs.
  - Protect victims of modern slavery from immigration enforcement: Immigration and law enforcers need to be trained to differentiate between a modern slavery victim - coerced, kept against their will, and an illegal worker circumventing labour and immigration laws.
  - Incorporate workers’ voices in its design: Workers and their representative organisations such as trade unions, should be involved in the development of the body including how it is structured.

### What needs to change to tackle labour exploitation in facilitated by companies operating in the UK:

- **Stronger levers to engage the private sector are needed – companies currently have little incentive to comply with the Modern Slavery Act 2015 (MSA).** The MSA (s.54) requires large companies to publish an annual statement, signed off by the Board of Directors, with the steps they are taking to eliminate slavery in their supply chains. To-date there have been no repercussions for non-compliance with s.54 MSA. The creation of a central statement registry in 2020 has increased the ease at which civil society can analyse companies stated efforts, but stronger government lead enforcement efforts are needed to change corporate behaviour. Several European countries have now introduced mandatory human rights due diligence, demonstrating that stronger measures can be put place. Existing legislation needs to be used and strengthened. Now is the time for the UK to step up, engage, and make tackling modern slavery everyone’s business.

<sup>4</sup> Migration Strategy, Australian Government, 2024, [link](#).