

Beyond Case Files: Examining the Impact of Legal Aid Interventions in Cases of Wage Theft and Other Forms of Labour Exploitation

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Abstract

This paper examines wage theft and labour exploitation among informal and migrant workers in India, evaluating how legal aid interventions help workers pursue redress. Set within India's political economy of informality, where over ninety per cent of the workforce lacks formal protections, the study focuses on cases handled by the Legal Education and Aid Cell of Aajeevika Bureau. Drawing on mixed-methods research conducted across Worker Facilitation Centres in Gujarat and Rajasthan, the study analyses workers' lived experiences of wage denial and their responses to such violations. The findings show that wage theft is sustained by structural conditions including undocumented employment, fragmented subcontracting chains, migrant status, and weak regulatory enforcement. LEAD's mediation-driven approach combining legal awareness and employer negotiation, facilitates wage recovery while strengthening workers' capacity to gather evidence and assert their rights. Yet persistent power asymmetries, economic precarity, and evidentiary gaps frequently compel compromises and limit the scope of redress. The paper argues that legal aid functions less as a complete remedy than as a catalytic intervention, enabling workers to pursue claims and reclaim dignity within structurally unequal labour markets. Meaningful reform ultimately requires complementary structural changes in enforcement, documentation, and labour market governance.

Keywords: wage theft, legal aid, informal employment, migrant workers, labour rights

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Introduction

The Indian economy is characterised by a vast majority of workers in informal employment, accounting for more than 90 per cent of the total workforce (Ministry of Labour and Employment, 2014). Informality to workers implies vulnerability, precariousness, and the absence of government or legal protection against employer abuse (Portes & Castells, 1989). The Seventeenth International Conference of Labour Statisticians defines informal employment as employment without legal and social protection, both inside and outside the informal sector. It includes own-account workers, family workers, and employees in both formal- and informal-sector enterprises.

The increase in industrial growth and rapid urbanisation induced by economic reforms demanded a significant workforce in India's cities. This demand was significantly filled by the internal migrant workers coming from rural pockets due to agrarian distress and poverty (Prayas, 2009; Mahapatro, 2012). However, the economic structure of the industry, characterised by its inherent sociocultural hierarchy, took advantage of this and denied the workers their basic rights and forced them to work in precarious work conditions (Bremar, 1996).

The informal workers are vulnerable to exploitative practices, with wage theft being one of the most pressing issues. Wage theft includes non-payment, underpayment, non-adherence to minimum wages and denial of overtime payment. There are many challenges that workers have to deal with if they make complaints against employers and contractors in the informal sector. First, contracts of employment in the informal economy are typically unwritten. The employer-employee relations are difficult to prove in a court of law. Wage slips are not provided, wages are often in kind, and employers do not maintain registers and records, even though they may be required to do so. This condition is a by-product of the absence of laws in certain work sectors as well as poor enforcement of existing laws.

India's legal frameworks addressing labour rights violations, including wage theft, are mired in a complex web of statutes and regulations. Thus, the Payment of Wages Act 1936, mandates timely wage payments and limits unauthorised deductions, and the Minimum Wages Act 1948 mandates employers to pay at least a government-prescribed minimum wage. The Industrial Disputes Act 1947 provides mechanisms for resolving disputes, including those related to non-payment of wages, and the Inter-State Migrant Workmen Act 1979 protects the rights of migrant workers, including provisions for equal pay and adequate working conditions.

These laws, however, are undermined by weak enforcement and institutional gaps. Labour courts and inspection systems are overburdened and under-resourced, resulting in delayed justice and limited accountability for violators. Informal workers lack written contracts, making it difficult to prove wage theft in legal proceedings. Migrant workers face additional challenges, such as linguistic barriers, lack of legal awareness, and discrimination, which further marginalise them. The recent consolidation of labour laws into four Codes (the Code on Wages, the Industrial Relations Code, the Occupational Safety and Health and Working Conditions Code, and the Code on Social Security) might further erode the rights of informal workers.

In the Indian context, the absence of legal and social protection for workers within informal and formal enterprises is usually taken for granted in the public narrative as a necessary trade-off to facilitate economic growth. Many states in India are in the run to grab the 'model of development' badge from investors by promoting 'ease of doing business'. The growth-first model particularly disregards the dignity of workers, especially informal and migrant workers, and trivialises a grave systemic issue like wage theft as the cost of development. The growth-first model particularly disregards the dignity of workers, especially informal and migrant workers, and trivialises a grave systemic issue like wage theft as the cost of development. It is within this broader political economy of informality, migration, and weak legal enforcement that this paper situates itself. It critically examines the phenomenon of wage theft as expounding workers' lived experience of exploitation and closely interrogates the working of the distinct institutional mechanism of Legal Education and Aid (LEAD) Cell operated by Aajeevika Bureau to assist informal and migrant workers seek justice, negotiate power, and reclaim dignity.

Functioning through worker facilitation centres across both source and destination areas, LEAD combines legal awareness with case-based assistance and is anchored in worker collectives developed over the past two decades. From an external perspective, the model reflects an understanding that barriers such as limited legal knowledge, lack of documentation, and weak bargaining power systematically restrict workers' access to justice, while it positions legal aid as an embedded, intermediary mechanism within informal labour markets rather than a purely reactive intervention.

Objective and Methodology

The paper draws on a mixed-methods research study conducted across five Worker Facilitation Centres (WFCs) run by Aajeevika Bureau to investigate the nature of rights violations, especially wage theft, experienced by workers and their responses to such violations. The study also seeks to understand whether legal education and aid services have empowered workers to recognise and address various kinds of rights violations. Following the representative sampling technique, cases registered by 47 workers who had registered cases with LEAD Cell over the previous two years across five centres in Gujarat (Ahmedabad and Surat) and Rajasthan (Gogunda, Salumbar, and Kherwara) were selected to capture variations across source and destination regions, industrial clusters, and rural-urban labour circuits. This allowed the study to situate individual worker experiences within broader labour geographies. The selection also encompassed a wide spectrum of worker profiles, including local and migrant labourers from various employment sectors, with cases at different stages - ongoing, resolved, and closed without resolution. Prior to conducting the study, we provided inputs to the workers regarding what constitutes exploitation and legal violation at the workplace using case studies. This was meant to help them reflect on their experiences in an informed way during the survey.

Wage Theft and Labour Exploitation: A Conceptual Overview

Wage theft manifests through various direct and indirect mechanisms that fundamentally deprive workers of their earned income. The most straightforward form is the non-payment of wages, occurring when an employer fails to pay for work already performed. This is often coupled with underpayment, where workers are denied the compensation agreed upon at the commencement of their work. Furthermore, employers may engage in non-adherence to minimum wages, paying rates below the legally mandated floor and thereby stripping workers of their statutory financial protections.

Beyond these direct violations, wage theft involves procedural tactics designed to minimise labour costs at the worker's expense. This includes the denial of overtime payment, where employers refuse to pay mandated premium rates for hours worked beyond standard limits. In other instances, illegal deductions are utilised as a tool for exploitation; here, employers arbitrarily claim that work is of poor quality to justify withholding funds without providing substantive evidence. Even when the full amount is eventually paid, a delay in wage payment constitutes a significant grievance, as the unreasonable postponement of disbursement diminishes the time value of money and causes acute financial hardship for the workforce.

The scope of labour exploitation extends into systemic discrimination and the evasion of essential social safety nets. Gender-based wage discrimination remains a pervasive issue, characterised by the failure to adhere to equal pay for equal work, predominantly affecting female workers. Furthermore, companies often avoid their legal obligations by denying social security, frequently falsifying employee data to bypass the institutionalization of benefits. This lack of protection is most critically felt in the denial of accident compensation. Here, employers refuse to provide financial or medical aid, including compensation for lost workdays, to employees who suffer from workplace-related injuries or illnesses, as they are not by default registered with Employees' State Insurance.

One could argue that India's socio-economic landscape, characterised by a blend of feudal and neoliberal elements, has normalised labour exploitation. This amalgamation, marked by caste-based hierarchies and class divisions, has created a systemic environment that perpetuates the exploitation of labour. The weakening of labour laws, market fundamentalism and the absence of democratic space for dissent have perpetuated this.

Further, when analysed as a tool of labour management, wage theft functions as a mechanism of coercion. In sectors such as construction and textiles, the withholding or systemic delay of wages, stretching from months to, in extreme cases, over two years, functions to restrict worker mobility and create a cycle of dependency that undermines individual autonomy.

It may be noted that workers, especially migrant workers from distressed and resource-poor regions, typically do not recognise the existence of work place exploitation such as wage theft as violation of labour rights is normalised in their everyday experience, This perceptions is shaped by their material circumstances characterised by poverty, limited education, poor access to legal protection and their position within the economic structure mediated by entrenched hierarchies of caste, class, and gender. Conditions such as these influence how workers interpret workplace practices, often leading them to perceive exploitative arrangements as a normal feature of labour relations. As Karl Marx (1859) noted, "It is not the consciousness of men that determines their existence, but their social existence that determines their consciousness."

Profile of Workers

Nearly two-thirds of the cases were registered by individual workers, while a third were group cases. About four per cent of workers had registered both individual and group cases. Further, 85 per cent of the complainants were men, and only 15 per cent were women. In terms of age, 36 per cent were in the 25-34 age group and 26 per cent in the 35-44 age group (Figure 1). Almost half of them had been working for 20 years or more (Figure 2). As shown in Table 1, workers belonging to scheduled tribes (ST) made up 58 per cent of the sample, followed by those from other backward classes (OBC) – 23 per cent. Coming to education, 30 per cent of the workers had stopped their education by secondary school, and 19 per cent by upper primary. Illiterate workers form 21 per cent of the sample (Figure 3).

Figure 1: Distribution of Workers by Age

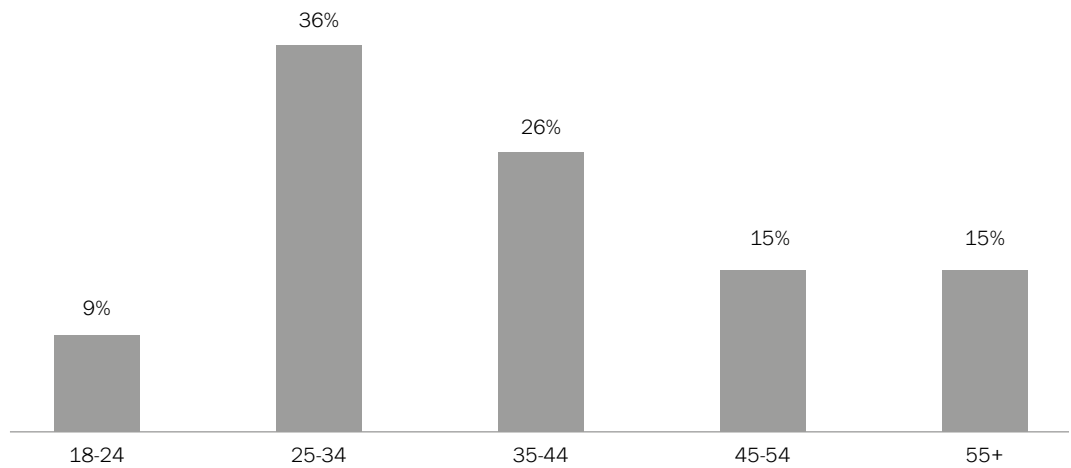


Figure 2: Distribution of Workers by Working Years

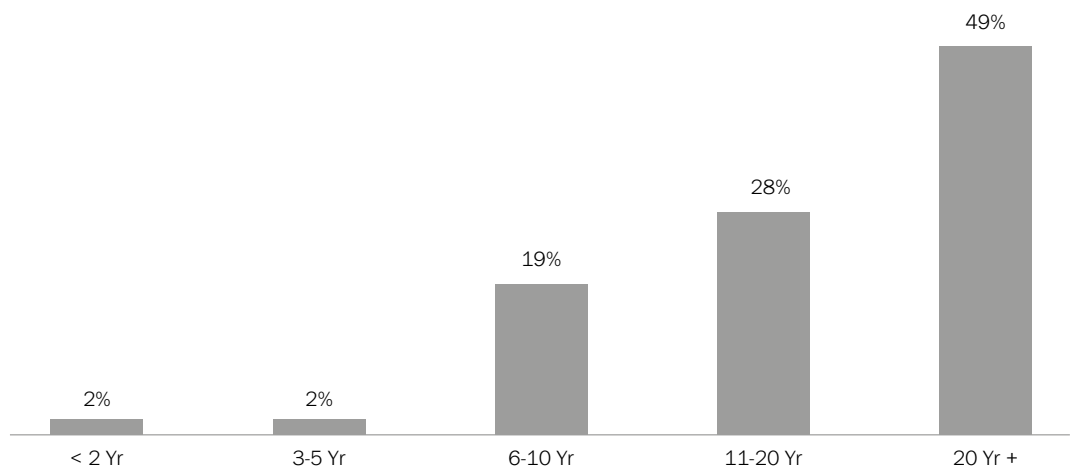
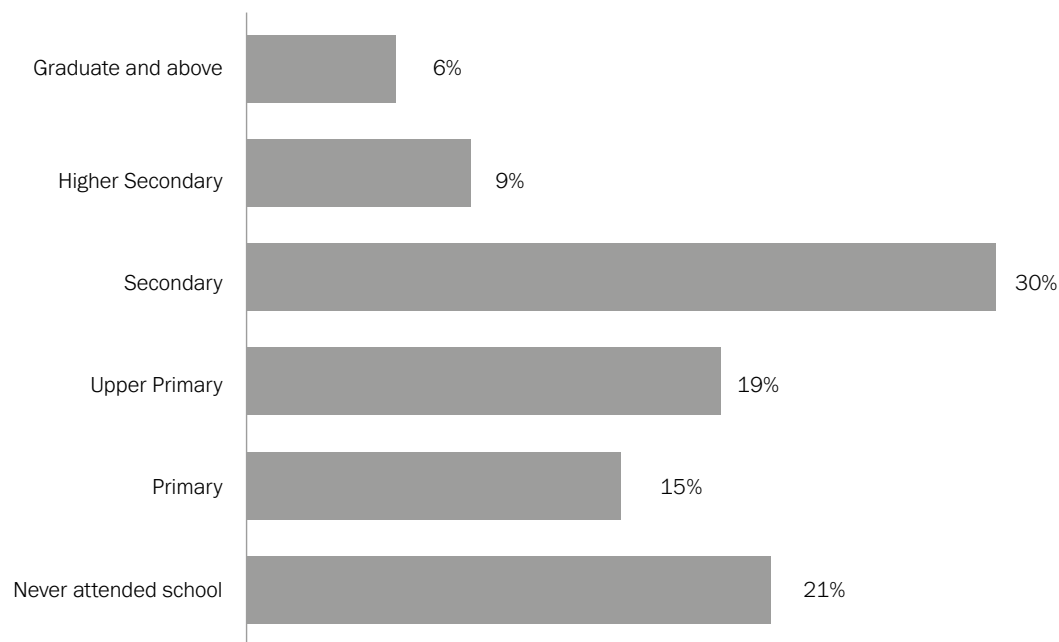


Table 1: Distribution of Workers by Social Group

Social group	% of workers
ST	58
SC	13
OBC	23
General	6

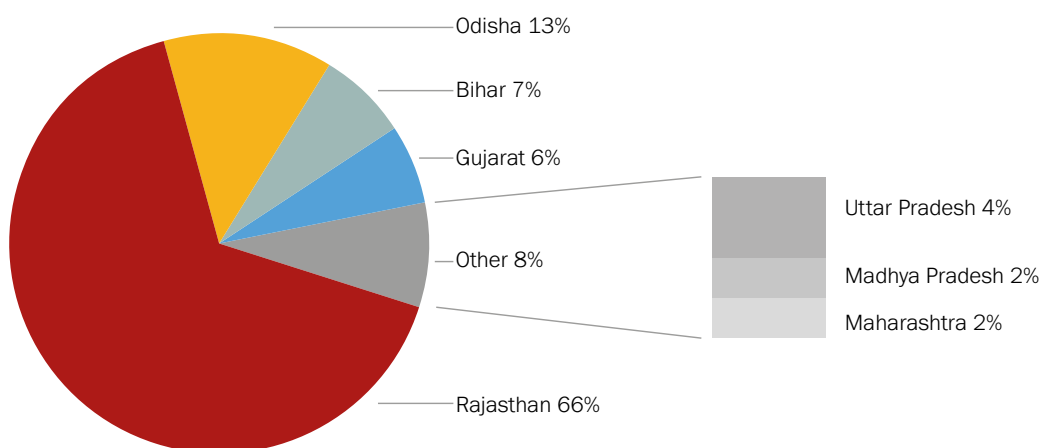


Figure 3: Distribution of Workers by Level of Education



Most of the workers who have made their complaints at the LEAD centres are migrant workers. Among the 47 workers, half of them were inter-state migrants, while roughly a fifth were intra-state migrants and close to a third were local workers. Thirteen per cent hailed from Odisha, seven per cent from Bihar, and six per cent from Gujarat (Figure 4). In terms of sectoral composition, construction and textile workers formed the dominant demographic, each accounting for a little over a quarter of the overall sample. Other sectors such as mining, restaurants, domestic work and stone carving were also represented in the study.

Figure 4: Distribution of Workers by Native State



Facets of Exploitation: Workers' Experiences

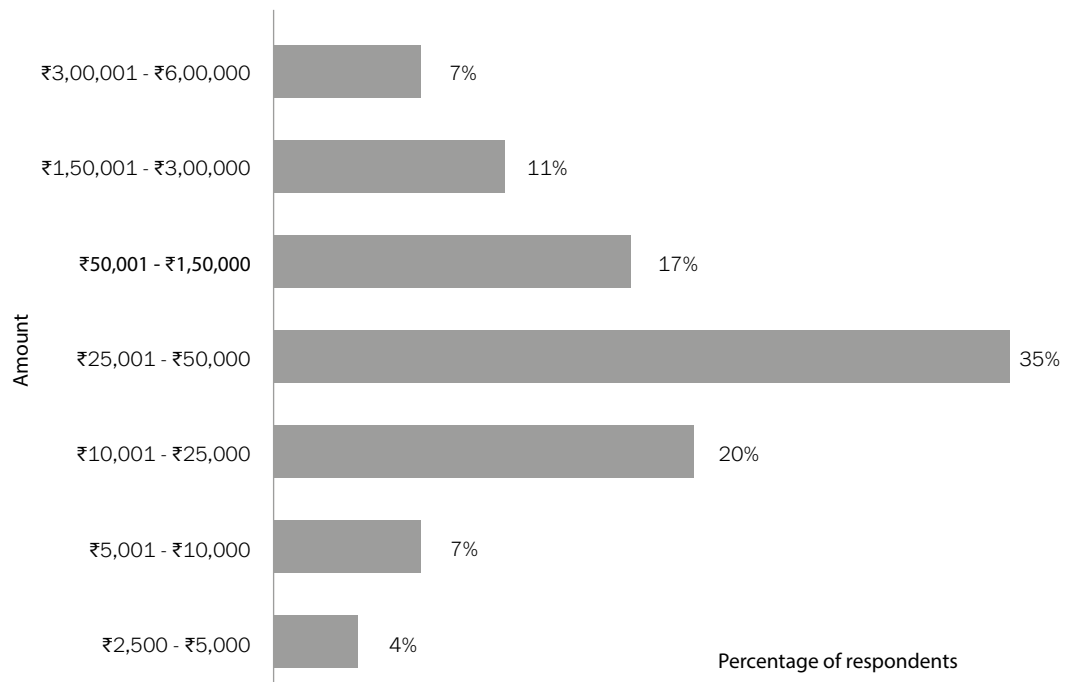
The most prevalent form of exploitation is the non-payment of wages, with 74 per cent of workers in the sample reporting so. This is followed by underpayment and the denial of overtime compensation, each affecting half of the workers. Other significant violations included illegal deductions, reported by a little over a quarter of the workers, delays in wage disbursement, affecting about a quarter, and non-adherence to legally mandated minimum wage standards, reported by around a tenth of the sample. It is crucial to note that these figures do not represent the entire case registry but largely reflect the lived experiences of workers.

The construction sector illustrates a particularly predatory pattern where the duration of engagement dictates the risk of theft. While contracts lasting a very small number of days typically result in regular payment, longer periods of engagement carry a significantly higher risk of wage loss. This risk is further amplified by the increasing layers of subcontractors, which obscure accountability and complicate the process of wage recovery. Further, subcontractors are reportedly working under significant financial strain in the post-pandemic landscape, as the fixed contract rates have failed to keep pace with rising worker wages. The impact of all these on the worker is not merely monetary but carries a heavy mental toll. For example, one 21-year-old worker recounted an instance where a group of ten workers summarily expelled from a worksite in Jaipur without pay were forced to beg for money in extreme heat to return to their home villages.

Further, due to the incremental nature of underpayment and illegal deductions, workers find it difficult to decipher wage theft. Workers report that sums ranging from Rs. 20 to Rs.200 are routinely cut from daily wages, despite the promise of higher rates during morning recruitment at Nakas. In the stone carving industry of Gogunda, one worker estimated a cumulative loss of over Rs. 50,000 due to irregular daily deductions over several years, a loss he had remained silent about until a total non-payment event occurred. Similarly, security guards face arbitrary penalties for alleged infractions such as tardiness or sleeping on duty, while employers consistently refuse to provide evidence, such as CCTV footage, to justify these deductions.

Such systemic exploitation is also deeply embedded in the operational framework of the power loom sector in Surat. Here, workers are subjected to 12-hour shifts on a piece-rate basis with no additional overtime compensation. In the aftermath of demonetization and the COVID-19 pandemic, the closing of various industries led to an exponential increase in work pressure. Labourers who previously managed four machines are now frequently forced to operate up to twenty without a commensurate increase in wages. Furthermore, this environment of high-pressure production often results in the denial of leave for essential community festivals or family occasions, further illustrating the totalizing nature of contemporary labour exploitation.

We observed that by internalizing these practices as standard features of the labour market, many workers refrain from formally complaining about smaller discrepancies in pay. They approach redressal mechanisms only under extreme financial or social duress. The analysis of claim amounts lends evidence to this. As illustrated in Figure 5, the largest share of claims falls within the Rs. 25,001 to Rs. 50,000 range, accounting for around a third of all cases, while only a small proportion—about a tenth— involves amounts under Rs. 10,000. This threshold for reporting reflects a strategic, albeit constrained, decision-making process where pursuing minor claims is deemed counterproductive due to the potential disruption of vital social and professional networks. Within the informal economy, contractors and subcontractors usually establish enduring, paternalistic relationships with their labour force. To maintain these links, which often represent a worker's only source of future employment security, labourers frequently accede to wage compromises, further entrenching a power asymmetry where incremental wage theft becomes the accepted norm.

Figure 5: Amount of Wages Claimed by Workers

Furthermore, the of accountability is complicated by the fact that wage theft is not committed by contractors or employers alone. Local-level bureaucracy is often involved in perpetuating such ill practices. A significant example of this systemic failure has been reported from Salumbar, where workers raised claims against a Panchayat Secretary who reportedly entered into informal agreements with contractors without following proper tender procedures. Following the completion of the work, the official refused to disburse the agreed-upon amounts. When local governance structures - the very entities tasked with upholding the law - participate in the evasion of payment, it reinforces the worker's perception that exploitation is an inescapable reality of their social status.

Beyond wage theft, 17 per cent of the sampled workers reported that they have been denied accident compensation over the last two years. Such a lack of safety measures, coupled with employer apathy and the absence of state intervention, reveals a systemic disregard for the dignity of labour. For example, a power loom worker in Surat who met with a workplace accident received no assistance even after spending Rs. 100,000 as hospital bill and losing six weeks of wages. In the construction sector, accountability is often obscured as subcontractors, contractors, and principal employers shift blame onto one another to evade responsibility, as seen in the case of a 50-year-old Adivasi worker from Banswara who was left without support for two months following a worksite accident. Another case involved a migrant worker from Odisha who lost an eye to a loom shuttle. The employer avoided an FIR and coerced the worker into signing a settlement written in Gujarati, which the worker could not read, for a mere Rs.1000. These incidents often carry a hidden social cost, like forcing children of workers out of school and into the workplace to compensate for lost household income, thereby perpetuating intergenerational poverty.

Evasion of social security is equally rampant. While 11 of the 47 workers were employed in factories with over 20 people, none were entitled to social security benefits. Employers have systematically misinformed migrant workers that they are ineligible for social security benefits and that such benefits would result in excessive wage deductions. Further, by registering under the Shop and Establishments Act rather than the Factories Act, power loom establishments are able to bypass the standard occupational safety and health protocols.

Among family migrants, couples are routinely recruited together as *jodi*, and women are often paid nearly half of what men earn for comparable work. Single and widowed women face even harsher conditions, reporting inhumane treatment and a complete denial of workplace dignity alongside wage discrimination. The gravity of abuse is underscored by incidents in Surat, where migrant women from Rajasthan were beaten by contractors at construction sites simply for demanding their rightful wages.

In Ahmedabad's textile sector, women workers reported being paid as little as Rs. 9,000 per month, far below the state minimum wage norms, and without a single day of leave. In cotton gin factories, daily wages reportedly drop to an abysmal Rs. 220. Women workers also described a coercive practice in which employers deliberately delay wages by up to two months, restricting their mobility, bargaining power, and ability to seek alternative livelihoods. Further compounding this exploitation is an illegal nexus of placement agencies recruiting rural women from Rajasthan for domestic work in cities like Ahmedabad. These agencies function as unaccountable intermediaries, control wages, deny leave, and refuse payment unless workers arrange their own replacements, effectively erasing formal employer–employee relationships and deepening the vulnerability of an already marginalised workforce.

In the construction sector, workers remarked having not received daily wages as the contractors and sub-contractors asked them to wait for a couple of days or even weeks to fully receive the wages. An Adivasi worker from Kherwara stated that the timing of wage payment depends on the discretion of the upper-caste contractor. He said many from his neighbourhood are facing similar conditions as caste hierarchy plays an important role in their locality.

In the textile and power loom industry in Surat and Ahmedabad, as most of the workers are paid on a piece rate basis, there is no surety on whether the employer is true to his words on the quantity of cloth the particular worker has produced. There is no transparent way to ensure one's effort is rightfully measured or not. One has to believe what the employer says.



Employers' Responses to Workers' Grievances

In this section, we shift the focus to the employers' responses to the demand of redress from workers. As noted earlier, workers typically raise complaints only after crossing a threshold of financial loss. However, prior to this stage, some form of dialogue usually takes place. Our findings show that a vast majority of workers - nearly nine out of ten reported having contacted their employers or contractors, often multiple times, before approaching any formal mechanism. Many workers usually even express willingness to compromise on the claimed amount, explaining that partial payment was "better than getting nothing at all." Despite this openness to negotiation, employer responses follow a distinct pattern, broadly falling into three categories: complete non-response, contradictory or evasive statements, and overt threats that denied workers their rights and dignity.

In the first category, employers or contractors simply disengaged. Workers described repeated unanswered calls, followed by the blocking of their numbers. This was particularly common in the construction sector, where layers of subcontracting obscure accountability. Several workers reported that they did not even possess the contact details of the principal employer, and when wages were withheld, "nobody took responsibility." In multiple cases, workers later discovered that the contractor had absconded with their wages, leaving them unsure of whom to approach. The absence of clear employer identification and the fragmentation of responsibility rendered grievance redressal practically impossible, reinforcing workers' sense of helplessness.

The second response pattern involved contradictory and delaying statements such as, "I will look into it," "I will pay later," or "The principal employer hasn't paid me yet." Because employers continued to respond, workers initially trusted these assurances, believing that payment would eventually be made. This trust was systematically exploited. Contractors often re-employed the same workers while continuing similar wage theft practices. As one worker reflected, "We kept believing him because he kept talking to us." Months or even a year later, workers realised that they had been deceived, by which time they were no longer eligible to file complaints under the Payment of Wages Act or the Workmen's Compensation Act due to statutory limitation periods of not permitting case after one year of incidence. Here, the combination of contradictory statements and workers' trust effectively foreclosed legal remedies.

The third category involved intimidation and explicit denial of dignity. Employers commonly asserted, "You don't have proof that you worked under me," exploiting the informality of unorganised sector employment, where workers are excluded from muster rolls and prohibited from maintaining attendance records. In cases of underpayment, contractors frequently stated, "This is the wage - take it, or leave." In cotton gin factories, exploitation extended further: workers were paid below minimum wages, prevented from returning to their villages even after contracts ended, and coerced into continuing work. In accident cases, demands for medical expenses were met with threats. One group case from Surat illustrates the severity of such responses: five workers, including a tribal woman from Banskara, were physically assaulted by their employer after raising a wage claim. Subcontractors, too, reported vulnerability. Despite having contracts worth lakhs of rupees, they were denied written agreements. When wages were withheld, they were forced to borrow from moneylenders at high interest rates to pay workers they had recruited. Finally, among the small proportion of workers, around a tenth, who never raised concerns, fear of caste hierarchies and economic reliance on employers was evident.

Response of Workers to Wage theft

As we turn from employer – worker interactions to relationships among workers themselves, the limits of collective engagement become sharply visible. In principle, the process of claiming rights and entitlements is often strengthened through dialogue with fellow workers, which sometimes proves more effective than confronting employers individually. However, within the neoliberal informal economy with deep fragmentation of labour, work is individualised, and survival is precarious. This prompted us to examine a critical question emerging from the field: to what extent do workers actually talk to one another about exploitation and unfair labour practices, and what comes of these conversations?

Nearly half of the workers surveyed reported that they do engage in occasional discussions about unjust labour practices. However, these conversations rarely translate into collective action. Workers repeatedly emphasised that daily survival takes precedence over long-term political engagement, which requires time, money, and emotional energy. Even in group cases (cases involving multiple workers), unity tends to dissolve when formal complaints are considered. As one worker noted, “Everyone agrees verbally, but when it comes to going to the labour office or any other stakeholders, only one person goes, or no one goes at all”. The loss of a day’s wage to file a complaint often proves decisive, leading many to quietly withdraw from the process.

For a significant proportion of workers, discussion itself is foreclosed. While a little over a fifth of workers felt that their experiences were “not serious enough” to merit discussion, nearly a third reported no engagement at all with fellow workers on these issues. An interstate migrant worker from Odisha employed in a power loom unit in Surat captured this exhaustion-driven silence: “We work 12 hours every day without a single leave. By the time the shift is over, we are completely drained. After cooking and calling home, tell me - when will we talk about low wages or overtime? We know nothing will change. If we demand even one single paisa more, they will throw us out and tell other employers not to hire us.” This account lays bare how the relentless pressure of survival, combined with fear of blacklisting, systematically erodes solidarity, leaving workers isolated within an exploitative political economy they feel powerless to challenge.

Across sectors and generations, workers consistently remarked that present-day exploitation feels more intense than in the past. Among the 24 workers who reflected on changes over time, two-thirds felt that wage theft and related exploitative practices had increased in the current period. About a fifth of the respondents did not experience any meaningful change over time. These perceptions suggest not a linear trajectory of improvement or decline, but a persistent condition in which exploitation adapts to shifting labour arrangements, often becoming sharper under contemporary informal and contractual regimes.

Sustained exposure to such conditions has prompted workers to exit from one sector to another. About 28 per cent of workers reported changing their work sector due to repeated exploitation, with construction workers accounting for nearly one-third of these shifts. Wage theft, discrimination, and lack of respect were cited as primary reasons. Truck drivers pointed to workdays extending beyond 16 hours for monthly salaries below Rs. 16,000, often compounded by underpayment. Restaurant workers similarly cited low wages and unpaid overtime. One worker from Salumbar illustrated this cycle of movement: after leaving construction work due to low pay, he migrated to Indore to work in dhabas, then moved to Pune for employment in the recycling industry after facing wage denial again. He eventually returned to the LEAD office in Salumbar to file a complaint against his Pune employer, concluding that “irrespective of location or sector, employers and contractors find ways to exploit us.”

At the same time, exit is not an option for all workers. Older workers who changed sectors often returned to agriculture or started small local shops, reporting lower incomes than before. In contrast, many textile workers, particularly from Ganjam district of Odisha, in Surat's power loom industry, expressed an inability to leave the sector despite experiencing severe exploitation. Thousands of workers from their native district with low levels of education consider the city as their second home, as they have no exposure to other work. Their accounts point not to choice, but constraint. Adolescent boys frequently replace injured or ageing fathers, learning the trade informally over long periods. For these workers, the risks of exit outweigh the certainty of continued employment, irrespective of exploitation.

Barriers to Seeking Redressal

There are several factors that delay complaint registration. Among the workers who neither approached any department nor the LEAD Cell, almost all reported that they did not know what steps to take and were unaware of any legal aid mechanisms. As one worker remarked, "If the government does not inform us, the illiterate workers, about our rights, how can we know where to seek help?" This lack of information acts as a primary barrier, preventing workers from initiating complaints altogether.

Social and psychological factors further compound this delay. About a sixth of workers linked their hesitation to their migrant status, which they associated with feelings of inferiority and exclusion. Six per cent, all illiterate, felt incapable of navigating formal systems. Another small section, around a tenth, justified inaction through internalised reasoning such as "I agreed to the wage," "It's not a big amount," or "Others are also paid the same," reflecting how exploitation becomes normalised, and workers' agency is gradually weakened.

Procedural barriers are also significant. Twelve per cent of workers reported lacking documentation to establish an employer–employee relationship, while six per cent did not have contractors' contact details. A similar share cited the time and cost involved in legal processes as deterrents, particularly the loss of daily wages required to pursue complaints through formal channels.

Employer-related pressures also discouraged complaint registration. Little more than a tenth of workers reported direct threats from employers, while six per cent avoided complaints to protect relationships with contractors and prevent job loss. An even smaller section feared false counter-accusations. These factors collectively reinforce silence and delay, particularly in highly informal and migrant-dependent labour markets.

Among the few who sought formal legal aid, access remained limited. Only a small proportion - just over a tenth - approached the police, while an almost negligible share reached out to advocates. Of the six workers who went to police stations, most were either discouraged or received no meaningful support. In a workplace accident case in Surat, where a migrant worker from Odisha lost an eye, the police failed to register an FIR.

Individual cases further illustrate these barriers. While pursuing a bounced cheque worth Rs. 2.5 lakh, a subcontractor-cum-worker from Kherwara was told by police that they had "no power" to act. An Adivasi worker from Salumbar, employed in Jaipur, recounted that when he and his co-workers reported wage theft, the police responded, "We didn't give you the job-why should we be responsible?" These experiences highlight how institutional gaps and dismissive responses prolong delays in complaint registration, shaping workers' eventual turn to non-state mechanisms such as LEAD. Police services, though they have limited labour jurisdiction, even fail to guide workers towards

appropriate stakeholders. Meanwhile, the labour department remains notably absent from industrial areas, neglecting crucial workplace inspections and worker welfare assessments. This institutional gap creates a critical vacuum, leaving workers with minimal avenues for addressing their concerns.

LEAD Cell – Relevance and Strategies

LEAD's work begins with building awareness of workers' legal rights, procedural timelines, and the importance of basic employment proof, followed by legal counselling when workers approach the facilitation centres. The Staff document grievances, assess available evidence, and file petitions, including applications for condonation in delayed cases. Given the deeply informal nature of employment, where employer identities are often obscured, and statutory records are absent. LEAD relies on careful fact-finding and community-based verification. Assistance is provided throughout the process, with paralegal volunteers and field staff playing a critical support role, and taking advice and support from advocates whenever necessary.

Observing the time-consuming, ineffective, and unaffordable nature of formal litigation, LEAD prioritises alternate dispute resolution mechanisms, particularly mediation, to resolve disputes quickly and cost-effectively. Acting as an impartial third party, LEAD facilitates negotiations while maintaining a rights-based perspective and ensuring informed consent of workers at every stage. When mediation fails, cases are escalated—first to labour departments or statutory bodies, and, where necessary, to courts under applicable labour laws. This calibrated use of legal pressure has often prompted employers to settle, enabling LEAD & Labourline telephonic service to recover over one hundred crore rupees for workers across thousands of cases, despite persistent challenges posed by economic precarity and workers' limited ability to sustain prolonged legal processes.

Workers approach LEAD by getting information about it from outreach meetings conducted by the LEAD team, paralegal volunteers, union/collective members, workers who may have approached LEAD earlier, and by the presence of worker facilitation centres of LEAD in industrial areas. Workers have even remarked on cases wherein government stakeholders directing them to LEAD.

Mediation and conciliation are central to LEAD's functioning, with cases pursued through negotiated settlements based on workers' consent and available evidence. Among the surveyed workers, just over half reported a clear understanding of the mediation process, while nearly a third had only a partial understanding. A smaller section—just over a tenth—stated that they received resolutions without fully grasping the discussions or procedures involved. Alongside dispute resolution, legal education remains a core objective, premised on the belief that collective awareness is essential to challenging exploitation.

To this end, LEAD undertakes continuous information dissemination through posters, naka-level discussions, engagement with union leaders, and case-specific explanations of relevant labour laws such as the Payment of Wages Act and the Workmen's Compensation Act, etc. Workers are also advised on maintaining documentation to establish employment relationships, supported by initiatives such as ID cards and hajri diaries. Among the 47 workers interviewed, nearly two thirds reported being adequately informed about their legal rights and documentation requirements, while about a fifth felt only partially informed, and a similar share reported receiving no such guidance, pointing to areas where LEAD's communication strategies could be strengthened.

Within the cases examined, LEAD's engagement largely unfolded through mediated settlements, with close to three-fifths resolved through mediation alone, while the remaining cases required intervention from formal institutions such as labour departments, police, or courts. In several

instances, multiple authorities were involved simultaneously. Field-level mediation often shaped employer behaviour even in these cases, with references to possible departmental or court action prompting employers to renegotiate terms during the mediation itself rather than allowing disputes to proceed fully through formal channels. However, if we look at the data at a macro scale of all the cases that have been registered, almost much of the cases are resolved through mediation alone.

For cases that moved beyond mediation, institutional processes introduced additional procedural demands. Of the cases requiring formal intervention, eleven cases involved the police, nine involved labour courts, four involved labour departments, and two involved civil courts. These cases required workers to submit documents and formally acknowledge case details with legal details. Among the twenty workers involved, nearly two-thirds reported being able to understand the documents with assistance from LEAD's team, while the rest stated that they signed documents without fully comprehending their contents, indicating persistent challenges in ensuring informed participation within formal legal processes.

An analysis of the educational backgrounds of the above workers reveals significant disparities in document comprehension. Forty-three per cent had no formal schooling, 14 per cent had primary education, and the remaining were primarily interstate migrant workers with upper primary education but limited proficiency in the local language of their work location, like Odia workers in Gujarat. Here, it was observed that the interstate migrant workers (75 per cent), and illiterate workers from Rajasthan (60 per cent) were not able to understand the content of the notice for employers who compromised the relevant labour laws. Workers with secondary education or higher demonstrated the ability to comprehend documents.

This observation indicates that institutions like LEAD, which offer legal aid service to workers, should not put legal education on the back burner, as it will only further lead to the same worker being clueless in the future on the strategy that they have to engage with. Only if workers are educated, they can be equipped to take up the matters in future on their own; otherwise, the legal aid process implicitly produces a dependency on LEAD Cell in workers, limiting the agency of workers.

Among the cases that progressed beyond mediation and were taken up with state authorities or other government stakeholders, workers reported a distinct set of experiences shaped by institutional practices and power asymmetries. Interactions with the police were largely marked by dissatisfaction, with workers describing bias, limited cooperation, and procedural delays. Many reported that police sided with employers or contractors, accepted explanations such as financial hardship, and encouraged partial settlements rather than full wage recovery. Allegations of corruption were also recurrent, with some workers reporting demands for bribes to initiate or advance cases. In several instances, any movement occurred only after escalation to senior officials such as the Superintendent of Police, while supportive police responses were described as rare exceptions.

Experiences with labour courts and allied institutions reflected similar systemic constraints. Workers highlighted prolonged case durations, weak communication, and lack of transparency, particularly in group cases involving interstate workers, where coordination challenges compounded delays. Advocates were often perceived as offering limited information beyond hearing dates, leaving workers uncertain about outcomes. Cases involving labour departments citing minimum wage violations tended to prompt quicker employer compliance, whereas cases routed through State Legal Services Authorities and Lok Adalats were associated with low compensation. More broadly, workers were observed to disengage from court processes when even minimal costs, such as stamp duties, were required, reinforcing their preference for mediation as an accessible legal aid mechanism.

Outcome of LEAD Intervention

Across the 47 cases examined, outcomes varied considerably. At the time of the interview, 28 per cent of cases had been fully resolved, 30 per cent had resulted in partial settlement, six per cent were dropped without resolution, and the remaining were still in process.

Partial resolutions reveal the everyday compromises workers are compelled to make within unequal power relations. Settlements frequently ranged between 30 and 70 per cent of the claimed amount, driven by financial pressure, lack of documentation, and the desire to avoid prolonged proceedings. One worker accepted Rs. 10,000 against a claim of Rs. 30,000 due to insufficient evidence, while another settled for Rs. 8,000 instead of Rs. 24,000 to bring the case to a close. A subcontractor from Kherwara, who pursued two group cases, accepted Rs. 35,000 against a Rs. 45,000 claim in one instance and Rs. 18,000 against Rs. 38,000 in another. He alleged that both the police and the local sarpanch accepted bribes from the principal employer, illustrating how external actors can shape settlement outcomes.

Subcontractors, in particular, often approached settlements strategically. In one case, a subcontractor accepted Rs. 1.3 lakh against a Rs. 2 lakh claim to preserve relationships with employers and secure future work for himself and fellow workers. Similarly, relatives of workers injured or killed in workplace accidents noted that other legal service providers demanded as much as half of the compensation as fees. Against this backdrop, even partial resolutions through LEAD were viewed as preferable, reflecting the constrained choices available to workers navigating informal labour markets.

In fully resolved cases, workers generally expressed satisfaction, though limitations remained. One worker recovered all pending wages along with an additional day's pay, reportedly prompting the employer to alter practices due to reputational concerns. In another case, LEAD's intervention led to changes in human resource practices in a retail and sales establishment. However, some "complete" resolutions addressed only immediate claims, leaving broader losses unaccounted for - such as income forgone during recovery from workplace accidents, or situations where women continued to receive wages (Rs. 9,000 per month in a textile factory, without weekly off) below the standard minimum. Finally, three cases were dropped entirely, primarily due to the absence of contact details of contractors or excessive time lapses. In one instance, the court dismissed the case as time-barred under the Payment of Wages Act.

Beyond monetary recovery, this analysis examines the outcomes of LEAD's intervention through a non-monetary lens, focusing on whether the legal aid and education process contributed to workers' empowerment. Here, empowerment is understood as workers' awareness of their legal rights, their capacity to negotiate wages and working conditions, their participation in work-related decision-making, and their ability - implicit or explicit - to use legal frameworks to access justice. At a broader level, it involves the development of agency to assert rights and challenge entrenched power relations shaped by gender, caste, and class hierarchies that routinely place workers in subordinate positions.

To assess this evolution, the study posed a few questions to workers, examining changes in everyday practices and their responses to a hypothetical wage theft scenario. The findings indicate a marked shift in workers' everyday practices following their engagement with legal aid. Table 2 summarises these responses.

Table 2: Work-Related Evidence Collected by Workers post LEAD Intervention

Type of Work Related Evidence	% of respondents
Contact information of contractor/ employer	74
Hajri diary	57
Written agreements	13
Pay slips	9
Photographs at worksite	9
Not furnished any proof	21

A substantial majority now report actively collecting some form of evidence to safeguard their claims, reflecting increased awareness of exploitative practices. Notably, 74 per cent of workers now retain contractors' contact details, addressing a critical gap that previously hindered recourse. More structured documentation has also emerged: 57 per cent maintain hajri diaries or attendance logs, often procured through worker facilitation centres, while some subcontractors have begun insisting on written agreements and payslips. Others, particularly security guards and construction workers, reported taking time-stamped photographs at worksites to counter false deductions or wage denial. Taken together, these practices suggest a gradual but significant transformation: workers are developing practical strategies to assert visibility and accountability in workplaces structured to render their labour and rights visible.

The study further examined whether workers' engagement with legal aid translated into changes in their behaviour towards employers, particularly in terms of confidence and willingness to negotiate. Nearly half the respondents reported a noticeable shift, describing increased confidence and reduced fear in workplace interactions. Construction workers were the most vocal about this change, noting that legal awareness enabled them to question wage calculations and, in some cases, demand overtime pay. An interstate migrant worker in Ahmedabad reflected that earlier limited education made him feel inferior, whereas knowledge of his rights now allows him to speak to employers as an equal.

However, these changes are uneven and contested. A little over a fifth of workers reported being unable or unwilling to maintain proof, mainly due to sector-specific restrictions. In textiles, especially, employers actively prevent record-keeping to conceal illegal practices. A subcontractor noted that even for construction work worth Rs.30 lakh, no written agreement was permitted, leaving only a co-worker as witness. In other sectors, trust-based arrangements, lack of awareness, or reliance on informal safeguards such as community reputation checks and bank-based payments persist. Employer responses to documentation efforts ranged from indifference to active obstruction, including denial of salary slips and restrictions on diaries.

A relatively larger proportion of workers—just over a third—reported continued fear in raising concerns, while about a sixth stated that their response depended on situational factors. As reflected in variations across migration status, gender, and years of work experience, barriers to negotiation are deeply structural rather than individual. In sectors such as textiles, employers actively suppress dissent through threats of blacklisting and sustained psychological pressure, ensuring that awareness of rights does not easily translate into action. Women workers, particularly in construction, reported limited behavioural change, citing both workplace hierarchies and domestic power relations; yet some noted that legal awareness had enabled them to question exploitative norms more directly

than before.

Overall, the findings suggest that legal knowledge can contribute to behavioural shifts, but its impact is constrained within labour regimes marked by employer impunity and economic precarity. Workers continue to navigate a tension between emerging rights consciousness and the need to secure daily livelihoods. This underscores the limits of individual empowerment in isolation and points to the necessity of collective mechanisms such as unions that prioritise class-based solidarity to convert awareness into sustained and meaningful assertion of labour rights.

The responses of workers to the hypothetical question of future response to labour exploitation reveal a complex interplay of vulnerability, agency, and emerging legal consciousness. A notable 41 per cent of workers stated they would immediately approach LEAD for legal aid, marking a shift away from passive acceptance towards rights-based action. This preference is closely tied to economic precarity and lack of confidence in confronting employers directly. As one worker explained, “If I even wait for a single day, the impact is huge,” underscoring how delayed wages translate into immediate survival risks. For women workers, legal aid also functions as a safety mechanism; one woman noted, “If I speak to the employer, he will beat me; I want to be safe,” highlighting how exploitation intersects with threats of violence.

Several workers cited prior experiences where timely intervention prevented severe losses. A worker from Kherwara who was denied wages, along with hundreds of others in a cotton gin factory during the lockdown, reported having approached LEAD immediately and secured relief. Similar experiences have encouraged some workers not only to challenge exploitation but also to act as paralegal volunteers with LEAD for their fellow workers, signalling a broader diffusion of rights awareness within worker communities.

Alongside immediate legal recourse, many workers articulated calibrated strategies. About a third indicated they would wait for a few months before seeking legal aid, attempting to balance wage recovery while maintaining employment relationships. As one construction worker noted, “We need to consider the employer’s situation as well.” A smaller section - around a tenth - preferred initial self-negotiation, reflecting growing confidence in asserting rights, while only a very small proportion prioritised union support, recognising the role of collective action. One worker described a sequential approach-self-negotiation, followed by union intervention, and finally legal aid-demonstrating an understanding of different actors’ roles at various stages.

However, not all responses reflected rights-based reasoning. Seven per cent of workers stated they would handle disputes independently through retaliatory actions, such as seizing an employer’s property, revealing gaps in legal consciousness where resistance mirrors exploitative practices. Another similar share reported that they would take no action at all. An elderly worker expressed reliance on divine justice, stating, “I believe in God. He will deliver justice,” while another said he would never question his employer under any circumstances. These responses point to the enduring effects of marginalisation and the normalisation of injustice.

Overall, workers’ projected responses to future exploitation reflect a spectrum of strategies shaped by lived experience, economic vulnerability, gendered risks, and exposure to legal aid. While challenges remain, the growing tendency to view legal aid as a tool to assert dignity and agency suggests an evolving rights-based consciousness that holds potential to reshape labour relations, even as structural constraints continue to limit its full realisation.

Beyond the earlier indicators of empowerment, the study also examined whether legal awareness, particularly around minimum wages and overtime entitlements, translates into improved wage negotiation capacity. The findings reveal a deeply unequal terrain. About half of the workers reported

having no control over wage determination, with employers and contractors exercising near-total authority. Sectoral variations were stark: while about half of construction workers reported some room for negotiation, an overwhelming 83 per cent of textile workers reported none. As Ram Lal, a migrant worker from Odisha employed in the power loom industry of Surat for over a decade, explained, “If you ask for a decent wage, there are two situations. If you are a really good worker, the employer will simply say no. If not, he will ask you to get lost.”

At the same time, limited signs of change are visible. About a tenth of workers reported full control over wage negotiation, and one in three reported partial control, suggesting emerging spaces of agency. Some workers linked legal awareness to securing relatively better wages or overtime payments. Two workers, one in stone carving and another in the textile sector, stated they did not need to negotiate wages as they were adequately paid, though both acknowledged significant occupational health risks, revealing a trade-off between income and safety.

Gender further compounds this disempowerment. None of the women workers interviewed reported any control over wage negotiation. Two women noted that wage decisions were taken by their husbands, highlighting how patriarchal norms extend economic subordination beyond the workplace and shape labour relations as well. These findings point to the persistence of intersecting structural barriers that legal awareness alone struggles to dismantle.

Overall, the findings underscore a critical challenge within the informal economy: awareness of rights does not automatically translate into economic agency. Informal workers largely remain passive recipients of wages, with limited capacity to negotiate fair compensation, reflecting a broader denial of dignity and economic citizenship.

Conclusion

Workers' engagement with legal aid and mediation reveals both the possibilities and limits of institutional redress within informal labour markets. While platforms such as LEAD create accessible pathways to address wage theft and labour exploitation, outcomes remain constrained by deep structural inequalities. Workers often settle for smaller compensations not by choice but by necessity—pushed by economic fragility, inadequate documentation, and the prohibitive costs of prolonged legal battles. Mediation thus offers critical relief while operating within a system where power asymmetries remain largely intact, normalising compromise over full entitlement. This underscores the need to view legal aid not as a complete solution, but as a provisional intervention whose effectiveness depends on broader reforms that strengthen workers' bargaining power and institutional accountability.

Moving beyond monetary outcomes, this study reveals subtler yet consequential shifts in workers' agency. Legal education and awareness can influence behaviour and self-perception, yet their impact is constrained by persistent market forces and entrenched power relations. Empowerment emerges unevenly—shaped by resilience and the capacity to navigate systemic constraints rather than overcome them entirely.

Individual narratives illuminate this process. Jyoti Bai, dependent on a widow's pension, had long endured exploitation at construction sites. Her engagement with LEAD marked a decisive shift: from silent endurance to articulating her hardship directly to the district collector. As she reflected, “After coming to the LEAD, I have gained the courage to speak for my rights.” Her journey demonstrates how legal education can translate into the assertion of dignity, though immediate economic security is not

secured.

Sukhdev's experience reveals a different dimension. After facing repeated wage theft across sectors and migration destinations, his interaction with LEAD prompted critical reflection: why is exploitation treated as routine? Why must workers continually change jobs and locations while employers face no pressure to alter their practices? This shift—from accepting exploitation as inevitable to questioning its normalisation—signals the emergence of critical consciousness.

Together, these accounts demonstrate that empowerment lies not only in recovering dues but in recognising dignity as a right rather than a concession, and in developing the confidence to interrogate exploitative labour relations. Legal aid thus functions less as an endpoint and more as a catalyst, enabling workers to reimagine their place within unequal systems and begin, however tentatively, to contest them.

Building on this foundation, several strategic interventions emerge. LEAD must systematically document and publish case statistics that reveal the extent and patterns of exploitation—mapping industries, highlighting compromised legal provisions, and quantifying wage theft. A public dashboard detailing breached laws, stolen wages, and affected locations would make visible the structural nature of labour violations while serving as a powerful accountability tool to mobilise state action and catalyse systemic reform.

Equally vital is recruiting educated youth from working communities and training them in labour law, economics, and mediation practices. Nurturing such a collective of active citizens can challenge entrenched exploitation from within affected communities. For civil society organisations and trade unions, the imperative is clear: reframe legal awareness as a catalyst for collective action, strengthening unionisation and class-based solidarity while simultaneously addressing gender, caste, and identity-based inequalities that fragment worker power.

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Work Fair and Free is a knowledge institution driven by a commitment to advance worker-centric knowledge and action so that informal labour migration can become more secure and dignified. Conceived and nurtured by Aajeevika Bureau, a pioneering labour rights organisation in India, we aim to bring together grounded and rigorous research, insightful policy work, and innovative teaching and training, all supported and informed by impactful practice in urban industrial centres and rural migration clusters.



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