7.1 Introduction

The issue of child labour in India has received a fresh momentum in the late 20th century. This was due to the international pressure with the call for the immediate elimination of the worst and most hazardous forms of child labour by the ILO - Convention 182 Prohibition and Immediate Elimination of the Worst Forms of Child Labour (1999). Although India has not ratified this Convention, yet initial steps were taken by the government to review the status of child labour in the hazardous sector at the national level. Again, in September 2000, the world leaders gathered at the UN General Assembly and joined hands to set targets for combating poverty, hunger, disease, illiteracy, environmental degradation and discrimination against women. Placed at the heart of the global agenda, these Millennium Development Goals (MDGs) also outlines commitments towards ensuring universalisation of primary education. This also indicated the need for bringing all out of school children into the framework of education.

At the domestic front, official statistics suggested that the reduction rate of child labour in the post liberalisation period is erratic and varies significantly from state to state. In fact, the incidence of child labour has registered increased in some of the states in India. Both Census and NSS data indicate that the characteristics of child labour have also changed over time. The extent of marginal child labour and
nowhere children increased alarmingly. This study has made an attempt to get into the core of the issues analyzing child labour and its various aspects.

Describing incidence, characteristics and determinants of child labour in India through an analysis of the secondary and primary data the study tries to draw certain conclusions. Starting with the legal framework on child labour in India as the background, the international efforts are also briefly touched upon. The government policies in combating child labour and improving child welfare has been scrutinized. The major programme and initiatives taken by the government to combat child labour have been evaluated. Special attention has been given towards the data related issues. Definition of ‘work’ and ‘child’ is also discussed as these terms are used in varied connotation in the literature on the subject. Focus on a comparative analysis between Census and NSS data is also attempted. A detailed discussion on state wise incidence, characteristics and determinants of child labour from NSS data have been made considering the information available from the last three big rounds of NSS. During the study, primary survey was also conducted to understand various qualitative aspects of child labour. The household survey was conducted in four states: Assam, Chattisgarh, Delhi and Karnataka.

7.2 Global Concern for Child labour

The international effort to combat child labour is being pursued in different forms. ILO and UNICEF took major efforts as multilateral organizations though different programmes. Most of the developed countries also provide aid to developing countries in several child development programmes.
ILO has recognized that child labour is simply the single most important cause of child exploitation and child abuse in the world today and to stop it various strategies may prove useful.

- Formation of political will among the national governments is the most important thing for ensuring a genuine commitment towards various child development projects.

- All commitments should be backed by a time bound programme of action, which would aim at ending child labour within an explicitly defined period of time.

- International legal framework needs to be strengthened further through International Convention to suppress all extreme form of child labour.

- Growing concern worldwide about extreme from of child labour needs to be translated into a programme for international cooperation in the field of economic and social policy.

- The situation of children can not improve without action against poverty, opening up of schools, improved laws etc. To improve the situation countries should work together for mutual assistance in terms of allocation of more resources to combat poverty and child labour.

The worldwide estimation of child labour is alarming. As many as 211 million children are engaged in various economic activities. These children consist of 15 to 20 percent of total child population. World’s 60 percent child labour are only in Asia (excluding Japan) where as Africa is having 23 percent. Asia being most
densely populated continent also houses the highest number of child labour in the world. However, in terms of percentage Africa comes first. Among school going children, up to one-third of the boys (33%) and more than two-fifths (42%) of the girls are also engaged in economic activities on part time basis. ILO estimates show that more boys work as compared to girls. However, the number of working girls is often underestimated by statistical surveys of most of the countries, which usually do not take into account unpaid economic activity carried out in the household. If such kind of work were taken into account, the total number of working children would rise and the number of girls could even exceed that of boys.

Surveys by ILO in different countries show that children are mainly required to do unskilled work and the demand of child labour is high in those industries where it does not require skill. In many countries children work for more than 8 hours per day and sometimes 7 days per week. Though in most countries there are acts related to minimum wage but children are paid very low (if wages are paid at all). Employers find it profitable to employ cheap labour.

A majority (around 70%) of working children is also engaged as unpaid family workers, especially in the rural areas and working girls outnumber working boys in this context. In case of wage employment girls always receive less than boys for the same job. Being tender physically, children are always susceptible to various work related injuries and illness more than adults doing the same kind of work. It may be noticed that in many countries large number of children work in the hazardous sector which is very dangerous. Like many countries, India has also identified certain hazardous industries and banned child labour employment. However, there
is lack of proper implementation of laws which leaves wide scope for misuse and exploitation of children.

Several studies (Siddiqi & Patrinos\textsuperscript{31}, Holger Strulik\textsuperscript{32}) show that that economic development proves helpful to reduce child labour. However, legislations banning child labour are also crucial so is the level of social awareness. Hence legislative as well as non-legislative actions are required to combat the ill. Again, complete and immediate ban of child labour may not be an effective instrument as ban may lead to starvation and further exploitation in the absence of proper rehabilitation. Hence, better working conditions for children along with facilities to attend school are regarded as a good strategy, as in the case of Indian government. International studies show that with light work load children can attend school at the same time.

Secondly, in some countries involvement in economic activities for children has been found to be helpful in sending children to school.

In developed countries, historically, it has been observed that industrialization and modernization is preceded by mass education. Government intervention in compulsory education came much later. This led to an able environment to create social awareness against child labour and hence civil society could play an active role towards eradicating child labour. The supply of child labour is said to depend on adult wage rate and the nature of the parents (selfish or altruistic behaviour). If the adult wage rate increases and employer tries to substitute adult labour by child labour, a selfish parent may bargain with the employer with high child labour wage

\textsuperscript{31} Child Labor: Issues, causes and Interventions, HCOWP 56, World Bank
and send their children to work. But an altruistic parent would restrict the supply of
child labour as their income level rises. On the other hand, profit maximizing goal
of entrepreneurs also creates a demand for child labour with a very low wage rate.
Hence they would be interested to employ children than adults. Thus, demand and
supply side seems to act for one another. A strict monitoring of child labour policy
(banning child labour) in the factories therefore, becomes mandatory.

### 7.3 Major concerns towards the incidence of child labour in India

There is a measurement problem of child labour in India. This is so because a lot of
child labour activity is put under the carpet suggesting that they are not involved in
economically productive activity. Nowhere children as well as children ‘helping in
household work’ is not being dealt with properly. As per NSS and System of
National Accounts (SNA), ‘unpaid domestic work’ is not considered as economic
activity. This impact the total number of children officially accepted to be engaged
in labour. The study indicates that the problem is rampant in rural areas where most
of the children are engaged in family farming and other family business. Lack of
schools available in the rural areas coupled with less opportunity for ‘work’ leads
to nowhere children.

The current study finds that incidence of full time child labour is falling but
marginal child labour substitutes this (using Census data). Child labour estimated
through usual status approach (NSS) registers a decline but large incidence of
nowhere children and those engaged in household work is alarmingly rising. The
question that arises here is why do children not attend school and remain confined
to household work only? This is also to be seen in the light whether it is a matter of
socialization process alone or the need for household labour too (S.L. Blair 199233). The primary survey results give us an indication that children engaged in household chores replaces the adults who move out for income earning activities. 50th round NSS survey data reveals that almost 19.5% of school going children help in day to day household chores. This figure is only 10% among the non school going children.

Again, 50th round NSS data show that about 18%-19% ‘non school going children’ neither work nor help in household chores. During the 55th round the percentage of those children who are neither school going nor working increased to more than 21% and about 2 crore children are falling in this category. Census 2001 figures reveal that around 30% of total children are actually nowhere children. This indicates a difference in the estimates given by the official source. However, both the data sources indicate that states such as Bihar, Madhya Pradesh, Uttar Pradesh, Orissa and Rajasthan have high incidence of nowhere children. Kambhampati & Rajan (2006) identify these states as low opportunity states with low SDP growth and hence many children do not find employment opportunities.

The study highlights the fact that Census data on child labour appears to underestimate the incidence. Census does not consider children who are currently sick or not working due to ‘other reasons’ as working children. NSS captures this through current weekly work status.

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33 Children’s participation in household labour: Child Socialisation versus the need for household labor, Journal of Youth and Adolescence, 21(2) 241
It is mentioned in the NSS reports that compared to the population or projections by census method population estimates from NSSO surveys are in general, on the lower side. This is due to the differences in methods and coverage by NSSO in comparison to census. Thus in order to estimate an absolute number in any category of the NSS ratios such as ‘Work force Participation Rate for total children it is advised to apply the survey estimates of such ratios to the census population for that category. According to the figures given by Census 2001 about 5.00% children are working. The derivation of child labour in this study using NSS data reveals that around 1.24 crore children comprising of 5.09% of total children are working in 1999-00. (The total number of child labour in 1987/88 were around 2.54 crore, comprising around 13% of total children in the age group of 5-14 years). The estimate of girl child labour is less in terms of Census (2001) data compared to NSS (1999-00). Census estimates that around 4.85% girls are working but NSS concludes that 5.02% of girls in the age of 5-14 are engaged in labour. The most striking result from NSS is the increase of urban male child labour during the period 1993-94 to 1999-00. The comparison of census data of 1991 and 2001 signals that there has been a marginal increase of child labour in the urban areas in 1990s. However, in contrast to NSS data it shows that the increase is mainly due to rise in urban girl child labour. Once again, we find divergent estimates once we use both the sources of official data (collected by the government) on child labour.

The study finds that states like Delhi, Andhra Pradesh, Rajasthan, Karnataka, Maharashtra and most of the North eastern states as well as Lakshadeep require more rigorous intervention to fight the growing child labour. The child labour
percentage increased alarmingly from just 0.20% to 8% in Delhi during 1993/94 and 1999/00. This registers an unprecedented increase and as our primary findings indicate, higher job opportunities for children coupled with higher wages could be the reason. Small states like Kerala, Goa, Jammu & Kashmir, union territories like Pondicherry and Chandigarh, had better record in combating child labour. Perhaps, due to smaller size of the states, intervention has been much more focused. Child labour reduction was very high during the period 1987/88 to 1993/94 but it slowed down after that. During this time 'school attendance' of children also registered significant increase.

The secondary data (NSS) analysis suggest that the total child population (5-14 years) was almost static around 20 crore during 43rd and 50th round of survey (between 1987/88-1993/94). However, it increased steeply to 24.38 crore during 55th round of NSS (1999/00). Total child labour estimated during 43rd round was around 2.54 crore which declined to 1.39 crore during 50th round which fell to 1.24 crore during 55th round of survey. The decline of child labour percentage (\(\frac{\text{Child labour}}{\text{child Population}}\times 100\)) has been very much influenced by the growth rate of child population. During the period 1987-88 to 1993-94, the growth of child population was relatively slow and hence the fall in child labour percentage was mainly due to reduction in the number of working children. However, during the period 1993/94 to 1999/00 the reduction in child labour percentage was mainly due to fast growth of child population rather than decline in the actual number of child workers.
7.4 Government’s Policies to combat Child Labour

Government’s concern towards child labour was explicitly expressed when Child Labour (Prohibition and Regulation) Act, 1986 was passed. During the Seventh Plan, importance was given towards universalisation of elementary education as well as non-formal education. Since then various programmes were also undertaken. During the eighth plan National Child Labour Program (NCLP), Operation Blackboard, Non-formal education (NFE) and District Primary Education Project (DPEP) was introduced. Later on, during the Ninth Plan, NFE, DPEP was strengthened and Total Literacy Programme was launched. Elimination of Worst form of Child labour was also introduced. Elementary Education was made a fundamental right during the Tenth Plan. Focus on vocational training along with universalisation of elementary education was thereby given. Eradication of child labour from hazardous industries was also promised during this Plan.

Trend analysis of budgetary allocation shows that expenditure for various child development programmes increased significantly after 1994-95. It is important to note that budgetary allocation towards improvement in working condition of children also rose during the same period and a steady rise is perceived since then. In early 1990s, an analysis of the government expenditure towards child development programs reveals that Actual Expenditure (AE) was less than Revised Expenditure (RE) for most of the child development programmes. NSS data show that during 1993/94-1999/00, the reduction of child labour has slowed down. Slow implementation of policies in early 1990s is closely associated with this incident.
The set of programs undertaken by the government can be divided into two groups: general programmes like universalisation of elementary education. DPEP, ICDS and specific programme such as NCLP meant for the child labour engaged in hazardous industries. Abolition of child labour on the whole was never the agenda of the Indian government. With the opening up of the economy the dependence on external aid for different child development related projects were significant. Again, DPEP, Operation Blackboard and other elementary education programmes while increasing the number of schools and gross enrolment could not do much in terms of retention. Major policy contradiction in 1990s is that it increased number of children in schools at the one hand and number of drop-outs on the other. These dropped out children are either working or remain as ‘nowhere children’. The study raises questions about the implementation as well as quality of monitoring / evaluation of these projects. It may be noted that different government departments at the central level implemented most of the programmes independently with little coordination among the other related departments. Hence, it is of utmost importance to bring in coordination among various departments of the government. Further, civil society organizations could also play an important role towards ensuring the rights to the children (as shown in the paper by Gerend Oonk, 1998).

Also, the study recommends that the role of state governments need to be reviewed. It is expected that state governments may be in a better position to assess and evaluate the entire process of implementation of the programs. The programs that deal with child labour, at least, need to be locally monitored. In general, the study finds that the set of government policies have limited impact in reduction of child
labour. The major decline of child labour has been visible during 1987/88-1993/94 and most of the policy initiatives were strengthened only after 1993-94. Further, it is to be remembered that child labour is directly targeted through NCLP alone and its coverage has been limited.

7.5 Characteristics and Determinants of Child Labour in India

The study has made an attempt to understand the characteristics and determinants analyzing both secondary and primary data. As 50th round of NSS gave special emphasis on children, the study analysed the characteristics of child labour from this round mainly. Most of the child workers are from rural area and the scenario has not changed much over the period. Almost 88.6% child labourers in 1987/88 were from rural India and it marginally declined to only 85.5% in 1999/00. This means that there has been a slight increase in urban child labour ratio although most of the government and civil society initiatives to combat child labour is mainly concentrated in the urban areas.

It is to be noted that there are a large number of children are engaged in helping in household chores in states such as Sikkim, Pondicheri, Chandigarh, Himachal Pradesh, Mizoram, Meghalaya, Nagaland and Rajasthan. Some of them attend school too. Larger number of children who do not attend school but help in household work is found in the states of Arunachal Pradesh, Rajasthan, Bihar and Uttar Pradesh. Highest work participation of out of school children was found in states like Andhra Pradesh, Orissa, Tamilnadu, Maharastra and Karnataka. It can be concluded that relatively small states and states from the North East have better record in bringing children to school.
Again, in relatively rich or states with high SDP growth such as Maharastra, Karnataka and Tamilnadu out of school children are mainly working. These states are said to provide enough working opportunities to children. On the contrary, low job opportunity states for children are Bihar, Uttar Pradesh and Rajasthan and as such children are mainly engaged in household work. It is important to note that these states are experiencing relatively slow SDP growth. So, we may conclude that analyzing NSS data it is clear that in ‘high opportunity’ states ‘non-school going’ children find work outside their homes and in ‘low opportunity’ states they are mainly at home working or helping the family related work. In states with high ‘school attendance rate’ children are found both to be both working and attending school. This corroborates the findings of Patronis, and Psacharopoulos (1997).

To understand the qualitative aspects of the child labour a primary survey was conducted in four states (Assam, Chattisgarh, Delhi and Karnataka). 225 households were surveyed which have population of 1452 and out of these 553 are in the age group of 5-14 years. It has been found that ‘low opportunity’ states such as in Assam and Chattisgarh children are either involved in agriculture or in sectors such as domestic servant, dhabas or as vendors where as rich states such as in Delhi and Karnataka they are in industries such as in garment and toy industries, construction or tile/brick factory. Average wage of children are also high in these states compared to Assam and Chattisgarh. Children work for prolonged hours in Delhi and Karnataka. The study has made the conjecture that high child wage rate perhaps increase the supply of child labour in states like Delhi (Basu 1999). Here the difference between child and adult wage rate is relatively less and it is believed
that in many cases children are competing with adults in the job market (unskilled work). It is also important to note that child labour in agriculture is not included under the hazardous list of occupations (in the CLPRA 1986) and it is said that exploitation of children in this sector is relatively low and this is corroborated by the primary survey where children are found to be working work for around 4 hrs in the agricultural activity in Chattisgarh. Similar is the case in Assam. In contrast, children work between 6-9 hours per day in Delhi and Karnataka and the extent of ‘nowhere’ children in these two states is also less (15% and 18% respectively).

School attendance of children is high in the age group 5-9 years. But most of them join the workforce at the age group 10-14 years. From the occupation structure it is clear that the demand for child labour is high in those sectors which are dependant on unskilled workers. Children who dropped out from school were also studied carefully. The result shows that high school drop-out rate does not necessarily imply high incidence of child labour. Availability of jobs are very important in this context. It may be noted that school distance is a major problem in Assam and Chattisgarh and as a result school attendance is low. Despite high incidence of schools in the surveyed areas of Delhi and Karnataka drop-out rates are higher than other two states. It is important to note that while citing the reasons of drop-out apart from finance related problem, other issues such as ‘not interested in studies’ and ‘school not attractive’ are also highlighted. Many children also take care of young siblings at home while their parents are at work. This reflects that once the female member is out for work, her job at home is taken care of by the eldest child.
to maximize household utility (Gary Becker's Theory). In Chattisgarh, child marriage has been identified one of the major reasons for discontinuing school.

To understand the overall determinants of child labour, regression exercise was conducted using state wise data. The change in child labour percentage was regressed on 'change in children’s percentage in schooling', change in 'poverty', 'SDP growth' and 'child population growth'. Separate exercise has been done for the period 1987-88 to 1993-94 and 1993-94 to 1999-00. The study concludes that poverty reduction and schooling have been found to have significant relationship with the reduction of child labour. But the relationship of NSDP and child labour growth is volatile. It may be pointed out that the relationship fits better during the period 1993/94 to 1999/00. However, only 51% variation is explained by these variables. The result shows that indirect policies such as reduction of poverty, increase in number of schools and population control have only a limited impact on the child labour. The issue requires micro level intervention as lot of other socio economic factors influence the child work. This corroborates ILO’s position that time bound program to end child labour is essential but the entire issue has to be addressed holistically. It has been mentioned earlier that most of the policies government of India took in this context are ‘general’ in nature. Budget allocation towards direct Programme such as NCLP was also very limited. The impact of indirect policies in bringing about a reduction in the number of child labourers has not been very successful.

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34 In 1960s Garry Becker (Nobel Prize in Economics in 1992) started publishing his work which applied the tools of economics to the study of family. He considered that family members are rational utility maximizes and would do their best to make themselves happy with whatever is available to them.
Analysing the primary survey data through ‘bivariate probit regression model’ it may be concluded that in general schooling and working decisions are interdependent in all the survey areas, but their degree of dependence is varying. Many variables such as ‘distance’ are strongly related to schooling but not so strong (in opposite way) for working. This means that school ‘distance’ influences the schooling decision and many children drop out due to longer school distance but they may not join work force. In Chattisgarh, children are leaving school due to marriage but not all of them join the workforce. The study finds that ‘income’ (of family, head of the family) is not a good determinant of child labour. Across the states, there are incidences that people even with relatively lower incomes send their children to school.

The probability of schooling is having a quadratic relationship with age. This implies that probability of schooling goes up with age between 5-9 years and it starts declining after 9 years. Higher drop out is registered from class 2 or 3. This has a major policy implication while strategizing the retention scheme in the school. Children’s probability of working remains around 42-43%, if mother’s income level is below Rs. 750/- per month. It comes down to 36% when mothers’ income is around Rs. 1000/-. Beyond this average probability of work shows a slow but rising trend and settles around 38%-39%.

Mother’s education is also significant in determining the schooling status of children. It has been noticed that mother’s education level play a major role in bringing children to school when both parents have primary education only. It is estimated that probability of a child going to school are as high as 70% when
mother is primary educated. However, if parents are high school educated then probability goes up to 75% with respect to father’s education and with respect to mother’s education it is still at 70%. Basu and Ray (2001) in their study opined that the ‘balance of power’ between two parents within the household is an important determinant to send their children to school. Overpower of any of the parent influences the consumption basket of the family and in turn induces the decision to send the child to work. Basu and Ray measured the power in a family by two ratios: mother’s share of educational experience and income vis-à-vis father or other family members. The findings of the primary survey corroborate partially this hypothesis. With rising mother’s income beyond Rs.1000/- per month, the probability of child going to work slowly rises. Similarly, when both parents are primary school educated the probability of child going to school as high as 70%.

Primary survey data indicates that in many female-headed houses in Assam children are working. However, it is observed that where mother is literate and working more children are going to school. The overall result in this direction is not very strong perhaps, due to small difference in income and education level of the parents.

In Chattisgarh just like age, land is also having quadratic relationship with probability of work. Households with small land holdings, initially show, higher probability of sending children to work/family farming. But when land holding increases substantially the household can afford to employ other people and children are withdrawn. In this state, marriage has been found a good determinant
of ‘not schooling’ but insignificant determinant of ‘working’. Many married girl children are only engaged in household work.

The bivariate probit model estimates the degree of interdependence in the decision making process of the family while sending a child to school and/or working. In Delhi and Karnataka, the decision in the family about child activities is based on a competitive trade off between labour and schooling in the system to maximize the household’s utility. The policy implication of this is that, any effort to increase schooling in these states will reduce child work. However, in Assam and Chattisgarh schooling is affected due to distance and non-availability of schools. Work opportunities for children are less here. Almost 40% children are identified as nowhere children. This once again highlights the fact that low school attendance does not necessarily increase the possibility of child labour. Thus, a program to bring in all children within the ambit of the educational system should address other issues as well. Some variables affect both the decisions in the same direction such as family size. In big families, children are less likely to attend school (as revealed in the result) and as many family members are working, pressure on children to work is also less. The state needs to look into the case of nowhere children urgently.

In Chattisgarh, regression results show that two decisions (schooling and working) are not so dependant. Almost 18% children are both working and going to school. Most of them are engaged in family farming. Also variables such as child marriage is an important determinant for not schooling but insignificant for working. There is high incidence of work as well as schooling. Hence, the policy towards
increasing school attendance may not be the only strategy to combat child labour in the state.

The study therefore concludes that to combat the child labour a host of policies need to be introduced with changing focus from one state to other state. Schooling is the necessary instrument to reduce child work but it is not sufficient. In fact, without adequate schooling facilities in low opportunity areas children will become ‘nowhere children’. Again, Government’s intervention to combat child labour problem was targeted to specific industries but there are large number of child workers in the unorganized sector in general. They may not be hazardous in terms of the CLPRA 1986, but work without education does affect the growth and development of children. Hence, the strategy is to address this issue holistically and bring back children to school ensuring quality educating (common school system), also taking steps to sensitize parents about the value of education. Government’s role towards creating employment opportunities for adults is also essential. The study suggests that ‘general’ policies may be monitored by the Central government but the scope of ‘specific’ policy needs to be identified by the respective state governments and funds should be allocated accordingly. The specific policies may be linked with the state level development projects. Civil society organizations can also play an active role in the process.

7.6 Epilogue

Policy makers recognize that variation in children’s time allocation (between schooling and working) across societies has major implications for societal
productivity, human capital, gender equality, child health and welfare. It is expected that parents can manipulate a child’s time allocation to different activities in an attempt to maximize the return on investment across children. The manipulation occurs in the trade-off in a child’s time budget between so-called temporary non-productive activities that may have a return in the future in the form of experienced based embodied capital such as skill acquisition or formal education and productive activities to which there is an immediate return. The inherent potential conflicts are based on the cost-benefit analysis (short run versus long run) of these two activities done by the families. Power imbalances between children and parents are also a major issue with regard to activity choice. These factors are not analysed in the current study. However, the study identifies the fact that if power imbalance remains in the society or family, members fails to understand the long run benefits of human capital formation. Untill then, it is the responsibility of the State to facilitate the process of human capital formation as it is the most valuable asset of a nation.

The major limitations of the study are the sample bias and measurement bias. The secondary data fails to monitor the same households repeatedly as NSS rounds have been conducted in different times and households were selected at random. A detailed time use survey would have been a better source to analyse the child labour related issues. Also, child labour percentages calculated from the NSS does not consider many activities such as ‘helping in household work’ as economic activity. If we include this, total number of child workers will increase significantly. The primary survey has a sample bias as it is initially purposive sampling (identification
of the areas for survey) not completely random in nature. The primary survey limits itself to four areas only. A better result could be expected if few other states were also included. However, this was not possible considering time and cost of conducting the survey. Last but not least, the functional form of the 'bivariate probit' model is pre-specified depending upon the collected data. The model could be tried with few other variables if the questionnaire would have been more elaborate.