FOCUS ON LABOUR EXPLOITATION



Modern Slavery Act: Ten Years OnHow to use the Employment Rights
Bill to end the conditions for labour
exploitation

March 2025

About Us

Focus on Labour Exploitation (FLEX) is a research and policy organisation working towards an end to labour exploitation. FLEX seeks to achieve this vision through the prevention of labour abuses, protection of the rights of those affected or at risk of exploitation and by promoting best practice responses to labour exploitation through research and evidence-based advocacy.

Overview

Labour exploitation must be recognised as part of a continuum of experiences which range from decent work through to minor and major labour law violations, all the way to severe exploitation, including human trafficking. When workers are unable to access rights or to challenge poor employment conditions at those 'earlier stages' or 'lower levels' of exploitation, it paves the way for more severe exploitation including trafficking.

The Modern Slavery Act 2015 focused on identifying trafficking which had already taken place. For those people who have been trafficked, this is too late. Ten years later, and with an Employment Rights Bill going through parliament, policy-makers should turn their attention to prevention, by addressing the conditions which have allowed trafficking for labour exploitation to thrive.

The Employment Rights Bill provides significant opportunity here. The Bill must be amended to ensure that all workers can access rights early, knowing that the authorities will focus on addressing their exploitation and delivering justice.

A Fair Work Agency

A Fair Work Agency (FWA) is set out in the Employment Rights Bill. It has the potential to bring clarity to the fragmented labour market enforcement system in the UK, and build significant resilience against drivers of risk for workers.

However, the effectiveness of the FWA is contingent on its design and resourcing. The FWA must enshrine its commitment to international labour standards. For example, the UK's agricultural seasonal worker visa scheme has been criticised by the UN's expert on modern slavery, Tomoya Obokata, who has stated that the UK could be in breach of international law over failing to investigate 'clear indicators of forced labour' in the scheme.

It must also make sure that the UK is equipped to enforce labour protections for all workers. The FWA must address the issues faced by workers in highrisk sectors who have multiple dependencies. It must provide fair and efficient remediation, whilst also being able address workers' immediate needs. This should include having powers to issue accommodation referrals, prevent visa sponsoring employers from cancelling visas, or to issue bridging visas that enable workers to pursue employment matters. An effective FWA must be well resourced to be able to conduct proactive inspections across all high risk sectors. Having a structure that includes regional offices with expert local knowledge would help facilitate proactive inspections, as well as providing workers with points of access on the ground. It is essential that there are secure reporting pathways in place with a separation between immigration and labour market enforcement powers, so that labour market inspections are never conducted in conjunction with immigration enforcement. An effective FWA must provide safe pathways for workers to report issues without fear of repercussions from their employer or immigration enforcement.

The UK's hostile environment and focus on immigration enforcement over other rights has been a gift to exploiters. Combined with the growing use of restrictive work visas, this has resulted in migrant workers being fearful of reporting poor working conditions or contacting the authorities for assistance, only to be threatened with visa cancellation or removal from the UK.

Restrictive work visas have created a two tier workforce where migrant workers face significant barriers to enforcing their rights, undermining a level playing field in terms of pay and conditions across the UK labour market. Such visas often limit the sector workers are permitted to work in, or which employers they can work for. This creates multiple dependencies, where workers are reliant on their employer for income, and as their visa sponsor for their ability to remain in the UK. The result is a dynamic where migrant workers are doubly punished for speaking out - first, by unscrupulous employers, then by immigration enforcement. This has allowed for a proliferation of abuses, from non-payment of wages, to overwork, and sexual assault amongst a litany of other labour and criminal law violations. As a result, modern slavery is now recognised as endemic in sectors like adult social care.

The links between restrictive work visas and exploitation (including trafficking) are clearly demonstrated by the UK's Overseas Domestic Worker (ODW) visa. The original visa was introduced in 1998 following a sustained campaign by domestic workers and their allies for recognition of domestic workers as workers within the immigration rules. Workers in the UK on the ODW visa between 1998 and 2012 were able to challenge exploitation, and in many instances access their rights. Key to this was the fact that workers who entered the UK on the visa at this time were able to leave and find a better job. This ability to change employers (meaning that domestic workers could withdraw their labour and leave an exploitative employer) went some way towards addressing the power imbalance between workers and employers. Conversely, when rights were removed from ODW visa holders in 2012 - restricting the visas so that workers could no longer change employers or apply to renew their visas - reports of severe exploitation, including trafficking, increased. While small changes were made to the visa in 2016 it remains the case today that due to restrictions on the visa most workers on the ODW visa cannot access practical assistance for employment abuses in practice unless their treatment reaches the threshold of trafficking and they are formally identified as a victim of trafficking through the National Referral Mechanism (NRM).

Following the end of free movement the UK, to attempt to address labour shortages, has made increasing use of work visas. These visas often come with retractions such as imposing conditions on the type of work workers can do, or who they can work for. Restrictions can also dictate the length of the visa, any options for renewal and conditions such as the option to apply to bring a dependent family member or to access public funds. Many visa restrictions exacerbate the power discrepancies between employers and workers and create situations where workers rely on employers for their visa sponsorship, accommodation, information as well as for their employment. Where visas remove options from workers such as the option to change employer or withdraw their labour without risking their immigration status or destitution this creates risks of exploitation.

The Modern Slavery Act 2015 failed to address the risks created through the 2012 changes to the Overseas Domestic Worker visa. In the decade since the UK has failed to learn from the experience of Overseas Domestic Workers and has instead grown the use of restrictive visas. This failure to address immigration structures which create exploitation risks fundamentally undermines the stated aim of the Act to protect victims.

In addition to the Overseas Domestic Worker visa the UK has one other short term work visa, the horticultural seasonal worker visa. This six month long, non renewable visa was created to meet the demand for workers in the horticultural sector. Workers are restricted to jobs sourced by their visa sponsor (scheme operator) and are not permitted to bring dependents.

The scheme was piloted with 2,500 visas in 2019, despite evidence the structure of thre scheme created exploitation risks it has been expanded to a current quota of 45,000 visas, with workers sourced from all over the world. In February 2025 the government confirmed the scheme would be extended

Modern Slavery Act: Ten Years On

for another five years. There were no corresponding structural changes to address the <u>well evidenced risks of exploitation created by the scheme</u> with reports from workers evidencing payment of illegal recruitment fees and high migration costs leading to risks including debt bondage, wage theft, high charges for poor quality accommodation, dismissal as retribution for complaints, non payment of holiday pay, lack of access to healthcare, inability to change farms and workers leaving the UK having not made enough money to repay migration debts.

In March 2025 the National Audit Office published its report on the skilled worker visa system. It found that the Home Office does not always have a full understanding of how the Skilled Worker visa route is operating and that there has not always been effective collaboration between the Home Office and other departments on the role that immigration plays across different sectors. The report also highlights that only 1% of sponsors have been referred for compliance checks and that there is still no systemic assessment of risks and limited data on the extent of workplace exploitation and sponsor compliance with no joined up approach on tackling labour exploitation. With 1,494 sponsor licenses revoked in 2024 there are important questions to be asked about the options and support available for workers left without visa sponsors.

The expansion of the skilled worker visa route to include care in 2022 has resulted in large numbers of care workers coming to the UK in good faith to support the care industry and <u>widespread reports of large scale exploitation of these workers</u>, in large part due to the use of repayment clauses and multiple dependencies on the sponsoring employer.

In fishing, a lack of proactive labour market enforcement combined with isolation on boats at sea and the <u>misuse of the transit loophole</u> has resulted in workers being exploited and left fearful of the authorities and without access to justice or redress.

Bridging Visas

The UK's work migration system needs to support and drive up employment standards for all workers. The Employment Rights Bill should introduce safety valves to mitigate circumstances where immigration status and sponsorship arrangements limit migrant workers' options to challenge poor working conditions, or to access redress. One example of good practice is Australia, where recent reforms protect migrant workers on temporary visas from being trapped in exploitative work due to their immigration status. This is through provisions which prevent visa cancellations where there is evidence of exploitation and which provide for a Workplace Justice visa, permitting work in any sector, while the worker seeks redress. These measures enable migrant workers in exploitation to leave exploitation without risking their immigration status, giving them time to find decent work.

Recommendations

With the Employment Rights Bill and Border Security, Immigration and Asylum Bill in Parliament there are opportunities for amendments to prevent exploitation and further the work of the Modern Slavery Act 2015:

- **1. The UK must end the use of short term work visas.** All UK work visas should be renewable, subject to ongoing employment. The original terms of the Overseas Domestic Worker visa should be restored.
- 2. Workers' visas should not be cancelled where enforcement action is taken against their sponsoring employer. Workers must be enabled to find alternative employment in the sector.
- **3. Bridging visas should be created**, providing options for workers to seek redress and support themselves while finding employment with a new sponsor.
- 4. Labour market enforcement agencies should not report workers' migration status to the Home Office or engage in joint or simultaneous inspections with immigration enforcement, as this is shown to interfere with their primary duties and efficiency in contravention of International Labour Organisation Convention 81.
- 5. The Fair Work Agency must be accessible to workers in practice, and provided with robust enforcement powers. These reforms must be grounded in the principles of protected reporting, evidence-based resourcing, compliance with international standards at a minimum, fair and efficient remediation, gender sensitivity, and meaningful worker participation.

