

## ECONOMIC CORRELATES OF CHILD LABOUR IN INDIA

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### Abstract

This paper is an attempt to examine the economic correlates of child labour. Child labour is recognized widely as a phenomena of developing countries. Developed countries are economically well off than third world countries. So we need to critically understand how the economic indicators apart from socio-cultural factors affect the presence of child labour. An earnest attempt has been made in this paper to get the whole picture of working children, type of their economic activities across different income level to establish the relationship between child labour and poverty. Regional variation of child labour across different income level has also been observed through cross tabulation. Dichotomous variables are used to get inference regarding the occurrence of child labour with reference to dependant variables through binary logistic regression.

*Key words: child labour, economic correlates*

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*ECONOMIC ASPECTS OF CHILD LABOUR*

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**1.1 INTRODUCTION:-**

An earnest attempt has been made to find out the economic relevance over the existence of child labour in India in this chapter. Poverty leads to poor economic condition and it has a very capricious effect in combating various acrimonious outcomes related to child labour problem. Cyclically poor economic condition begets low income condition and children are forced to leave schools prior to their childhood to help in running their family. So the MPCE (Monthly Per Capita Expenditure) has taken as a proxy variable against poverty to study the relation between the incidence of child labor and economic condition. Family size comes to be another important factor where child labour existence is very germane as large family needs to have more helping hand in the form of economic viability. So study has been made to find out the relation between land possession and incidence of child labour. Least but not last child labour is very much related with household domestic work and it is believed that the presence of land might have some positive relation with child labour in each individual household. So lastly the land possession and child labour incidence is looked upon in this chapter.

Child work is negatively correlated with household income and the school enrollment is positively correlated with income. The children in the households with the highest income levels are less likely to work and to be out of school, however, concluding that poverty is at the root cause of child labor. The proportion of boys and girls from ultra-poor households who participate in household activities, according to the interesting data basis provided by Chaudhri and Wilson is actually lower than from their non-poor counterparts. On the other hand, the incidence of child labour is higher among the poorer households<sup>1</sup>. Parents allocating farm work and household work to children. They apparently prefer the input of their own children over hired labour. Another explanation for sending children to work is that parents across the various categories of non-rich argues that education has a restricted usefulness only. The sooner the children learn a

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<sup>1</sup>Chaudhri, D.P. and E.J. Wilson (2002): "Nutritional Poverty, School Education and Supply of Child Labour: Explorations with States, Districts and Household Data for Rural India". In: Ramachandran and Massun, eds. (2002): 113-42.

skill the more beneficial it will be for the child since it will help him or her to secure a job. Poverty is not the only reason for the existence of child labour. It varies among the households as well as across different regions and countries. Countries or regions which are equally poor may yet have relatively high or relatively low levels of child labour. A typical example of a poor region with an exemplary low level of child labour is Kerala, a state that has been widely acclaimed for its high human development index.

### 1.2 OBJECTIVES:-

- To study the different type of economic activities performed by child labour and its association with poverty.
- To examine economic correlates of child labour.

### 1.3 RESEARCH QUESTION:-

- How different economic indicators affect the incidence of child labour?

### 1.4 DATA BASE:-

This study is based on secondary data which have been collected from different sources. The sources of data for different dependent and independent variables are given below-

- NSSO (National Sample Survey Organisation).
  - NSSO (National Sample Survey Organisation) **66<sup>th</sup> round (2009-2010)**, Government of India, Socio-Economic Survey, July 2009 – June 2010, Schedule 10: Employment and Unemployment.

### 1.5 METHODOLOGY:-

An earnest attempt has been made to analyze the causal relationship between child labour and its various economic determinants. Child work participation is taken as dependent variable and some economic indicators are chosen as independent variables which are given below in detailed.

**Economic indicators:-**

**Economic indicators**= MPCE level (proxy variable for poverty), Usual Principal Activity Status, Land holding or Land Possession, Family size.

- **Dependent variable:-** Child work participation rate
- **Independent Variable:-** Following variables have been taken under economic indicators, which are given below-

**Economic indicators:-**

1. *Monthly Per Capita Expenditure (MPCE)*:- as a proxy variable for poverty. Poverty Line (BPL) has been used for India based on Tendulkar Committee report-2009. Average value of rural and urban areas is taken to make MPCE class level is used both for India and study area.

Monthly Per Capita Expenditure for Rural Areas: Rs. 446.68

Monthly Per Capita Expenditure for Urban Areas: Rs. 578.8

Average value for both rural and urban =  $(Rs. 446.68 + Rs. 578.8)/2 = Rs. 512.74$

2. *Economic Activity or Type work*: - to analysis the economic activity of Children.
3. *Land Possession* by Household.
4. *Family size*: - Number of family member.

The following research methodologies are used in this study:-

- **Child work participation rate (CWPR)** is calculated by the following formula;

$$\text{CWPR} = \left( \frac{\text{Working Children in 5 to 14 years of age group}}{\text{Total Child Population in 5 to 14 years of age group}} \right) * 100$$

- **Binary Logistic regression** has been used to show the probability of being Child Labour. It helps to identify the net effect of independent variables over the dependent variable. In which dependent variable is child work participation rate which is converted into binary variable (if yes=1, No=0) and explanatory variables are taken from all the previously mentioned independent variables. It can only be calculated in case of dichotomous variables where the answer is given in the form of “yes” or “no”. In all explanatory variables first one is reference category.

The logistic regression used in the study can be expressed by the following equation form:

$$\text{Logit}(p_i) = \ln \left\{ \frac{p_i}{1-p_i} \right\} = \beta^0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 \dots \dots \dots + \beta_k x_k + u_i, 0 < i < k$$

The quantity  $P/(1-P)$  is called the odds, hence the quantity  $\ln \{P/(1-P)\}$  is called the log of odds or the logit of P.

Where,  $P_i$  is the probability of being Child Labour.

$\beta^0$  is the constant term,  $\beta_1, \beta_2, \beta_3 \dots \dots \dots$  are the regression coefficient,  $u_i$  is the error term and  $x_1, x_2, x_3 \dots \dots \dots x_k$  are the independent variables.

*Details in technically:* -Where after data extraction from NSSO unit level, first of all the component of child labour is re-coded by 1 and those who are not child labour is re-coded by 0.

**Child Labour 1**  
**Not a Child Labour 0**

Now the independent variables are needed to be categorized in different class on the basis of social, cultural and economic characteristics as are stated earlier. Now in case of each category the first component is taken to be as reference variable for the consecutive independent variable to explain the net effect of that independent variable over the dependent variable.

If, Value of significance < 0.01 means **highly significant** (significant at 1 percent level)

Value of significance < 0.05 means **moderately significant** (significant at 5 percent level)

Value of significance < 0.1 means **low significant** (significant at 10 percent level)

Similarly, if **odd ratio exp. (B) value < 1** means **less likely** (presence of dependent variable for respective independent variable with respect to reference variable)

If, **odd ratio exp. (B) value > 1** means **more likely** (presence of dependent variable for respective independent variable with respect to reference variable)

The net effect of independent variables over the dependent variable is analyzed on the basis of value of significance and odd ratio exp. (B).

- Different cartographic tools and techniques.

## 1.6 CHILD LABOUR AND THEIR OCCUPATION IN INDIA:-

It is well known that many poor parents bear children in order to enhance family income. As economists say, children are viewed as economic assets, not economic liabilities. India policy makers accept as the basis for policy the fact that child bearing for low-income Indians is part of their strategy for family survival and well-being<sup>2</sup>. Such assumptions may be analysed through a detailed study of why poor families in certain regions often have many children. Children in large families are more likely to work is because very poor families usually have a high fertility rate. The high fertility rate is not associated with a rational choice strategy of producing more labour power<sup>3</sup>. Children work because people have children, rather than people have children because children work<sup>4</sup>. The struggle for survival underlies the need to work. That is the push

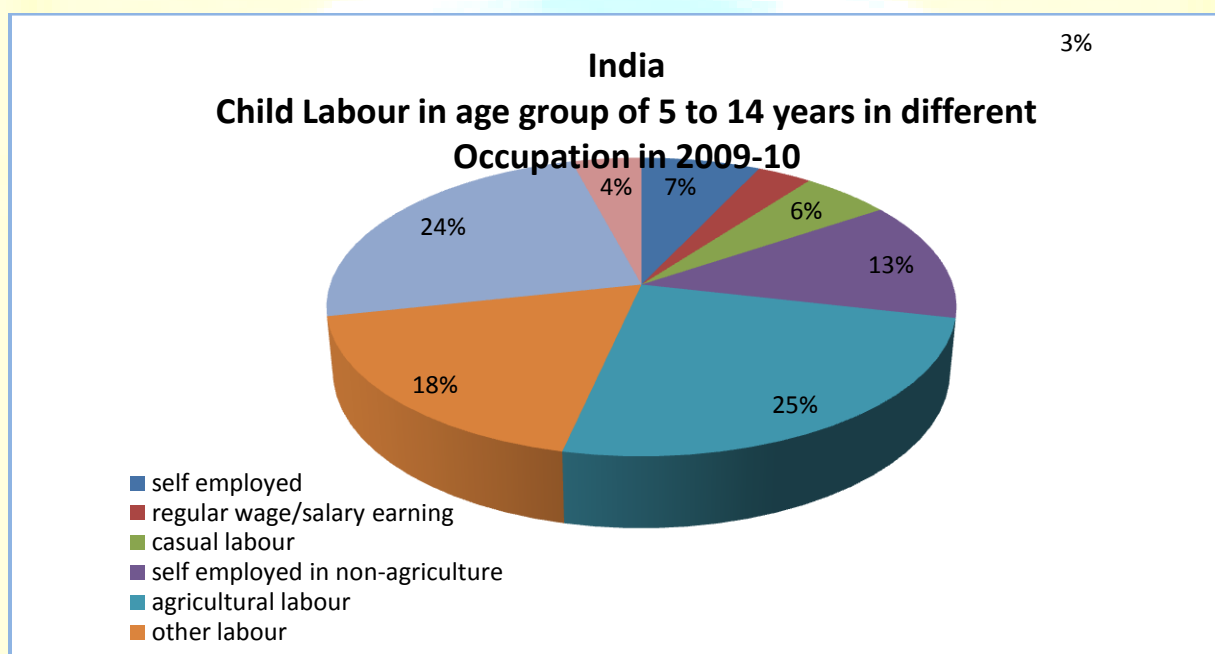
<sup>2</sup>Weiner, Myron (1991): "The Child and the State in India" Delhi: Oxford University Press.

<sup>3</sup>Lieten, G.K. (2000): "Children Work and Education India: General Parameters" (part I), and 'Field Work in 2 UP Village' (part II). Economic and Political Weekly, Vol. 35 No. 24: 2037-2043 and No. 25: 2171-2178.

<sup>4</sup>Dyson, Tim (1991): "Child Labour and Fertility: An Overview, an Assessment, and an Alternative Framework", in Ramesh Kanbargi: Child Labour in the Indian Subcontinent. Dimensions and Implications, New Delhi/London: Sage, pp. 81-100.

factor in the poverty-stricken families. But there also should be a pull factor at work, the external factor which pulls children towards the furnaces and the looms, towards the kilns, the quarries and the brothels. Research on the causes of the child labour tends to concentrate on the supply factor both because of justifiable pre-occupation with the victims, and because of the commonly shared view that poverty is the driving force. But the demand for child labour plays a critical role in determining the involvement of children in hazardous work<sup>5</sup>. In this part, an attempt has been made to get the over view of child labour in different occupation.

Figure:-1.1



Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10)

The nature of economic activities undertaken by children has direct consequences on their health and future development. Therefore detailed analysis of the economic activities performed by children will provide insights into their future health and capacities for performing economic activities during adulthood. The globalization process during 1991-2001 has worked both ways by decreasing the intensity of child labour but at the same time a shift in child work participation.

<sup>5</sup>ILO (1996): "Child Labour. Targeting the Intollerable", Geneva: ILO,Report VII.

Children are now increasingly engaged in non-agricultural activities leading to serious consequences on their health. Distribution of child labour varies from place to place and its concentration differs from one type of economic activity to another.

Child Labour in different occupation in 2009-10 is shown with the help of the figure 1.1. Most of the child labours are working as agricultural labour (25%) and they are forced to choose this occupation as to sustain their economic condition. Poverty could be explained as the main factor for what children are forced to enter into job market and dropped out from schooling system. Socially deprived and economically weaker sections of the society are more likely to have child labours. Agricultural activities though not harmful, it indirectly reduces the school enrolment and children lost their childhood somewhere in the world of work. Children are more in agricultural activities because of various reasons. Firstly, most of the working children are paid very minimal wage with compare to adults; Secondly, they are easy to manage and docile; and Thirdly, there is no probability of unionization among them.

A large portion of child labours are also self-employed in agriculture and they are largely concentrated in rural areas. Self employed children left their school at tender age to get income from agricultural activity. Here also, it could be argued as poverty and low economic condition is the main factor behind all child labour practices and the combination of different social and economic factors reduce the skill development among children.

Other labour occupations count all the construction activities to most of all hazardous activities. They are forced to do job at low wage and had a great toll on their health as most of these activities are mentally and physically hazardous. Around 13% of child labours are working as self employed in non-agriculture. 6% of child labours are also recorded under casual labour category and Child labours are recorded lowest in regular wage employment.

### **1.6.1 REGIONAL VARIATION IN OCCUPATION AMONG CHILD LABOURS IN INDIA:-**

In most of the state, child labours are working as agricultural labour. States like Punjab, Bihar, Meghalaya, West Bengal, Madhya Pradesh, Karnataka, Andhra Pradesh etc are recorded high work participation of children in agriculture. In the next category, where child laborers are



working largely in most of the states is self employed in agriculture. In most of the north-eastern states child work participation rate as self employed in agriculture is very high. These states are as following; Arunachal Pradesh, Nagaland, Manipur, Tripura, Meghalaya, Assam etc. These are largely because of the fact that per capita land holding is very high in those states and children are working as self employed in agriculture.

In Himachal Pradesh child labours are largely engaged in other type of laabours. Tripura, Kerala and Jharkhand are also come under this category. In those states, children are working as construction labour, contractual labour and other type of work. In Chandigarh most of the child labours are casual labours and this because of the fact that most of the child labours are in-migrate in this state. In Delhi and Goa on the other hand self employed child labours are highest in percentage among all the occupation.

Regional variation clearly depicts that in rural area child labours are mainly engaged in agricultural activity, but in urban areas most of the child laboris casual labor, self employed or regular salaried. But both cases children are forced to leave the school system and enter into the job market in India due to the impact of different social-cultural and economic attributes which restrain student from getting enrolled in schools.

In rural area child labours in agriculture are high in percentage because of the fact that they are given very low wage, which eventually decrease the wage rates among adults and this regulates the economy of most of the rural area. But in urban areas, child laborers are working in a very pathetic condition and in hazardous environment.

From the above discussion, it could be said that the child laborers are highly vulnerable among all those areas where large agricultural activities are practiced and even in urban areas where the demand for child workers is very high. Regional variation of child labour in different states of India is given in the table 1.1.

Table-1.1

## India

## Percentage of Child Labour in age group of 5 to 14 years in different occupations in 2009-10

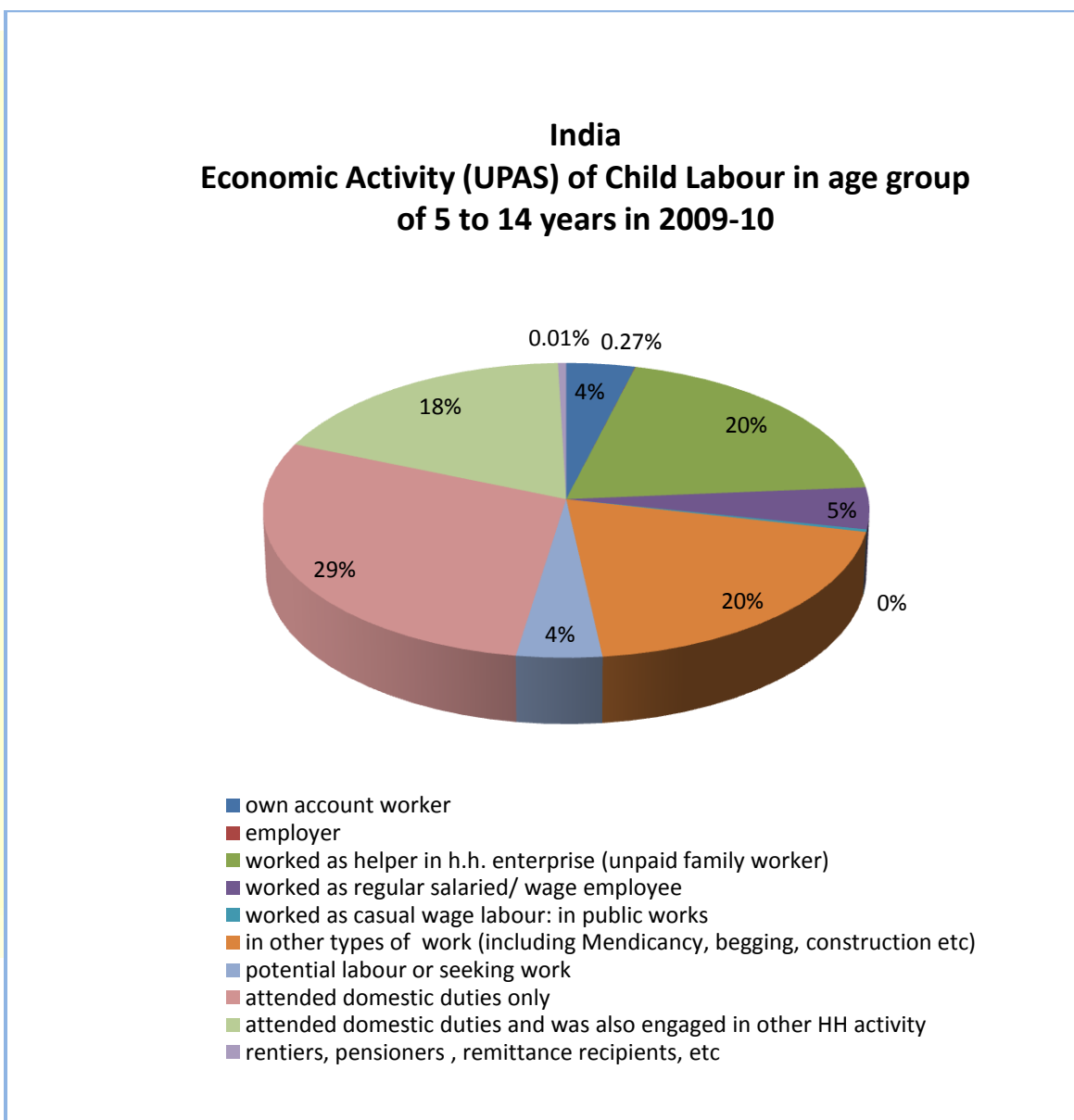
| States            | self employed (N=1611608) | regular wage/salary earning (N=739390) | casual labour (N=1213944) | self employed in non-agriculture (N=2948534) | agricultural labour (N=5682472) | other labour (N=4136381) | self employed in agriculture (N=5527208) | Others (N=944890) | Total (N=22804427) |
|-------------------|---------------------------|--|---------------------------|--|---------------------------------|--------------------------|--|-------------------|--------------------|
| JAMMU & KASHMIR   | 7.33                      | 4.08                                   | 3.21                      | 22.05  | 0.00                            | 35.11                    | 18.18                                    | 10.05             | 100                |
| HIMACHAL PRADESH  | 5.55                      | 7.69                                   | 0.00                      | 0.45   | 10.57                           | 55.61                    | 4.59                                     | 15.54             | 100                |
| PUNJAB            | 12.14                     | 9.95                                   | 17.11                     | 4.53   | 30.64                           | 13.87                    | 7.86                                     | 3.90              | 100                |
| CHANDIGARH        | 14.46                     | 39.03                                  | 21.18                     | 23.14  | 0.24                            | 0.00                     | 0.00                                     | 1.94              | 100                |
| UTTARANCHAL       | 21.41                     | 5.58                                   | 13.71                     | 12.07  | 1.00                            | 18.80                    | 25.66                                    | 1.78              | 100                |
| HARYANA           | 23.75                     | 11.21                                  | 9.43                      | 10.80  | 7.09                            | 16.13                    | 15.05                                    | 6.53              | 100                |
| DELHI             | 52.88                     | 37.34                                  | 3.08                      | 0.00   | 0.00                            | 6.70                     | 0.00                                     | 0.00              | 100                |
| RAJASTHAN         | 9.16                      | 2.49                                   | 5.19                      | 11.34  | 6.57                            | 24.57                    | 39.30                                    | 1.38              | 100                |
| UTTAR PRADESH     | 8.76                      | 2.83                                   | 5.67                      | 13.86  | 13.81                           | 21.13                    | 29.05                                    | 4.89              | 100                |
| BIHAR             | 3.17                      | 0.38                                   | 2.32                      | 21.57  | 34.37                           | 17.49                    | 12.62                                    | 8.08              | 100                |
| SIKKIM            | 0                         | 0                                      | 0                         | 39.15  | 21.47                           | 5.24                     | 6.72                                     | 27.42             | 100                |
| ARUNACHAL PRADESH | 1.56                      | 2.67                                   | 0.00                      | 4.52   | 3.47                            | 2.96                     | 78.02                                    | 6.79              | 100                |
| NAGALAND          | 30.45                     | 4.93                                   | 0.00                      | 0.00   | 0.00                            | 0.00                     | 46.26                                    | 18.35             | 100                |
| MANIPUR           | 5.69                      | 3.13                                   | 0.00                      | 13.59  | 21.82                           | 7.21                     | 46.05                                    | 2.51              | 100                |
| MIZORAM           | 19.41                     | 2.34                                   | 0.61                      | 6.88   | 0.00                            | 0.00                     | 69.52                                    | 1.23              | 100                |
| TRIPURA           | 2.07                      | 4.49                                   | 0.28                      | 8.59   | 7.11                            | 40.11                    | 36.44                                    | 0.92              | 100                |
| MEGHALAYA         | 3.54                      | 10.78                                  | 0.15                      | 0.88   | 30.97                           | 1.85                     | 44.58                                    | 7.26              | 100                |
| ASSAM             | 0.99                      | 0.90                                   | 0.95                      | 10.71  | 12.32                           | 31.32                    | 39.59                                    | 3.21              | 100                |
| WEST BENGAL       | 4.69                      | 1.96                                   | 3.52                      | 14.89  | 46.41                           | 16.34                    | 8.94                                     | 3.24              | 100                |
| JHARKHAND         | 3.24                      | 2.84                                   | 3.06                      | 9.78   | 7.52                            | 37.60                    | 32.57                                    | 3.39              | 100                |
| ORISSA            | 3.35                      | 4.03                                   | 6.44                      | 11.77  | 29.35                           | 21.32                    | 21.04                                    | 2.69              | 100                |
| CHATTISGARH       | 2.95                      | 1.98                                   | 10.23                     | 3.52   | 60.25                           | 3.27                     | 15.07                                    | 2.72              | 100                |
| MADHYA PRADESH    | 4.77                      | 3.00                                   | 5.45                      | 9.03   | 35.13                           | 7.57                     | 34.18                                    | 0.87              | 100                |
| GUJARAT           | 9.36                      | 5.46                                   | 7.32                      | 3.73   | 29.03                           | 8.89                     | 35.62                                    | 0.58              | 100                |
| DAMAN & DIU       | 50.58                     | 0.00                                   | 0.00                      | 0.00   | 0.00                            | 0.00                     | 49.42                                    | 0.00              | 100                |
| D & N HAVELI      | 8.15                      | 0.00                                   | 0.00                      | 0.00   | 0.00                            | 54.71                    | 37.13                                    | 0.00              | 100                |
| MAHARASTRA        | 10.83                     | 10.33                                  | 10.97                     | 5.58   | 36.63                           | 9.44                     | 14.55                                    | 1.67              | 100                |
| ANDHRA PRADESH    | 5.97                      | 3.38                                   | 6.63                      | 8.26   | 38.66                           | 12.3                     | 23.15                                    | 1.61              | 100                |
| KARNATAKA         | 8.26                      | 3.70                                   | 5.71                      | 16.24  | 31.82                           | 11.67                    | 14.92                                    | 7.67              | 100                |
| GOA               | 53.84                     | 6.93                                   | 3.55                      | 0.00   | 0.00                            | 0.00                     | 0.00                                     | 35.68             | 100                |
| LAKSHADWEEP       | 0                         | 0                                      | 0                         | 0  | 0                               | 0                        | 100                                      | 0.00              | 100                |
| KERALA            | 0.78                      | 1.56                                   | 2.51                      | 0.00   | 40.45                           | 43.54                    | 9.93                                     | 1.23              | 100                |
| TAMIL NADU        | 6.05                      | 2.95                                   | 12.19                     | 3.39   | 29.24                           | 25.94                    | 15.15                                    | 5.09              | 100                |
| PONDICHERRY       | 52.72                     | 0.00                                   | 0.00                      | 0.00   | 17.77                           | 0.00                     | 29.51                                    | 0.00              | 100                |
| A & N ISLANDS     | 0                         | 0                                      | 33.56                     | 14.55  | 0.00                            | 16.84                    | 35.05                                    | 0.00              | 100                |
| Total             | 7.07                      | 3.24                                   | 5.32                      | 12.93  | 24.92                           | 18.14                    | 24.24                                    | 4.14              | 100                |

Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10)

### 1.7 ECONOMIC ACTIVITIES OF CHILD LABOUR IN INDIA:-

Child labours are engaged in different type of economic activities and it helps to understand the extent of their dire poverty due to which they are are forced quit from educational institution. Child Labours in different economic activities is shown with the help of figure 1.2.

Figure:-1.2



Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10)  
(Note: - UPAS means Usual Principal Activity Status)

## 1.8 POVERTY AND CHILD LABOUR IN INDIA:-

Lack of education and poverty are considered main culprits of child labour which force children to work. Poverty creates a viscous cycle which leads to illiteracy among parents as well as among children. Uneducated parents do not see the long term benefits of education. Sometime due to poverty and low wages, they find themselves unable to feed elders of the family, themselves, and their children with the little money they earn. As a result, they have to put their children in the job market or children themselves take up a job. Demand for child labours reduce the adult wage rate which again leads to poverty. The existence of child workers is an indicator of poverty and depressed economic status. In this study, to understand the association of child labour with poverty, MPCE (Monthly Per Capita Expenditure) is taken as a proxy variable for poverty.

MPCE (Monthly Per Capita Consumer Expenditure) classes are categorized in the following classes based on Tendulkar Committee Report for defining poverty line. In this study the average value of rural and urban MPCE has been taken.

**Poorest (<Rs. 512.74)**

**Poor (Rs. 512.74 to Rs. 1025.48)**

**Medium (Rs. 1025.48 to Rs. 1538.22)**

**Rich (Rs. 1538.22 to Rs. 2050.96)**

**Richest (>Rs. 2050.96)**

### 1.8.1 REGIONAL VARIATION OF CHILD LABOUR AND POVERTY IN INDIA:-

Regional Variation of poverty and incidence of child labour is shown with the help of table 1.2.State wise distribution of child labour among different MPCE class has been shown through composite bar diagram to make comparative studies.

To show the regional variance of child labour and poverty, whole India is divided into following regions to show it clearly;

Table-1.2

IndiaChildLabourin age group of 5 to 14 years in different MPCE classes in2009-10

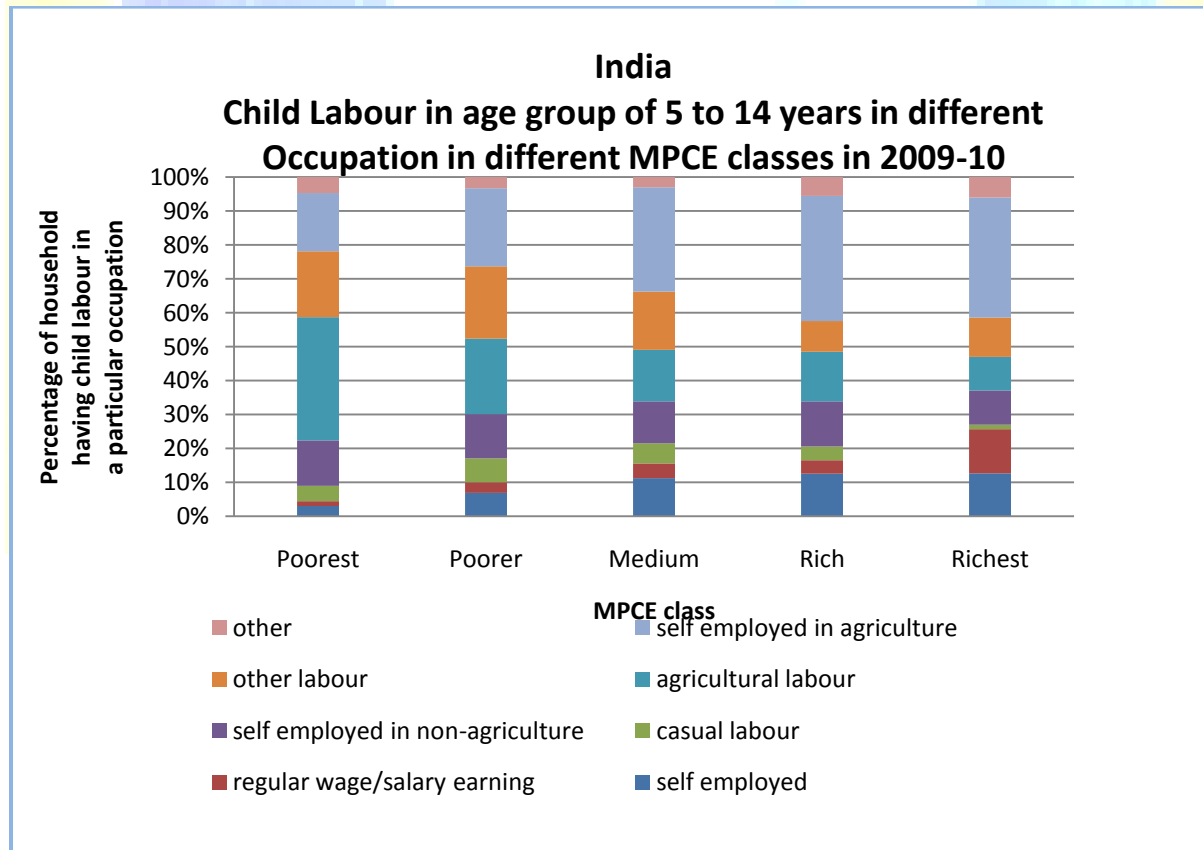
| States            | Poorest<br>(Rs.<br><512.74) | Poorer<br>(Rs. 512.74<br>to Rs.<br>1025.48) | Medium<br>(Rs. 1025.48<br>to<br>Rs. 1538.22) | Rich<br>(Rs. 1538.22<br>rs to Rs.<br>2050.96) | Richest<br>(Rs. 2050.96<br>to Rs.<br>2563.7) |
|-------------------|-----------------------------|---|--|---|--|
| JAMMU & KASHMIR   | 4.51                        | 6.80  | 4.31   | 3.09  | 2.28   |
| HIMACHAL PRADESH  | 8.01                        | 3.79  | 0.53   | 0.72  | 1.60   |
| PUNJAB            | 30.41                       | 11.56                                       | 11.10  | 4.34  | 1.51   |
| CHANDIGARH        | 76.86                       | 29.01                                       | 24.22  | 6.33  | 1.35   |
| UTTARANCHAL       | 14.28                       | 7.09  | 3.32   | 2.82  | 3.26   |
| HARYANA           | 6.96                        | 12.83                                       | 5.05   | 6.34  | 3.04   |
| DELHI             | 40.69                       | 24.73                                       | 0.81   | 2.83  | 4.74   |
| RAJASTHAN         | 29.76                       | 17.95                                       | 14.79  | 10.21   | 6.00   |
| UTTAR PRADESH     | 20.95                       | 15.32                                       | 12.83  | 7.65  | 5.07   |
| BIHAR             | 25.10                       | 17.93                                       | 12.07  | 13.29   | 11.46  |
| SIKKIM            | 4.07                        | 1.89  | 0.62   | 4.52  | 3.31   |
| ARUNACHAL PRADESH | 16.08                       | 11.05                                       | 5.92   | 6.53  | 9.05   |
| NAGALAND          | 0.00                        | 2.26  | 5.59   | 1.92  | 0.50   |
| MANIPUR           | 5.89                        | 2.21  | 1.44   | 0.13  | 0.22   |
| MIZORAM           | 5.71                        | 3.06  | 2.45   | 1.86  | 0.00   |
| TRIPURA           | 3.38                        | 3.47  | 3.25   | 2.84  | 0.94   |
| MEGHALAYA         | 0.70                        | 7.81  | 3.21   | 1.80  | 1.19   |
| ASSAM             | 11.71                       | 14.36                                       | 4.85   | 5.35  | 15.03  |
| WEST BENGAL       | 11.35                       | 10.11                                       | 10.31  | 12.36   | 0.96   |
| JHARKHAND         | 14.39                       | 12.24                                       | 5.26   | 3.14  | 4.28   |
| ORISSA            | 12.41                       | 9.30  | 6.13   | 1.04  | 0.63   |
| CHATTISGARH       | 4.21                        | 7.83  | 1.95   | 4.87  | 1.29   |
| MADHYA PRADESH    | 13.67                       | 10.12                                       | 8.38   | 8.86  | 5.73   |
| GUJARAT           | 23.20                       | 21.95                                       | 12.34  | 8.43  | 4.89   |
| DAMAN & DIU       | 0.00                        | 0.00  | 1.63   | 2.57  | 5.88   |
| D & N HAVELI      | 0.00                        | 4.21  | 13.79  | 1.90  | 0.00   |
| MAHARASTRA        | 7.05                        | 4.77  | 5.28   | 5.02  | 2.22   |
| ANDHRA PRADESH    | 10.46                       | 6.56  | 4.88   | 4.32  | 1.53   |
| KARNATAKA         | 9.37                        | 2.20  | 7.77   | 5.02  | 1.39   |
| GOA               | 19.26                       | 0.00  | 0.13   | 0.00  | 1.34   |
| LAKSHADWEEP       | 0.00                        | 0.00  | 0.00   | 0.00  | 0.16   |
| KERALA            | 2.63                        | 1.75  | 0.12   | 0.17  | 0.27   |
| TAMIL NADU        | 3.25                        | 1.68  | 2.19   | 0.69  | 0.83   |
| PONDICHERRY       | 7.58                        | 0.89  | 0.00   | 1.51  | 0.00   |
| A & N ISLANDS     | 0.00                        | 4.68  | 5.31   | 0.00  | 0.00   |
| Total             | 14.67                       | 11.70                                       | 8.98   | 6.67  | 3.85   |

Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10).

### 1.8.2 OCCUPATION OF CHILD LABOUR AT DIFFERENT LEVELS OF POVERTY IN INDIA:-

Level of poverty and child labour occupation is highly interlinked. This present section is an attempt to understand how different level of poverty affects the occupational characteristics among child labours. Child labour in different occupation in different MPCE class level is shown with the help of figure 1.3. Among poorest MPCE class, most of the child labours are working as agricultural labourers and its percentage goes down in higher MPCE classes. After agricultural labours in poorest MPCE class, it is other labours in which occupation child labours are recorded in large amount followed by self employed in agriculture, self employed in non-agriculture, casual labour, other, self employed and regular salaried. But in higher MPCE classes most of the child labours are self employed in agriculture or regular salaried. That clearly shows that with increase in MPCE class occupational characteristic gets better off among child labours.

Figure:-1.3



Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10)

Table:-1.3

## India

## Child Labour in age group of 5 to 14 years in different Occupation across different MPCE classes in 2009-10

| MPCE class | self employed (N=1611609) | regular wage/salary earning (N=739392) | casual labour (N=1213943) | self employed in non-agriculture (N=2948534) | agricultural labour (N=5682471) | other labour (N=4136380) | self employed in agriculture (N=5527210) | Other (N=944889) | Total (N=22804428) |
|------------|---------------------------|--|---------------------------|--|---------------------------------|--------------------------|--|------------------|--------------------|
| Poorest    | 3.04                      | 1.43                                   | 4.52                      | 13.37  | 36.31                           | 19.43                    | 17.17                                    | 4.73             | 100                |
| Poorer     | 6.85                      | 3.14                                   | 7.05                      | 13.03  | 22.27                           | 21.29                    | 23.07                                    | 3.30             | 100                |
| Medium     | 11.24                     | 4.35                                   | 5.87                      | 12.38  | 15.19                           | 17.20                    | 30.75                                    | 3.00             | 100                |
| Rich       | 12.53                     | 3.99                                   | 4.09                      | 13.23  | 14.62                           | 9.05                     | 36.89                                    | 5.60             | 100                |
| Richest    | 12.60                     | 13.10                                  | 1.31                      | 10.07  | 9.87                            | 11.66                    | 35.39                                    | 6.00             | 100                |
| Total      | 7.07                      | 3.24                                   | 5.32                      | 12.93  | 24.92                           | 18.14                    | 24.24                                    | 4.14             | 100                |

Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10)

Table:-1.4

## India

## Child Labour in age group of 5 to 14 years in different Occupation in different MPCE classes in 2009-10

| MPCE class | self employed (N=1611609) | regular wage/salary earning (N=739392) | casual labour (N=1213943) | self employed in non-agriculture (N=2948534) | agricultural labour (N=5682471) | other labour (N=4136380) | self employed in agriculture (N=5527210) | Other (N=944889) |
|------------|---------------------------|--|---------------------------|--|---------------------------------|--------------------------|--|------------------|
| Poorest    | 16.20                     | 16.61                                  | 31.90                     | 38.88  | 54.80                           | 40.29                    | 26.64                                    | 42.96            |
| Poorer     | 28.44                     | 28.43                                  | 38.85                     | 29.54  | 26.20                           | 34.40                    | 27.90                                    | 23.32            |
| Medium     | 28.95                     | 24.45                                  | 20.08                     | 17.43  | 11.10                           | 17.26                    | 23.10                                    | 13.19            |
| Rich       | 18.65                     | 12.94                                  | 8.09                      | 10.76  | 6.17                            | 5.25                     | 16.01                                    | 14.22            |
| Richest    | 7.76                      | 17.58                                  | 1.07                      | 3.39   | 1.72                            | 2.80                     | 6.35                                     | 6.30             |
| Total      | 100.00                    | 100.00                                 | 100.00                    | 100.00                                       | 100.00                          | 100.00                   | 100.00                                   | 100.00           |

Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10)

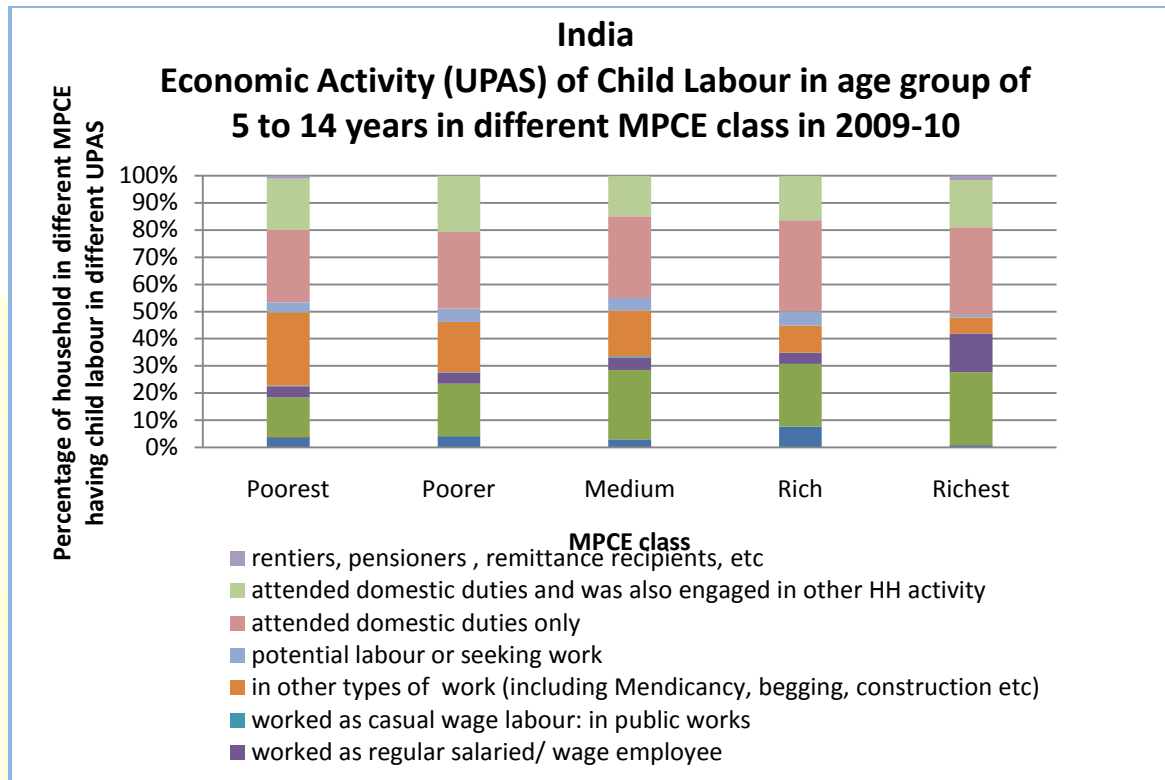
### 1.8.3 ECONOMIC ACTIVITIES OF CHILD LABOUR AT DIFFERENT LEVELS OF POVERTY IN INDIA:-

The levels of poverty and economic activities are also interlinked as level of income determines the kind of economic work for children. Sometimes it comes as traditionally but the economic condition is the main factors of all type of variation in economic activities among child labour. Present section is an attempt to understand the how economic activities among child labour gets affected by the different MPCE class levels. Change in economic activities among child labours is shown with the help of figure 1.4.

- Among poorest family or lowest MPCE class most of the child labours are in other type of work which includes begging, mendicancy, construction labour etc followed by followed by domestic duty, unpaid family work, regular salaried and own account worker.
- But in higher MPCE classes, percentage of child labour in other type of work deceases and percentage of regular salaried child labors increase. Economic activities are relatively better off among child labours in higher levels of MPCE classes.
- Child labours at higher MPCE classes are also recorded high in percentage as an unpaid family worker. It reflects that in higher MPCE class, economic condition is relatively better off than the lower levels of MPCE classes.
- Poverty has great impact over the incidence of child labour as low economic sustainability and poor economic condition forced children to drop out from schools. That's why the dropout rate in very high among poor.



Figure:-1.4



Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10)

### 1.9 ECONOMIC CORRELATES OF CHILD LABOUR IN INDIA:-

Economic correlates are very helpful to understand the net impact of independent variables over the dependent variables. To identify the different economic correlates of child labour, binary logistic regression analysis has been used. In analysis the variables which have great impact over the dependent variable are recorded as significant indicators. Reference categories are used to see the impact of other categories with respect to the reference variable on the incidence of child labour.

In regression analysis some of the economic indicators come out as significant (high, moderate and low) and some indicators come out as insignificant. Impact of all those independent variables over the dependent variable is shown with the help of table 1.5.

Keeping all thing constant, with respect to the poorest MPCE class calculated value of exp (b) or odd ratio for being a child labour among poorer class is .911, among middle MPCE class is .646, among rich .435 and among richest is .256. These are all significant at 1 percent significant level. That means child labours significantly are less likely to be seen among higher MPCE classes with respect to the poorest.

Keeping all thing constant, with respect to the land possession less than .005 hectares calculated value of odd ratio or exp (b) for being a child labour in case of possessed land within .005 to .1 hectares is .819 and it is significant at 1 percent significant level. That means child labours are less likely to be seen among those families who have land possession within .005 to .1 hectares with respect to the families which have land possession less than .005. In case of other category of land possession, calculated value of exp (b) is insignificant.

In case of cultivated land category, with respect to the cultivated land less than .005 hectare calculated value of exp (b) or odd ratio for being a child labour in case of cultivated land more than 1 hectares is .898 and it is significant 10 percent significant level. That means child labours are less likely to be seen among those families which have cultivated land more than 1 hectares and it has low significant effect over the presence of child labour.

Keeping all thing constant, with respect to family size less than 3 persons calculated value of exp (b) or odd ratio for being a child labour for family size 3 to 6 persons is .861 and it is significant at 1 percent significant level. That means child labours are less likely to be seen among those families which have family member 3 to 6 persons with respect to those families those have family member less than 3 persons.

Where as with respect to family size less than 3 persons calculated value of exp (b) or odd ratio for being a child labour for family size 6 to 9 persons and 9 to 12 persons 1.706 and 1.447 and these are all significant at 1 percent significance level. That means child labours are more likely to be seen among those families which have family member 6 to 9 persons or 9 to 12 persons with respect to those families those have family member less than 3 persons.

From the above analysis it is very easy to say that the incidence of child labour is very associated with poverty or lowest MPCE class and family size has a great effect over the presence of child labour in India. So poverty is recorded as the main economic

Table-1.5

## India

## Economic Correlates of Child Labour in 2009-10

## Logistic Regression Analysis

| Variables                                    | Regression Coefficient ( $\beta$ ) | Standard Error (SE) | Odd Ratio Exp (B) |
|--|------------------------------------|---------------------|-------------------|
| <b>MPCE class</b>                            |                                    |                     |                   |
| <i>Poorest (&lt;Rs. 512.74) (Ref. cate.)</i> | .00                                | -                   | 1.00              |
| <i>Poorer (Rs. 512.74 to Rs. 1025.48)</i>    | -.093                              | .040                | .911**            |
| <i>Medium (Rs. 1025.48 to Rs. 1538.22)</i>   | -.437                              | .044                | .646***           |
| <i>Rich (Rs. 1538.22 to Rs. 2050.96)</i>     | -.832                              | .050                | .435***           |
| <i>Richest (&gt;Rs. 2050.96)</i>             | -1.362                             | .065                | .256***           |
| <b>Land Possession</b>                       |                                    |                     |                   |
| <i>Less than .005 hectares (Ref. cate.)</i>  | .00                                | -                   | 1.00              |
| <i>.005 to .01 hectares</i>                  | -.200                              | .048                | .819***           |
| <i>More than .01 hectares</i>                | -.054                              | .052                | .948              |
| <b>Land Cultivated</b>                       |                                    |                     |                   |
| <i>Less than .005 hectares (Ref. cate.)</i>  | .00                                | -                   | 1.00              |
| <i>.005 to .01 hectares</i>                  | .057                               | .046                | 1.058             |
| <i>More than .01 hectares</i>                | -.108                              | .065                | .898*             |
| <b>Family Size</b>                           |                                    |                     |                   |
| <i>Less than 3 persons (Ref. cate.)</i>      | .00                                | -                   | 1.00              |
| <i>3 to 6 persons</i>                        | -.150                              | .055                | .861***           |
| <i>6 to 9 persons</i>                        | .534                               | .057                | 1.706***          |
| <i>9 to 12 persons</i>                       | .369                               | .069                | 1.447***          |
| <i>More than 12 persons</i>                  | -.136                              | .094                | .873              |

Source:-Computed from unit level records of NSSO 66<sup>th</sup> Round (2009-10)

\*\*\*=Significant at 1 percent significance level, \*\*=Significant at 5 percent significant level, \*=Significant at 10 percent significance level

(Note: Ref. Cate. Means Reference Category)

indicator as it has significant effect over the presence of child labour. That why child labour related problem is very high in developing countries and in third world country. Poverty creates a vicious cycle which leads to illiteracy among parents as well as among children. Uneducated parents do not see the long term benefits of education. Sometime due to poverty and low wages, they find themselves unable to feed elders of the family, themselves, and their children with the little money they earn. As a result, they have to put their children in the job market or children themselves take up a job. The existence of child workers is an indicator of poverty and depressed economic status.

### 1.10 CONCLUDING REMARKS:-

Poorer, rich and richest MPCE classes are less likely to have child labourers with respect to poorest MPCE class that means poverty or income of a family has large significant effect over the presence of child labour. Low income of a family increases the economic burden over the members and children are forced to do work with the consent of their parents. Family size has also a significant effect on the presence of child labour. Large families are more likely to have child labourers than the small ones. Possession of cultivable lands also encourage child labour as it reduces extra labour cost.

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