

Child Labour in Value Chains

Regulating Demand and Ending Supply

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This chapter deals with child labour in value chains, whether global value chains (GVCs) or domestic value chains (DVCs). This chapter goes beyond the usual question of the regulation of child labour in value chains to consider the conditions necessary for the elimination of child labour. This chapter is the product of many years of research on this topic by the two authors, sometimes jointly and at times along with other researchers. The empirical base of the analysis in this chapter comprises the various studies carried out by the authors, jointly or separately, of child labour in the garment GVCs in Delhi (Bhaskaran et al., 2010); in the global and DVCs of handicrafts in Jaipur, matches in Sivakasi, stone quarries in Rajasthan, brick kilns in Malda, West Bengal, knitwear and fireworks in Tirupur, Tamil Nadu (Nathan and George, 2012); cotton production in Punjab and Haryana (IHD and Save the Children, 2014); and of gems, lac bangles, and embroidered garments in Jaipur (The Freedom Fund, 2018). One of the authors (Varsha Joshi) led the Child Helpline, which is the key agency in the identification and rescue of child labour in Jaipur, so we were able to use the insights gathered in the course of her work in rescuing child labourers. While the data leading to the chapter's analysis are mainly from Indian cases, the analysis itself is applicable to other, developing countries in the Global South where child labour still exists in serious dimensions. The chapter's policy prescription of combining higher adult earnings at the base of the labour force pyramid with compulsory and quality education is relevant to all developing countries of the Global South.

After this introduction, the next section deals with types of child labour and the implications for different types of interventions. This is followed by a summary of the different types of interventions of both public and private regulation that have been undertaken to eliminate child labour in value chains, both global and domestic. The elimination of child labour involves a change in the business strategy of both the lead firm or principal employer and the supplier. The next section discusses what brings about such changes in business strategy. This is followed by a discussion of the incompleteness of actions to eliminate child labour in value chains and the necessity of supplementing such actions with development interventions; that is, moving from dealing with the demand side of child labour in GVCs to the supply side of the very existence of children in the labour market; or, from regulation, both public and private, to development interventions. The next section discusses the dimensions and nature of development interventions to end the supply of child labour. This is followed by a concluding section that discusses the analysis in the chapter.

Forms of Child Labour

The non-employment of child labour forms part of the Core Labour Standards of the International Labour Organization (ILO) (ILO, 2022). These Core Labour Standards have a different status from other labour standards in that very membership in the ILO implies or means acceptance of the Core Standards, without the need for any further measures of ratification by the member states' governments. The ILO's Core Labour Standards were formulated in the wake of the 1990s debate about labour standards in GVCs, with the consensus that the ILO should be the organization with responsibility for dealing with labour standards in trade issues.

What kind of exploitation does child labour in GVCs involve? Here it is necessary to introduce a distinction between two forms of child labour. One is that where the child is employed as a wage worker or employee, however low that wage may actually be. The other is where the child works as an unpaid family worker. These two forms of child labour, even when they are part of GVCs, need to be dealt with in different ways, as will be seen later on in the chapter. Children working as family workers can be further divided into two groups: child labour as involved in economic activities within the family and child labour as carrying out domestic work. The main distinction is between child

labour as *employees* and as *unpaid family workers*. The latter can also be referred to as child homeworkers since they work within the home.

Boys form a higher portion of child labour as employees (ILO–UNICEF, 2017), and, as would be expected, girls predominate in child labour in carrying out domestic work. It is interesting to note that this category of girls engaged in domestic work is not measured in child labour statistics, as pointed out in the ILO's regular compendium of child labour statistics. This leaves a gap in the statistical account, as there are a large number of children, mainly girls, who are neither at work nor in school. They have been called the 'nowhere children' (Rustagi and Leiten, 2008) or 'idle' children. Eric Edmonds and Nina Pavcnik (2005: 202) say that these 'idle' children are not 'well understood'. Terms such as 'nowhere' or 'idle' children are misnomers. As the study by Preet Rustagi and Christophel Leiten revealed, these 'nowhere' or 'idle' girls actually carried out the tasks of looking after younger siblings and the house, which allowed both parents to carry out forms of income-earning work.

There would be little disagreement that child labour as wage labour is a form of extreme exploitation of children since it usually involves little payment besides minimal amounts of food to keep the child able to work. There is usually bondage and deception along with extreme exploitation. Parents may be given an advance and promised that the children will be paid some kind of wage. There is also often deception in that the parents, and even the children, may be told that the children will be sent to school. Child workers may or may not be allowed to communicate with their parents; though nowadays with mobile phones, we find that child workers are often allowed some, say, weekly, communication with their families. Further, these children are unequivocally unable to leave their particular employers.

Child workers as wage employees are thus (a) bonded, (b) unable to leave an employer, (c) paid little more than with minimal food, (d) often unable to communicate with their families, and (e) along with their families, often subject to deception – all of which would qualify such child workers to be categorized as subject to a form of slavery. Since the slavery is usually for a limited period, it could be called 'modern slavery', as distinguished from traditional slavery, which was lifelong and even transmitted from generation to generation. In a specific manner, we could refer to 'child slavery' where the child workers are wage employees with the conditions summarized above.

We use the term 'modern slavery' to refer to child workers who are wage employees. What about child labour as unpaid or contributing family workers? There are three situations in which children work as unpaid family workers: (a)

to supplement adult labour in home-based production; (b) to care for younger siblings while the parents, especially the mother, are busy earning an income; and (c) to learn a trade or a skill. The first two situations of child homeworkers can be attributed to household economic compulsions, for example, the extreme poverty of the families concerned. Adult earnings, whether as homeworkers or wage employees, may be too low to meet basic household needs, such as food, shelter, and clothing. In this situation, the parents decide that their earnings from work in the home need to be supplemented by their children. Or, in the absence of free childcare services, parents may decide to keep an older daughter out of school to look after the younger non-school-age children. The third type of child homework, or unpaid family work, is that where the child learns and acquires the knowledge and skills of a family-based agriculture, craft, or domestic and care work. Such method of family apprenticeship has been the traditional way of generational transmission of craft knowledge, particularly in caste-based divisions of labour.

It is generally accepted that children have limited agency and that parents can decide certain things on behalf of their children. However, states do set limits for some of the decisions that parents can make on behalf of their children, which is why there exist laws regarding child labour. Indian law allows parents to have children work with them on economic, that is, income-earning, activities, but does not allow parents to have their children work as employees, whether bonded or not.

Overall, one cannot fit child homeworkers in any of the categories of slave, bonded, or forced labour. Those categories can, however, be used in the context of children as wage employees. As a result of these differences in the manner of recruitment and in the nature of work relations, these two types of child labour, as wage employees and as contributing family labour, have different implications for the type of actions that may be taken to deal with child labour.

In the case of child wage employees, there is a case for state action to rescue the children involved. Child homeworkers, however, would not be the subjects of 'rescue and rehabilitation' missions since they remain within their homes and with their families. Rescue of children could be considered in cases of gross mistreatment, but not for what is either undertaken under extreme economic compulsion or considered a way of passing on family-based knowledge and skills. Thus, with regard to child homeworkers, it would be necessary to consider going beyond legal interventions and regulation to include development interventions as necessary to end the circumstances that push children and their families towards child labour. However, development interventions, which include labour market matters, are not required only for dealing with child

homeworkers but even for child labour in general, a point which we will discuss in more detail later on in this chapter.

Before proceeding, we will take up one point which is often made with regard to child labour – that child labour is part of certain cultures and does not need to be ended since it is the manner in which craft skills are transmitted. In Bolivia, for instance, it was argued that children working with parents was part of the indigenous system and should be continued (Stewart, 2017). In India, it is argued – and the child labour law is based on this notion of tradition – that children should be allowed to work with their parents or relatives, whether in agriculture or various types of home-based work, including that of handicrafts (Nathan, 2023). It should be noted that such a provision is open to and often is misused to conceal the employment of child labourers as wage employees. We have seen this in the lac bangle and embroidery trades in Jaipur. Employers are quite aware of the provisions of the Child Labour Act and try to pass off all children as being some sort of relatives, but the very alienated manner in which we have observed the children relate to the so-called ‘relatives’ shows the deceptions involved. Discussions with rescued children also reveal the deceptions involved in passing them off as relatives.

Taking up the broader question – is it necessary to end child labour? In economies based on household production, whether in agriculture or various handicrafts, children have worked with their parents and families and, in the course of such work, have acquired the knowledge and skills required for them to carry on their family’s business or economic activities. Literacy in those societies was restricted to a handful, the upper castes or upper classes. The transmission of traditional knowledge did not require the acquisition of literacy.

Working with parents is the manner in which knowledge is transmitted between generations in pre-industrial economies (Nieuwenhuys, 1996). This is part of the pre-industrial knowledge economy (Nathan et al., 2022). However, with industrialization and associated new forms of knowledge access requiring literacy and a minimum school education, the older familial transmission of knowledge has generally been replaced by the formal school system.

Literacy and formal education are needed in most jobs. Even employment as a garment worker in an export factory requires a minimal primary education. The task of tailoring does not itself require literacy, since colour coding could convey instructions about size or style. But, as a garment factory manager in Bangladesh pointed out, they want workers who have acquired the discipline of working in one spot for several hours at a time. This is Foucault’s capitalist discipline established through the school system.

In addition, literacy is needed even for getting around on modern transportation. As a woman from the Chenchu community, a former hunter-gatherer people in India, said to one of us, she wanted her daughter to be educated, saying that she faced humiliation in not being able to read the destinations on bus signs. Engineering factories require workers who are able to read and follow instructional pamphlets. In fact, engineering and metallurgy factories now want workers with some post-secondary education, such as a post-school technical diploma.

It has been argued that school education can be combined with working at home. Such children, however, have to sacrifice time that could be spent on schoolwork in order to perform labour. This leads to a deterioration in educational performance. Such child labourers are the ones who then drop out of school, as was noted among child labour in the garment GVC in Delhi (Bhaskaran et al. 2010) and in Jaipur (The Freedom Fund, 2018).

As Edmonds and Pavcnik point out, ‘Several studies have documented a negative correlation between working and grade advances, years of schooling and test scores. Even though most working children attend school, work may still have substantial consequences for schooling attainment’ (2005: 206-7). And as the ILO–United Nations Children’s Fund (ILO–UNICEF) report points out, ‘Child labour is frequently associated with educational marginalization’ (ILO-UNICEF, 2017: 12).

There is a benefit in learning craft skills. This, however, can be done as part of the school curriculum and not have to depend on caste-based education done by parents. One school in Jaipur has included various crafts, for which Jaipur is famous, as part of its curriculum. The skilled craftworkers themselves can be instructors in such school courses, keeping the craft knowledge and skills alive. This allows the transmission of craft skills without jeopardizing children’s broader, modern education.

GVC Analysis and Child Labour

The presence of child labour in GVCs has been an enduring feature of exposure of poor labour conditions in GVCs, starting with the Students Against Sweatshops and similar campus-based campaigns. These exposures have led to the formation of codes of conduct by brands, specifying the labour conditions that are expected to be enforced in GVCs. These codes of conduct are supposed to be monitored by third-party agencies. But as many studies have shown, the efficacy of the codes of conduct and auditing process are quite limited (Barrientos

et al., 2010; Vaughan-Whitehead, 2014). One area of success, however, has been that of eliminating child labour in factories. Garment factories in India, for instance, usually have a sign prohibiting children from entering the facilities. This, however, has not ended child labour in the value chains. Rather, child labour has been pushed into locations away from the clusters and, particularly, into homes. This displacement of child labour has been a concern in various analyses. There are studies of Bangladesh (Khanam, 2006) and India (Sharma et al., 2004) that have documented such displacement, though a survey by Ugarte, Olarreaga, and Saiovici (2020) points out that macro data do not show such displacement effects. It is possible that the numbers are too small to be reflected in such macro data.

With the concentration of attention on codes and their implementation in value chains, mainly as to Tier-1 suppliers, there has been a neglect of the wider processes by which child labour is incorporated into GVCs. This amounts, in the terms that are being used in this chapter, to neglect in addressing the creation of the supply of child labour. The literature on global production shares some responsibility, having traditionally prioritized highly firm-centric modes of analyses and, until recently, paying rather little attention to the social and labour foundations in which global production networks (GPNs) rest (Phillips et al., 2014: 429) or, in other words, to the embedding of global production in social conditions. Thus, it is necessary to pay attention to the social situations and factors that lead to the creation of child labour and to the measures aimed at eliminating the supply of child labour.

Private Regulation and Supplier Business Strategies

We now turn to measures aimed at eliminating child labour in value chains, both global and domestic. The measures can be of two types dealing with the demand for and supply of child labour, respectively. The child labour law forbids the employment of child labour, other than as part of a household enterprise. Employment as a wage employee, for example, within a factory, is forbidden. The regulatory mechanism usually taken is that of the state, that is, public regulation. But GVCs have seen the rise of a new form of regulation, private regulation. This is carried out by lead firms in GVCs that establish codes of conduct that supplier firms must comply with in their factories. In pursuance of these codes of conduct, the lead firms also contract with third-party firms to conduct compliance audits.

In ending the employment of child labour in their factories, suppliers would carry out some change in their ways of organizing production and in their business strategies. These changes in business strategies have been the subject of studies, for example, ILO–International Programme on the Elimination of Child Labour (ILO–IPEC) (2013). From the various case studies, we identify the features of the interventions to eliminate child labour from the value chains.

Banning Child Labour from Factories

A straightforward step is to ban children from the factory. Large firms that are the immediate exporters in GVCs, Tier-1 firms, usually have a signboard on the gate stating that ‘Persons below 18 years not allowed’. Not only are workers under 18 prohibited, even children of workers are not allowed to visit them in the factories. As one factory manager explained, there is a fear that buyers’ compliance or audit teams may visit the factory at any time, and they do not want to have to explain that the children on the factory premises are not workers. Though Indian law allows the employment of children above 14 years of age in non-hazardous occupations, the GVC suppliers are required by buyers’ compliance codes to prohibit work for those below 18 years of age (Bhaskaran et al., 2010).

The elimination of child labour results in the substitution of higher-wage adult labour for low-wage child labour. Without changes to methods of production, this would lead to higher costs and, with output prices unchanged, a reduction in profits. To cover the increase in wage costs, the elimination of child labour in the factory is often accompanied by a change in technology and/or in the organization of production. Handcraft exporter, Dileep Industries, Jaipur, shifted the production method from artisanal production to an assembly line system, which reduced unit costs below those of artisanal production (ILO–IPEC, 2013). In the Sivakasi match-firework cluster, which largely caters to the domestic market, the factories adopted some forms of mechanization. Such changes in technology and the organization of production are to be expected as firms try to reduce the impact of a higher wage bill on their profits.

Shifting to Remote Locations

There have been instances of units not actually eliminating child labour but instead shifting location in order to escape regulatory gaze. This often occurred in the case of carpet manufacture in Jaipur. Production was carried out in small units, often placed in homesteads. These units often relocated, away from cities,

such as Jaipur, to rural or peri-urban locations, which would be more difficult to monitor. This, of course, is not a way of eliminating child labour but of escaping regulation, whether private regulation through compliance audits or governmental regulation through labour inspections.

Child labour is often employed not in the main or Tier-1 production units but in households to which some production tasks are outsourced through contractors. This includes both workshops that largely employed children and also women who worked along with their children. Particularly after the media exposure of children in a household workshop in the National Capital Region (NCR) working on garments with Gap labels (ABC News, 2007), there have been some moves to end such household-based handiwork, including the making of embroidery and finishing garments. Many factories, in Delhi and the adjoining regions, brought these production processes within the factory. In many instances the work was mechanized, as in embroidery logos and other such standardized embroidery. In some cases, as with more complex embroidery, the women were brought to work within the factory. The mechanization of embroidery reduces unit costs and thus pays for itself. Hand embroidery by former homeworkers, now working in the factory, may not have reduced costs. But remaining as outsourced, home-based work continued the risk of child labour with the attendant risk of losing business, as buyers cannot afford the damage to their reputation. This increased the pressure to bring in all processes into in-house, factory-located operations. Discussions with homeworkers in Delhi and the NCR make it clear that there has been a substantial reduction of outsourcing to homeworkers. At the same time, those studying GVCs point out that there has been substantial shifting of hand embroidery work to distant centres, such as Bareilly, a traditional centre for hand embroidery. This eliminates child labour at the factory level, by shifting to other, difficult-to-monitor locations of homework.

Community Centres

Another way of eliminating child labour is through the establishment of community centres, where women can work under centralized supervision and without children. This was done in the Mewat project (Bhaskaran et al., 2010; Tewari, 2016). Neerja Blue Potteries in Jaipur also brought former home-based work into community centres. Such a step was also carried out on a large scale in the Sialkot, Pakistan, football stitching cluster (Lund-Thompsen et al., 2012) and is reported to have been successful in eliminating child labour in the cluster.

The Sialkot experience of successful elimination of child labour should be contrasted with the Indian, Jullundur, where child labour in home-based hand-stitching of footballs has continued to be a feature of the production landscape.

Increasing Adult Wages

A novel way of ending child labour was seen in some brick-kilns in West Bengal, where the owner compensated the adults for the corresponding household income loss (Sarkar, 2010). Adult wages were increased to cover households for the loss of earnings by children. This, however, is quite unusual, and we have not seen any other examples of employers paying for the elimination of child labour by absorbing an increase in adult wages through a cut in profits.

To summarize, the methods of eliminating child labour from GVCs and DVCs involved changes in the factory and in homeworking. Within the factory it led to changing the technology and methods of production either (*a*) by adopting mechanization, or (*b*) through changing the production process, by replacing artisanal with an Adam Smith–style division of labour. The change in homeworking did not involve a change in technology or the production process but the shifting of outsourced production from homes to community centres.

What Brought About the Change in Business Strategies

Eliminating child labour from value chains has involved some change in business strategies, the substitution of low-wage child labour by higher-wage adult labour, often accompanied by a change in technology or the organization of the production process. Analysis of the elimination of child labour in the UK (Frey, 2019) and in the USA (Udry, 2003) both point out that the decline in child labour in the 19th century was driven by changes in technology and the increase in real wages, along with immigration in the USA.

Why did the Indian GVC suppliers change their business strategies? An answer to this question will help in developing ways of eliminating child labour in value chains. The factors that worked to eliminate child labour can be grouped into two categories – pressures that led to private and/or public regulation of labour conditions in value chains and development. By ‘development’ we refer to those non-value chain developments that had an impact on value chains, such as an increase in market wages and earnings in the economy as a whole.

Pressure has been of various types, all having an impact on the market for the GVC suppliers and the lead firms. In the GVC period, the elimination of child labour started with the pressure of morally concerned consumers, initially students on US campuses, who demanded that their university supplies not be secured from brands whose value chains involved child labour. Initially, the brands, such as Nike, denied any connection with labour conditions in their supplier factories. Given that brands profited from the resulting low prices of suppliers' products, this argument of non-involvement could not hold. With the pressure of mounting media exposures of the employment of child labour in various brands' supply chains, the brands came up with 'codes of conduct' for their suppliers. What worked to make brands take the stand of requiring not just technical and quality control but also labour standards was the pressure that consumer-facing sellers faced from morally concerned consumers.

The pressure on brands was transmitted to suppliers, who faced the threat of losing their supply contracts if child labour was found in their own or subcontracted factories. With the spread of manufacturing capabilities around Asia, it was not difficult for brands to switch suppliers, making threats credible. As some garment suppliers from Bangladesh admitted, it was this threat of losing their contracts that forced them to conform to compliance standards and eliminate child labour from their factories (Nathan and George, 2012).

In the GVC cases there is responsibility not just of lead firms but also of suppliers. The lead firms, however, have greater responsibility. They are akin to principal employers, a category in the Indian law on contract labour. The lead firm distributes tasks within the GVC, governs the production of the final product and earns the profit from its sales. The greater the benefit, the greater the responsibility, as has been argued in the literature on justice. There is a manner of not just joint but also several responsibility in value chains (Kotiswaran, 2019). The notion of principal responsibility of the lead firm that secures monopoly-cum-monopsony profits (Nathan et al., 2022), however, does place main responsibility on the lead firm in the GVC.

In the DVC of matches and fireworks, there was no pressure from external or, for that matter, domestic consumers or buyers. But there had been a lot of media publicity about the high incidence of child labour in the Sivakasi cluster, where children were employed in hazardous work in fireworks factories or workshops (Nathan and George, 2012). This was clearly illegal. The matter of child labour in hazardous occupations became an election issue, and the state government took action against the employment of child labour in these factories. Many factories or workshops were threatened with

closure. The employers' association then took action to secure the elimination of child labour from these factories. This was achieved by the adoption of mechanized technology, which required some measure of skill and reduced, if not eliminated, the employment of low-wage, low-skilled child labour. With the employers' association itself promoting this measure, it was more or less implemented, though there have been reports that units in peri-urban areas continued to employ child labour.

In looking at electoral pressure we have already introduced the next set of actions – that of public regulation, that is, actions by the state, by governments and administrations to implement child labour laws, working through some form of punishment, either fines or imprisonment, for violations of the law.

Limits of Private Governance

Some analyses of labour conditions in GVCs have used the term 'private regulation' to refer to lead firms' actions of market pressures or threats to market positions, either in sales of final products or in loss of contracts/markets of suppliers (Locke, 2013). It is useful to distinguish regulation working through market mechanisms from regulatory threats working through carceral methods or punishment. These are interventions by two different sets of actors, those of the corporate sector and those of the state, and, for that reason, need to be distinguished from each other and not clubbed together. This distinction becomes even more important in the case of DVCs, where there have not been moral consumer movements in supplier countries (developing economies) to pressure brands and suppliers to clean up their value chains. Eliminating child labour in value chains supplying to domestic markets has very much resulted from public regulation and, as we will see further on, from broader economic developments.

Legal regulation of child labour has been of two types. The first is through 'rescue and rehabilitation' of child workers. The second is through fines levied on employers responsible for employing child workers. The child labour law in India is not part of the Indian Penal Code (IPC) or the Code of Criminal Procedure (CPC), but the police carry out the rescue of child workers and prosecute the responsible employers. Given that the employment of child workers with all the features of modern slavery that we listed above is a form of extreme exploitation, there definitely is a role not just for the rescue of child labourers but also for subsequent criminal prosecution of their employers.

Children working along with their parents or genuine families face another form of exploitation. As pointed out earlier, such child labour mainly arises from the poverty of parents or the incorrect notion that this is the only way in which to pass on traditional craft skills, as in a caste system. Here the action required is that of creating the conditions where children are not denied full participation in education through interventions outside the value chain, or what can be called ‘development interventions’; certainly not a situation calling for ‘raid and rescue’ missions.

The second set of factors that seem to have worked in eliminating child labour from even DVCs is that of economic development in a broad sense. The exceptional case of the brick kiln owner who increased adult wages to cover the loss of children’s earnings shows that an increase in adult wages could reduce the supply of child labour and thus eliminate its use in production. This was noted by Mahenda Dev (2011), where child labour was reduced by India’s rural employment guarantee. The other economic development is that of technological change. This could work either by reducing the advantage of low-paid and low-skilled labour, such as child labour. Or it could work by introducing machinery that is too difficult or complicated for children to operate and end the advantage of child over adult labour, as argued for by the UK’s experience (Frey, 2019). Overall economic development may be important not just at the level of forcing a change in business strategies but even in reducing or even ending the supply of child labour, a point which we take up in the next section.

The Incompleteness of Eliminating Child Labour from Value Chains

Lead firms and suppliers in value chains may see the objective of eliminating child labour from value chains as limited strictly to the elimination of child labour from their own value chains in order to reduce or even eliminate the possibility of reputational or regulatory loss. But from a social angle, the objective must be broader. The reason for eliminating child labour from employment, whether in value chains or elsewhere, is to increase the child’s well-being. If this broader view is accepted, then what happens after the child leaves employment in a GVC is as important as the fact of leaving employment itself. That is also the reason why the rescue of child labour is followed by the attempt to rehabilitate the child worker through ‘bridge schools’ and other such programmes that are expected

to enable the child to return to school education and reintegrate with both the family and community.

A socially responsible child labour policy would continue to follow the child post-employment. Merely removing the child from the value chain can often lead to a deterioration in the child's well-being if the child is forced into worse types of employment. The elimination of child labour from garment factories in Bangladesh was reported to have led to some of the children ending up in worse forms of employment, such as in the unorganized sector or even the sex trade (Khanam, 2006). This led to the child labour elimination programme being followed up by an ILO programme that sought to prevent this deterioration in their well-being.

The above implies that (a) it is insufficient to deal only with the demand for child labour, for employment in GVCs or other value chains; (b) it is also necessary to deal with the supply of child labour; and (c) in order to deal with the supply of child labour, it is necessary to examine development interventions that affect the supply side. We will address the question of supply-side issues and then deal with development matters.

The issue of the supply of child labour is problematic not only at the micro or enterprise level but also at the macro level of the labour market. We observed that the removal of child workers from GVC employment could lead to their being pushed into worse forms of employment in the unorganized sector or even in the sex trade. At a macro level, time-bound interventions on the demand for child labour have proved to be of limited benefit. As one cohort of child labour was removed from employment in auto workshops and eateries in the state of Andhra Pradesh, the project implementers were made aware that they were being replaced by a new cohort of children (Nathan and George, 2012). If the supply at source is not eliminated, the elimination at destination is, at best, temporary. A comprehensive policy to end child labour needs to complement the elimination of child labour from GVCs and other value chains with ending the supply of child labour through the transformation of conditions that continuously create a supply of child labour.

Supply of Child Labour

What are the conditions that create a supply of child labour? Kaushik Basu (1999) had identified low adult wages as a key factor in pushing families to put their children to work. When household consumption is well below poverty

levels, there is an obvious pressure for children to work in order to support the household in surviving. Conversely, an increase in adult wages should lead to a reduction in the supply of child labour. This proposition is corroborated by evidence that the increase in earnings of agricultural labourers through the rural employment guarantee scheme, MGNREGA, led to a decline in the supply of child labour (Dev, 2011).

Making education available and compulsory is another factor that would affect the supply of child labour. In discussions with employers, schoolteachers, and non-governmental organizations (NGOs) in Sivakasi, researchers were told that the extension of education through the Sarva Siksha Abhiyan (SSA) and the accompanying mid-day meal scheme was a major factor in reducing the supply of child labour into the match-cum-fireworks factories (ILO–IPEC, 2013). The importance of the mid-day meal in increasing children's school attendance is seen even in other countries, such as Chad in Africa, where a poverty alleviation project of the Islamic Development Bank (IsDB) reported an increase in school attendance after the introduction of a mid-day meal at school (ISFD, 2021).

Nevertheless, even with almost universal school enrolment below the age of 14, the end of child labour is not complete. Even in the better-off states, such as Punjab and Haryana, it was found that children of agricultural labourers, who are also Dalits, skipped school during the cotton-picking season in order to maximize household earnings (IHD and Save the Children, 2014). Skipping classes would result in the children falling behind in their schoolwork. As pointed out earlier, children who fall behind their class are the ones who then drop out of school or attend it as a formality, particularly under the pressure of low wages.

Thus, making education available does not mean that parents will consistently send their children to school. For poor parents to do so, they must have the aspiration for their children to be something different from what they themselves are. The importance of aspirations in driving development has been brought out in Appadurai (2005) and Nathan (2005). In the case of child labour, we see it in the woman worker in a brick kiln in West Bengal who said, 'We do not want our children to be *murkho* (fools) like us' (quoted in Sarkar, 2010: 19). Discussions around child labour sites lead us to conclude that such aspirations can be said to be universal, at least in the various states in which we have done field work on various issues, and not necessarily related to child labour. Nevertheless, there is the deficiency in the capacity to aspire (Appadurai, 2005), as a result of which people are not able to meet either their own aspirations or those for their children. This requires state interventions and market development to increase

adult wages so that children can consistently attend school. But we should not underestimate the importance of the cultural factor of aspirations. A study of industrializing Japan points out that peasant families highly valued children's education and that this is what ended child labour in Japan, rather than state policies or regulation (Saito, 1996).

School Education as Development Intervention to End the Supply of Child Labour

In India, education is universal and compulsory education until age 14, after which children may work legally. However, it is the internationally accepted position, in accordance with that of the ILO, that children should not work until the age of 18. Even if we accept the Indian Government's determination of age 14 as the age up to which education should be universal and compulsory, there is another problem with the official data on child labour. The National Sample Survey Office (NSSO) carries out periodic surveys of labour and households. The definition of child labour used by the NSSO is that of children who are working for a wage or in independent, own-account work. This excludes those who work with their families, as in agriculture; those who irregularly work as employees; and those, mainly girls, who look after younger siblings or otherwise participate in domestic work without attending school. They have been referred to as the 'nowhere children', meaning that they are neither at school nor employed. But, as argued in Rustagi and Leiten (2008), these children are actually at work. They do various kinds of small jobs within the household, such as looking after animals, minding the house when both parents are away, looking after younger siblings, and the like. All of these tasks are part of the household economy and should be considered work. When we consider the question of child labour from the rights' perspective as a violation of a child's right to education, this is the correct measure – all those out of school, whether working as wage employees or as contributing family workers, should be considered as child labourers.

Adding the two categories of child workers as wage employees or independent own-account workers, together with that of children neither at school nor formally at work, gives a fuller estimate of the extent of child labour. The former is a restricted definition of child labour, while the latter provides the full definition. As shown in Table 10.1, the numbers reflecting the full definition of child labour are about four times greater than those under the restricted definition. Further, the phenomenon of being neither at school nor formally employed outside of the

Table 10.1 Child labour in India, 1993–94 to 2007–08 (percentage of children 5–14 years old).

	1993–94		2007–08	
	Restricted Definition	Full Definition	Restricted Definition	Full Definition
Boys	6.2	26.0	2.7	13.8
Girls	6.0	38.3	2.0	17.1
Children	6.2	31.8	2.4	15.4

Source: Based on IAMR (2011), *India Human Development Report*, Tables 8.1i, 8.2, and Figure 8.1.

Note: ‘Restricted’ definition is as per the workforce participation definition of NSSO, that is, those who are either wage employees or independent own-account workers. ‘Full definition’ adds to this those who are ‘neither at school, nor in the workforce’, that is, those who are either working at home or elsewhere with the family.

home or with the family is largely a rural phenomenon. Thus, the bulk of India’s child labour is in agriculture and related sectors in the rural areas. This is so not only for India but also globally, where agriculture accounts for 70 per cent of child labour (UNICEF and ILO, 2020).

It is notable that while the number of girls as workers or employees is about the same as that of boys, there is a big difference in the proportion of girls, as compared to boys, who are contributing family workers. Given the preponderance of contributing family workers, ending child labour mainly requires removing children from the category of contributing family workers and of supposed ‘nowhere’ children.

Although there has been noted improvement in school enrollment, studies, for example, in Bihar, one of the poorest states in India, show that attendance falls well below enrolment (IHD, 2011). Further, as we saw earlier, even in the highest per capita income states of Punjab and Haryana, children of Dalit agricultural labourers regularly miss school during the cotton-picking season. Filling the gap between enrolment and attendance will be reflected in a reduction in the incidence of child labour.

Conclusion

In this chapter we made a number of distinctions concerning child labour in GVCs, distinctions that have a bearing on policy with regard to child labour. One is between child labour as wage employees, usually in conditions that can be deemed ‘modern slavery’, and child labour as homeworkers, participating

with their families as contributing to family labour or in domestic work. To combat the case of child labourers as wage employees would require 'search and rescue' missions to locate those children, as well as criminal prosecution of employers, actions that would be completely out of place in the case of child homeworkers. In contrast, the latter case requires interventions outside the area of child labour, which we have referred to as 'development interventions', such as measures to increase adult wages, increase school attendance, include craft instruction in schools, and provide child care facilities.

Another distinction is between interventions or changes to corporate policy to *eliminate* child labour from GVCs or DVCs and policies to *end* child labour completely. This distinction is akin to that between demand for and supply of child labour. Eliminating child labour from GVCs is itself incomplete as far as the well-being of the child workers is concerned, since such elimination may end up with the children moving to other, even more dangerous or exploitative employments. This is acknowledged in the addition of rehabilitation packages to 'search and rescue' missions. However, that still does not remedy the continuing supply of child labour. Ending the supply of child labour depends on changes in the poverty and other conditions of children and their families. As pointed out by Christopher Udry (2003: 14), child labour as a mass phenomenon disappears when the population moves out of poverty. Consequently, it is necessary to add development measures to end the supply of child labour to corporate interventions, which deal with the demand for child labour, in order to move from eliminating child labour in GVCs to actually ending child labour.

What has succeeded in reducing or ending child labour in GVCs? The first factor is that of pressures, such as by moral consumers on consumer-facing brands and the resultant pressure that lead firms put on suppliers to remove child labour from the GVCs with the threat of losing business if they do not. This is part of a private regulatory system set up by lead firms in GVCs in response to actual or threatened market pressures. It usually requires supplier firms to change their business strategies, adopting mechanized or on-site production. However, without other complementary measures, these changes may result in the transfer of child labour to more difficult to reach locales in order to escape the regulatory gaze.

The second factor working towards removing child labour from GVCs is that of public regulation. This can be a combination of legal prosecution, following search and rescue missions where children are employed as wage employees in conditions of modern slavery. The third factor is that of development interventions, such as increases in adult wages, compulsory school education,

and introduction of craft courses in schools and childcare. A fourth factor is that of development of aspirations that children be educated, by supporting the capacity to aspire through state intervention and market development to increase adult wages.

A combination of private and public regulation, along with development measures and development of aspirations, is needed to move from eliminating child labour from GVCs or DVCs to altogether ending child labour. Private regulation by itself is quite insufficient to end child labour within value chains. Further, this chapter shows that, at an analytical level, it is necessary to embed value chains in the social context within which they exist. Much of the analysis of value chains confines itself to the value chain alone, but this chapter demonstrates that the social context or embedding of GVCs is essential for the framing of policies to end child labour.

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