Chapter I

Introduction

The informal sector has special economic importance in developing economies. It encompasses the entire spectrum of unorganized economic activities across all the commodity and service sectors. In the country, about 90 per cent of workforce is employed in the informal sector. The overwhelming component of the informal sector operates in the urban setting. The urban informal sector, often called the urban subsistence sector/unorganized sector/un-enumerated sector, is defined to include all those economic activities which are not officially regulated and which operate outside the regulatory framework of the state and its institutions. In contrast, enterprises which enjoy official recognition, protection and support are defined as the formal sector enterprises. The emergence, evolution and expansion of the urban informal sector have been the result of the mutually enforcing processes of urbanization, migration, and uneven development in the country. The urban biasedness in the policy has contributed a lot in the growing of this sector. The lack of development in the rural hinterlands of urban conglomerations has been providing the necessary wherewithal for the movements of the workforce to the other areas in search of employment and livelihood. The laxity in the observance of the labour laws, less organized labour, weak civil society and pro-capital mind set of the administration are some of the large factors which led to the growth of child labour in the informal sector.

The phenomenon of child labour in numerous contexts has been examined in the economic-literature and other social sciences literature. The existing academic as well as policy studies provide interesting insights about it. The scanning of the literature pointed out the growing sensitivity of research in this direction. The questions of how, when and why have been addressed in some detail. The studies also brought out the regional and local specificities of the problem. The study of head loaders in the informal labour market shows that the implicit notion of the well-being of individuals and households being enhanced through employment is too often assumed than established (Aparana, 2001). The economic justifications cited
for child labour are either invalid or at best weak. Child labour must be seen as less a phenomenon of poverty and more of social attitude and sensibilities (Bhatt, 1996). India is having the largest number of malnourished children, by passing even Sub-Saharan Africa. Despite the ban on employing children as domestic labour the problem persists. The providing of the only alternative livelihood for their families would not solve the problem (Sinha, 2005). A survey of child workers of the waste pickers in the Pune show that they are compelled by household economic pressure to enter into low wage, hazardous work to the detriment of their health and education (Chikarmane and Narayan, 2000). There is poor status of healthcare in urban slums and the differences between rural and urban areas in terms of delivery of various type of basic services. No less significant than gender bias, in the Indian context, are the child welfare implication of the social- divide between the backward and the advanced communities, to economic-divide between poor and non-poor households and demographic-divide between female headed and male headed households. There is, in addition, the divide between working and non-working children. The child welfare implications of these distinctions are central to the child’s welfare, i.e. child employment and schooling.

In much of the theoretical literature on rural to urban migration in developing countries, the informal sector is viewed as being essentially stagnant and unproductive. In sharp contrast, empirical literature increasingly see the informal sector as dynamic, efficient and full of hidden but creative entrepreneurial possibilities. The informal sector is formed by the coping up behavior of individuals and households in an economic environment where earning opportunities are scarce. The informal sector is also the product of rational behavior of entrepreneurs that desire to escape state regulations. The emergence of informal sector has often been viewed as providing a solution to the growing problem of unemployment by ensuring sustainability of livelihood for large section of the population, particularly the poor (Kundu and Sharma, 2001). The coping or survival strategies encompass casual jobs, temporary jobs, less paid jobs, multiple job holding, subsistence-related activities, etc. The unofficial earning strategies include unofficial business activities, tax evasion, avoidance of labor regulation, institutional regulations, non-registration
of the company, and underground activities, i.e. crime, corruption, etc. The informal sector provides jobs and reduces unemployment and underemployment, but, in general, the jobs are low-paid and without job security and entail unhealthy working conditions. The size of the informal labor market varies from the estimated 4-6 per cent of the income in the high-income countries to over 50 per cent in the low-income countries. Its size and role increases in the economy during economic downturns, economic adjustment and transition.

Current debates on globalization and its impact have often raised only a cacophonic noise on the issue of child labour. The understanding of the different perspectives that informs enquiries into the problem of child labour will go a long way towards resolving important issues. Designating all children out of school as working children is an ill-advised development which projects an exaggerated picture of problem making it even more difficult to disentangle and resolve (Basu, 1980). Social labeling is an initiative introduced in the 1990s to discourage child labour in the carpet industry. These labels have been found to be less effective in reducing the number of children working in the industry (Sharma, 2003). The providing of secure employment opportunities for women was seen as a means of reducing child labour in the industry. But in the absence of appropriate legal provisions and social security measures this has not happened (Saravanan, 2003). There is need to recognize the joint endogenity of child labour, child schooling and child poverty. In other words, it is accepted that the primary activity of the child is that of a student and not a worker.

Estimates from NSS 55th round show considerable variation in the age, sector and sex-wise distribution of child labour. Among other things, poverty and illiteracy have a sharp bearing on child labour (Aggarwal, 2004). The decision of migration depends upon the conditions at origin, family situation and also at destination. The migrants usually take economic factors and particularly expected earnings into consideration. Child labour in Tamil Nadu is a large- and a largely neglected problem. It affects many sections of the population badly and some sections very badly notably rural, SC, ST and female population. The phenomenon of child labour has thriven in an environment in which people’s entitlements to certain very basic
aspects of well-being have been as poorly secured as a right not to be trapped in exploitation work, i.e. contracts by employers (Sundri, 2005). In recent years, the old migratory regime has been crumbling allowing for an opportunity to seek alternatives. Several transitional arrangements may be worked out while organizing free migration and the need for open borders (Nigel, 2003). Child labour in India when sized down to realistic proportions remains as ignoble illustration of exploitation and exclusion, but a less dramatic one than would appear from the exaggerated claims by the western observers (Lieten, 2000a and 2000b).

The proposed bill ensuring social security of unorganized workers is welcome but it has failed to comprehend the heterogeneous character of the unorganized sector. Moreover, it tends to discourage the present struggle for social security carried out by trade unions and other organizations of unorganized workers (Hirway, 2006). The social security system in India, such as it is, is unavailable to the vast and growing unorganized sector. Even when it is, workers cannot access its benefits because they are generally unlettered, and with comparatively poorer social capabilities. Public action can play a crucial role in ensuring the expansion and monitoring of social security (Datta, 1998). Three possible mechanisms may be utilized to provide social security in the informal sector, within which category falls the largest proportion of working women: insurance, social security funds and state-supported child care (Papola, 1981; Sarayanan, 2003 and Breman, 2005).

The Indian constitution prohibits the prevalence of child labour in all its forms and manifestations. The Article 21-A recognizes the children’s educational rights. It states that the State shall provide free and compulsory education to all children of the age of 6 to 14 years in such manner as the State, by law, may determine. The Article 24 prohibits the employment of children in factories, etc. It states that no child below the age fourteen years shall be employed in work in any factory or mine or engaged in any other hazardous employment. The Article 39 states that the State shall, in particular, direct its policy towards securing the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength. There have been various legislative provisions for prohibiting and
regulating the employment of children. The Child Labour (Prohibition & Regulation) Act, 1986 defines a person as child who has not obtained fourteen years of age. The Act prohibits the employment of children in thirteen occupations and fifty seven processes. Any person who employs any child in contravention of the provisions of section 3 of the Act is liable for punishment with imprisonment for a term which shall not be less than three months but which may extend to one year or with fine which shall not be less than Rs 10,000 but which may extend to Rs 20,000 or both.

The Supreme Court passed a famous judgment in this regard on 10.12.1996. The Hon'ble Court gave certain directions on the issue of elimination of child labour in deciding the Writ Petition (Civil) No.465/1986. The main features of judgment are as under: Survey for identification of working children; Withdrawal of children working in hazardous industry and ensuring their education in appropriate institutions; Contribution @ Rs.20,000/- per child to be paid by the offending employers of children to a welfare fund to be established for this purpose; Employment to one adult member of the family of the child so withdrawn from work and if that is not possible a contribution of Rs.5,000/- to the welfare fund to be made by the State Government; Financial assistance to the families of the children so withdrawn to be paid out of the interest earnings on the corpus of Rs.20,000/25,000 deposited in the welfare fund as long as the child is actually sent to the schools; Regulating hours of work for children working in non-hazardous occupations so that their working hours do not exceed six hours per day and education for at least two hours is ensured. The implementation of the direction of the Hon'ble Supreme Court is to be monitored by the Ministry of Labour and compliance of the directions be ensured. Thus, the child labour as an issue is a multidimensional one and absorbs the strong economic, social and legal implications.

II. Relevance of the Study

Informality or the existence of unprotected labour in the labour market has been a concern at the local, regional, national and global level. Contrary to mainstream perception rather claim, that this so termed informal sector is an intermediate and short-lived one, in fact, has witnessed high degree of permanence and
expansion. The non-dwindling nature of this sector led to the renewed academic interest and also opened up the revisiting process in this sector by the scholars. The existing studies related to migration and informal sectors in the country are macro in nature and based on Census or NSSO data sets. The sectors have generally been studied from the typical neo-classical market perspectives based on job-search models, labour market segmentation, industrial organization, market structure, market conduct, and market performance; or in descriptive static economic frameworks related to settlements, squatters, employment, etc.

The sectors also found indirect space in inter-state studies pertaining to poverty, housing, health care, etc., based on primary surveys. Almost similar has been the thrust of urbanization and employment including child labour studies with focus on their inter-national dimensions or case studies. The case studies in general focus upon the industry specific nature of the child labour and the type of problems the child workers face there. Moreover, in all of the studies including the urban economy studies, these phenomena have been examined as the stand alone cases. The existing studies narrowed down the problem of child labour simply in terms of the few measurements. In majority of the studies the principal focus remained over the working place related issues and not much on the issues peculiar to their migration processes and living conditions.

The present study attempts to capture the hitherto under-explored and common component formed with the mutual interplay of the processes of child migration, informal sector development and rapid urbanization. The attempt is to examine in detail the significant sub-sector of child labour, i.e. migrant children working for wages in urban informal sector market. No substantive literature is available on migrant child labour providing a uniform account of the wages, employment, issues of wellbeing, migration, living and working conditions. The attempt is to provide a comprehensive account of the whole gamut of issues related to this phenomenon. So, present study will be relevant and fill the gap in the literature and will be useful for positive interventions.

The study is quite topical in the sense that in the country at present there is a very strong wave to eradicate the child labour. The problem of child labour continues
to pose a challenge before the nation. Governments have been taking various pro-active measures to tackle this problem. The country has passed numerous laws and regulations to eradicate the problem of child labour in all its forms and contents. Certain rehabilitation and welfare measures have also been adopted for the wellbeing of such children. However, considering the magnitude and extent of the problem and that it is essentially a socio-economic problem inextricably linked to poverty and illiteracy, it is becoming increasing difficult to make a dent in the problem. The added importance of the study lies in that it is going to be based on the most modern, beautiful, important, and planned urban centre of the country, i.e. Chandigarh.

III. Objectives of the Study

The main objectives of the present study are the following:

(a) to examine the social, educational, and family background of the urban informal sector migrant child workers;

(b) to examine the wage rate received by the urban informal sector migrant child workers;

(c) to assess the mode of payment, hiring practices, and duration of employment of the urban informal sector migrant child workers;

(d) to analyze the working conditions, welfare scenario, and health care of the urban informal sector migrant child workers;

(e) to examine the duration of migration, and place of birth of the urban informal sector migrant child workers;

(f) to work-out the reasons for the entry of migrant children into the workforce.

IV. Hypotheses

The hypotheses that have been tested in the study are the following:

1. The urban informal sector migrant child workers in the city are illiterate or semi literate.

2. The urban informal sector migrant child workers had adopted multiple activities in the city both in the household and commercial sector.
3. The urban informal sector migrant child workers in the city live below the official defined poverty line.
4. The migrant child workers migrate to the city as part of larger process of family migration.
5. The urban informal sector migrant child workers in the city have been devoid of all forms of welfare, basic amenities and health care set up provided by the state.

V. General Approach, Data and Methodology

The study is entirely based on the primary data generated through a well structured and pre-tested schedule collected by the researcher pertaining to the various aspects of migrant child workers. The locale of study is the city of Chandigarh, called City Beautiful, with an area of 114 square kilometer. In terms of administrative set-up, Chandigarh is a Union Territory and the joint capital of Punjab and Haryana. The literacy rate of the city was 86.43 per cent in overall with male literacy of 90.54 per cent and female literacy of 81.38 per cent during 2011. The city of Chandigarh emerged as preferred residential and commercial centre of national and even international repute particularly among the non-resident overseas community of the country as place of real sector investment. The city witnessed massive growth of population as its population increased from 9 lakh persons during the Census 2001 to 10.54 lakh during 2011. With this, the density of population rose from 7,900 persons per square kilometer during 2001 to 9,246 during 2011. It is important to note that the city was originally planned for the population of just 3.5 lakh persons. The city is adjacent to the city of Mohali (Punjab) and Panchkula (Haryana). The city is a big urban centre and a hub of administrative and commercial offices. The city has emerged as an important educational centre. The city, being the most beautiful and planned one, has emerged as the important shopping and tourist centre with strong hospitality and hotel industry and called sub-metro with Tier II urban area status(Sharma, 2011). Consequently, the city contains large sized informal sector.
The city of Chandigarh recorded very high economic growth during the period of last about a decade or so. The per capita income rose from Rs. 49,771 to Rs. 1,28,743 during the period from 2000-01 to 2009-10. The economic structure indicates the emergence of extremely large sized tertiary sector with service sector as the primary driver of growth. During 2009-10, the proportionate share of various sectors in the overall income of the city was as follows: primary sector (0.38 per cent), secondary sector (20.09 per cent), and tertiary sector (79.53 per cent). It is important to note that the subsector namely trade, hotel and restaurant alone accounts for 30.99 per cent of the total income generated in the city. The other important economic activities in terms of income generation include banking, insurance, real estate, construction, etc (SAC, 2009).

The size of slum dwellers in the city is considerable with the emergence of large number of labour and slum colonies within the vicinity of the city and its sub urban areas. As per Census of 2001, the size of the slum population in the city was equal to 1,07,125 persons, who constituted 11.89 per cent of the then total population of the city. About 23,841 families were living in the officially recognized eighteen slum colonies of the city during 2006. The size of these colonies varies considerably with smallest colony being the Ambedkar colony with 65 families and the largest one the Labour colony with 6970 families (Biometric Survey, 2006). The proportion of children in the age group (0-6 years) was highest (20.9 per cent) in slums of city as compared to the rest of India. The new colonies are emerging under the overall policy program of rehabilitation and settlement. The proportion of Scheduled Castes population in the slums was 39.1 per cent as per census-2001.

The present study deals with the various social, economic, educational and work related aspects of the child labourers working in the urban informal sector. The analysis is based on the primary data collected from 300 migrant child workers. The data have been collected over the period from May, 2010 to November, 2010. The attempt was made to get information both from the child and also from the family members or persons acting as guardian of the child workers in one or the other form. In large majority of cases the residential and other staying arrangements of the working children have been personally visited in order to have a feel of the real
situation. The working places of the contacted children have too been visited to the extent possible in order to have a look at actual working conditions. The migrant children and the persons associated with them were contacted by taking the help of the labour providers, socially responsible persons and other persons working for the welfare of the children in the colonies which supply labour of various forms to the economic activities being performed in urban areas. The migrant child workers were identified by actually visiting the various work places.

A child was considered as migrant child worker who at the time of survey was found to be working in the city and did not belong to the city by birth and came to the city for livelihood and was aged between six to fourteen years. The lists of migrant and labour families available with the labour and social welfare departments and also with the migrant welfare societies were also studied to be surer about the information. The information about the crucial aspects of the work has been sought by keeping in view the age group of the respondents. The recall period has deliberately been kept on the shorter side. Three recall periods have been decided, viz. day basis, week basis, and month basis; referred as reference day, reference week and reference month. The reference period of one day refers to the day immediately proceeding the day on which the data has been collected from the respondent. Similarly, the reference period of week refer to the immediately proceeding week from the day on which the data have been collected from the respondent. Similarly, the reference period of one month refer to the immediately proceeding month from the day on which the data have been collected from the respondent. The selection of the reference period of shorter duration is more crucial in the rural sector particularly the agriculture sector where the nature of work is seasonal. But, in case of high growth urban areas the seasonality factor is not that significant as the nature and pace of economic activity remained quite stable through out the year.

VI. Chapter Scheme
The study is divided into the following chapters:
1. Introduction.
2. Review of Literature
3. Migrant Child Workers: Main Characteristics
4. Employment, Work Search and Skill Base
5. Wage Levels, Earnings and Income Sources
6. Migration Profile and Process
7. Amenities, Debt and Borrowing
8. Accommodation, Location and Utilization
9. Health Profile, Illness and Expenses
10. Migration and Informal work: Wellbeing Issues
11. Summary, Conclusions and Policy implications