

Combatting Labour Exploitation through Labour Inspection

‘Compliance with and enforcement of **labour regulation** are vital to protect vulnerable British workers and migrant workers. Such **enforcement** lowers any incentive employers have to use migrants to undercut British workers’

Migration Advisory Committee, 2014, Migrants in Low Skilled Work. P. 4

Summary

The perpetrators of modern slavery use vague employment arrangements as well as hidden costs, fees and debts owed by workers to trap people in precarious situations, preying on the vulnerability that pervades many UK employment sectors. As a result workers are exploited for their labour in the restaurants we visit, hotels we stay in, care homes we rely on and on the construction sites all around us.

There are currently two key opportunities to enhance UK labour inspection and enforcement to prevent modern slavery in the UK. First, through enhanced labour market enforcement measures promised in the Immigration Bill 2015, and second, consultation on the Gangmasters Licensing Authority (GLA) under Section 55 of the Modern Slavery Act.

To ensure that labour market enforcement means protection from exploitation for workers the Government should introduce labour market-wide oversight of labour laws that prioritises workers’ rights. Without protections for workers and prevention of exploitation through strong UK labour inspectorates the Government’s aim of combating modern slavery will not be met and the UK will continue to provide fertile ground for traffickers and would-be exploiters.

Recommendations for the Immigration Bill

Members of Parliament should ensure that the Bill, above all, reduces workers’ vulnerability to exploitation:

- **C. 1(1)** The primary purpose of **the Director of Labour Market Enforcement** should be to enforce the rights of workers and to protect people from exploitation;
- **C. 2** Engagement between civil society and the Director of Labour Market Enforcement should be included in the development of the labour market enforcement strategy;
- **C. 2(2)(a)** **The labour market enforcement strategy** should set out an assessment of the threats and obstacles to effective labour market enforcement;
- **C. 2(3)** **The Director of Labour Market Enforcement** should provide an assessment of the resources required for effective labour market enforcement, and should not determine how available resources should be allocated;
- **C. 2(3)** Nothing in the **Labour market enforcement strategy** should divert labour inspection agencies from existing work;
- **C. 4(2)** **The annual report of the Director of Labour Market Enforcement** should include an assessment of the key labour abuses faced by workers in the labour market and remedies received for such abuses;
- **C. 8** **Illegal working offence** should be removed. Vulnerable individuals in exploitative work will be marginalised and rendered powerless to threats and coercion by this provision.

FOCUS ON LABOUR EXPLOITATION

Background

Whilst the Government suggests up to 13,000 people could be trapped in modern slavery in the UK,¹ efforts to prevent people from becoming victims are limited. Modern slavery involves the coercion of people for profit, perpetrators use threats and abuse to keep victims under their control.

The GLA works as an effective labour inspectorate to prevent modern slavery in the sectors in which it operates and yet it is restricted in remit, resources and powers. Experts, including Focus on Labour Exploitation (FLEX), have highlighted the importance of labour inspection in the UK as a means of preventing labour abuses from developing in to labour exploitation.

Centre for Social Justice: 'The remit of the Gangmasters' Licensing Authority should be extended to include additional sectors where high volume cheap labour is employed, such as non-food manufacturing, the hospitality industry and construction work'²

Trafficking in Persons Report 2015: 'Recommendations for the United Kingdom [...] increase investigations in high-risk labor sectors, including by expanding the jurisdiction of and increasing funds for the Gangmasters Licensing Authority'³

In 2015 the UK Modern Slavery Act came into force, imposing tough new penalties on perpetrators of modern slavery offences. When first introducing the Bill the Home Secretary made strong commitments to end modern slavery promising to 'stop it at source'.⁴ Section 55 of the Modern Slavery Act, which undertakes to review the role of the GLA is a first step towards meeting this promise and preventing modern slavery from taking root in the UK. The licensing model operated by the GLA was introduced in order to ensure a level playing field between labour providers. This system and the monitoring of gangmaster compliance with the GLA's eight licensing standards ensures parity between providers and reduces the risk of exploitation of workers.

Some 78 percent of potential victims exploited for labour in the UK have the right to work here as European Economic Area nationals.⁵ Whilst people may have the right to work on paper, in practice all migrants, documented and undocumented, face obstacles to accessing their labour rights. Migrants can be marginalised, stigmatised and made to think that they are not entitled to the same rights as British citizens. Labour inspectors tasked with checking the legal status of workers are prevented from gaining the trust of workers that is essential to uncovering exploitation.

About Focus on Labour Exploitation (FLEX)

FLEX works to end human trafficking for labour exploitation through research, advocacy and best practice sharing that seeks to prevent trafficking for labour exploitation and protect those who suffer exploitation. The needs and voice of trafficked persons and their human rights are central to FLEX's work.

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¹ Home Office, 2014, Modern Slavery: An application of multiple systems estimation.

² Centre for Social Justice, 2013, It Happens Here. P.139

³ US Department of State, 2015, Trafficking in Persons Report. P. 350

⁴ Draft Modern Slavery Bill, 2013.

⁵ National Crime Agency, 2014, NCA Strategic Assessment: The Nature and Scale of Human Trafficking in 2013