Globalisation And Child Labour: Possible Consequences

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At a conference in 2000, Neil Kearney, General Secretary of the International Textile, Garment and Leather Workers Federation (ITGLWF), presented a strong position paper on child labour under the impact of globalisation. Kearney started by reporting on his experience in Nepal, one dark night at 9 p.m., when he saw hundreds of very young children hard at work weaving carpets for export:

'The children were singing in a scene that was reminiscent of the galley slaves on the old sailing ships…. In the past two decades as we have gone from national regulation to a basically unregulated global economy many galley slaves have been created. Globalisation with its increased flows of capital and increased trade has seen borders becoming permeable and societies more open. Markets have become more unstable, companies are under greater pressure and workers are more vulnerable. At the enterprise level particularly, the need for adjustment and competitiveness conflict with the demands for social justice. As production processes become globally integrated, companies everywhere are forced to fight every day for their survival.

Governments, in their endeavour to attract (foreign) capital, will deliberately fail to enforce fundamental labour standards on freedom of association and collective bargaining. The often blatant disregard of these rights, Neil Kearney added, has been tragic for workers, and children are made to suffer mentally and physically. In Pakistan it is estimated, according to the ITGLWF general secretary, that 20 million children work, and that half of those in bonded labour 'die by the age of 12', but fortunately, globalisation is stated to have another side as well:

Accompanying globalisation is a revolution in information and communications. Abuses can no longer be kept hidden. As a result consumers are appalled at the widespread exploitation rampant in the textile, clothing and leather industries.

The above is one of the opposing views that people have of globalisation: benign on the one hand and predatory on the other hand. The different opinions on the possible impact of the process of globalisation are partly due to the different readings that people have of globalisation.[2]

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[2] In no time, the concept of globalisation has become part of the daily discourse. In the early 1990s, the concept was slowly being introduced. It conveyed the meaning that trade and development, market and growth were all increasing at a rapid rate, without recognizing borders and that such processes required liberalisation. Liberalisation, apart from the rolling back of the state and a free reign of the market, implies that 'citizens' take their responsibility. It has become the duty of the social actors (entrepreneurs, workers and consumers)

Widening Gaps

The concept ‘globalisation’, partly thanks to its seductive vagueness, has rapidly conquered the world and has dominated the discussions on economic policy has been part of a political project to replace the sovereignty of states by the rule of the neo-liberal market regime. It is thus being used by the proponents of a neo-liberal regime to explain and claim all possible developments in the world and by the opponents to ascribe all untoward developments as direct of indirect consequences of globalisation.

Both positions marshal facts and statistics to drive home their point of view. The latter opponents argue that globalisation is the continuation of colonialism and imperialism under a different name, and that its main feature is the sourcing for profits, and that such sourcing is benefited by the removal of all hindrances imposed by independent states and countervailing powers. The globally operating capitalism, mainly of US vintage, the argument continues, is bleeding the world white and is having dramatic ecological, political and social consequences, including child labour. In terms of statistics, this point of view is more convincing than the opposite view. It has been calculated for example that in 1980, 118 million people lived in nine countries where GDP per head was declining. In 1998, there were 60 such countries and 1.3 billion such people. The average overall growth in the period of globalisation has declined, particularly so in the developing countries, and social inequality at the world level has widened dramatically, so much so that the richest 50 million people in the world earn as much as the poorest 2.7 billion. Income inequality worsened in 33 of 66 developing countries with data on income distribution (quoted in Went 2003).

The widening gap has also occurred *within* most counties. Andrew Hurrell and Ngaire Woods (2000) in their introduction to an edited volume on inequality, globalisation and world politics recalled that although inequality has long been a defining feature of world politics, the contemporary evidence indicates that it has been increasing, both within and across states: ‘Immense and increasing disparities of wealth, of power, and of security shape the world in which we live. Economic liberalization is exacerbating the gap between rich and poor within virtually all developing regions.’

Such a conclusion is not exceptional. The spread-effect from the winners to the losers, a spread effect with a certain time gap, has taken so much time to materialize that the assumption of such an effect (and the promises on which the new policies were based) have raised many question marks.[3]

James Wolfensohn, the president of the World Bank has come out openly, in his address to the annual meeting of the World Bank in 1999, with the message the Gini at world levels and intra-country levels were increasing. Whereas the median per capita income of the world’s richest 10 % of countries was 77 times that of the poorest 10 % of countries, in 1990 it was 120 times and in 1999 even 122 times greater. Table 1 indicates how the number of poor has continued to grow, even if the US $ 1 is taken as the measurement.

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themselves to avail of the opportunities (in the market) and to contribute to development, i.e. to make the market work and reap its benefits.

[3] Even many authors with a sympathetic attitude c.q. belief in neo-liberal tenets have a difficult time explaining how something which was supposed to produce a win-win situation (the global free market) produced more poverty alongside more wealth. Official per capita incomes in 1975 in Sub Sahara Africa, South Asia and the

The fight against poverty has taken the ethical high ground in the policy prescriptions of the World Bank, one of the institutions behind the Washington consensus. It is therefore a significant sign when the World Bank itself concedes failure (www.worldbank.org/html/extrdr/am99/jdw-sp) in an unequivocally clear voice. It praises the emergence of a new world order where 5.7 billion people live in a market economy compared with 2.9 billion only 20 years ago, but also sees the negative developments:

But look more closely and we see something else. Per capita incomes which will stagnate or decline this year in all regions except East and South Asia. In the developing world, with the exception of China, 100 million more people live in poverty today than a decade ago…. Of the 6 billion today, 3 billion live under $2 a day and 1.3 billion live under $1 a day. These extraordinary statistics may rise to 4 billion and 1.8 billion respectively.

Table 1. Number of Poor (< 1 $ a day, World Bank figures)

Continent	1987 Absolute	1987 % of the population	1998 Absolute	1998 % of the population	1998 % if < 2 $ per day
East Asia (-China)	109	27	56	10	43
Eastern Europe	1	0	24	5	24
Latin America/Caribbean	64	15	78	16	36
Middle East & North Africa	25	11	21	7	28
South Asia	474	45	522	40	84
SubSahara Africa	217	47	291	46	76
Total	891	28	991	24	56

Source: www.worldbank.org/data

The figures on poverty reduction, if we go along with the 1 US $ as the unit of measurement, indeed inform us that, with the exception of East Asia and particularly of China in the second half of the previous decade, all subcontinents, including South Asia have witnessed an increase in absolute numbers of poor people. Such increases have not been limited to the developing countries and to the ex-socialist countries, but have also effected the developed countries in no small way.

Child Labour under global market forces

The data thus indicate that under globalisation inequality and poverty have been increasing. It is then a logical step to suggest that globalisation leads to more child labour, and many have done so. If globalisation means 1. more poverty, 2. more decentralisation of production with flexible labour (in household industries) and 3. more sourcing of cheap labour for export, then it would be plausible to expect an increasing use of child labour.

I shall illustrate the assumption that globalisation leads to more child labour with a reference to two Indian cases, which reinforce the quote with which I started this paper. In the Labour

European Union were US $ 670, 405 and 12.600 respectively. In 1995 the per capita incomes for the same

Commission Report of the Government of India (National Labour Commission 2001: 168) it is stated:

In recent years much of the paid work that used to be outside the home has now been transferred to home-based work within the home. There has been a tremendous rise in home-based work in the last decades and many activities like carpet-weaving, match-making and glass works which used to be done in factories and sheds is now done by children within the homes.

The above argument is used to argue that all children not in school (in India 100 million children) are child labourers since they would be doing some kind of work (for a critique of that position, see Lieten 2002). Another example is that of the Indian child slavery fighter, Kailash Satyarthi. In an interview in the *Multinational Monitor* (October 1994), he argued that child labour increases with the scope for profits on the international market. The tremendous growth in child servitude in the export-oriented industries of India, Pakistan, Nepal and Sri Lanka has come in the wake of profits through exports:

In the case of the carpet industry in India, for example, 10 years ago, 75,000 to 100,000 children were employed in the industry. At that time, the industry brought in $100 million. Today the industry has tripled, to $300 million, with a corresponding increase in children employed in the industry of more than 300,000. So there is a very clear correlation between the growth of the industry and the number of child labourers. The carpet belt in India is confined to four or five areas. In these areas, 300,000 children are working, while 400,000 adults are jobless…. The situation in Pakistan is similar, with a half million children in the carpet industry. In Nepal, there are 200,000 child labourers. So altogether, there are 1 million children who produce more than two-thirds of the world's supply of carpets.

Satyarthi observes a clear correlation between the growth of industry through exports and the number of child labourers. Globalisation, it is assumed, increases the demand for export products and, in its insatiable thirst for higher profits, industry replaces adults by cheaper child labour and moves from the formal to the informal household sector.

The proponents of globalisation, on the other hand, argue that once the restraining influence of the state bureaucracies has been shaken off, and 'good policy' has replaced the old inward-looking and state-run economies, a dynamic process is set in motion that will lead to more development, and, even more importantly, to more development for all. Globalisation is assumed to liberate the production forces and to increase the demand for skilled labour with a higher productivity and a increasing salaries. This in turn will lead to an interest in human capital formation and thus the investment in education whereby child labour becomes less attractive.

Eulogies about the benefits of globalisation are often not matched by comprehensive data sets. When they are, sophistically supported by econometric exercises, they suggest that exposure to the world market is helpful for development and for social justice. Rosati and Cigno, two economists who are in charge of the World Bank-led global research on (the causes of) child labour have taken such a position. They have constructed a theoretical model in which it is argued that child labour will decrease in those countries where there is a

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regions were 520, 430 and 19.300 respectively.

comparative abundance of workers with completed primary education because in that case 'globalization may thus be expected to raise the wage rate of this group relative to that of less educated workers' (Cigno, Rosati and Guarcello 2002).

The empirical example they use is Vietnam, a country which indeed has opened to international markets. The economic boom in the 1990s has coincided between 1993 and 1998 with a 25 % decline in child participation rates in rural households, and with the net primary school enrolment rate of the poorest quintile increasing from 72 % to 82 %. Edmonds and Pavcnik (2002, also Edmonds and Turk 2002) have provided some empirical evidence on the relationship between trade liberalization and the incidence of child labour in a poor, relatively unskilled-labour abundant economy (Vietnam). They found that the inter-temporal increases in the relative price of rice result in declines in child labour. Rice price increases in their calculation accounted for 45 percent of the decline in child labour experienced in rural Vietnam between 1993 and 1998. The policy implications, Edmonds and Pavcnik (2003) argue, are the following:

First, the increased earnings opportunities associated with globalization for children working in export-oriented sectors do not necessarily lead to more child labour. In the present case, households that are large net producers of rice appear to have taken advantage of higher income after the rice price increase to reduce child labour despite increased earnings opportunities for children. The pure income effect is large enough that child work declines in agriculture in households that are large net producers of rice.

There are a number of caveats here. In the first place, the assumption of the authors is that 'relative price changes are at the core of the debate on child labour and globalization', and a decline in child labour, if it occurs, is then easily associated with the observed price rise. That focus may be less appreciative of the fact that Vietnam happens to have been one of the first developing countries (in the late 1980s) to officially ban all forms of child labour and to have achieved universal levels of education. The second caveat is that only households that are net producers of rice experience larger reductions in child labour when rice prices increase. It is important to notice that this would not be the case in many developing countries. In Vietnam, given the specific land usage, which is based on the principle of land to the tiller, most rural families will equally benefit from a substantial increase in prices of agrarian products. In countries with considerable landlessness and near-landlessness –the countries in South Asia and Latin America for example-, agricultural price rises could rather lead to more poverty and thus possibly to more child labour. In the third place, integration I the world market (and the demand for export-oriented goods) does not always lead to higher prices and higher incomes. That effect will very much depend on the vagaries in the world market. Finally, as the authors also indicate, the sign of the effect of international market integration on local prices is obviously of great importance. Lowers prices of import-competing goods might have different implications for child labour in households associated with the production of an import-competing product. [4]

[4] Cigno et al. (2002, p. 11) actually concede as much since the correlation between globalisation can be positive (leading to more child labour) 'where there is a comparative abundance of workers who have not even completed primary education. The effect is more likely to be positive if the wage rates of educated workers fall in absolute, as well as in relative terms.'

Cigno et al. (2002, p. 11) have used the example of Vietnam to illustrate their case. The authors have collected various variables from all countries on which data were available. They have made an estimation of a country's 'openness', and this index, they argue, 'reduces child labour, no matter how measured, even if we do not control for skill composition'.

What the date tell us in essence is that, other things being equal, international competition is associated with lower or, at worst, the same level of child labour.

Although in the final conclusion they bring in the caveat that reading causality into these statistical associations is 'a dangerous exercise', and that their claim is 'therefore modest', they nevertheless are unequivocal on the positive effects of globalisation and on the heavy responsibility of governments.[5] If governments have failed to increase the skill endowment of its people, globalisation is unable to help reducing child labour, which it otherwise would. They have indeed 3 final conclusions:

We have addressed the empirical support for the proposition that trade exposure per se could cause a rise in child labour, and found no empirical support for that proposition in cross-country data. We do find support, on the other hand, for the proposition that the countries with a largely uneducated workforce may be left out of the globalisation, and everyone in those countries, child or adult, will suffer as a result. There, however, the problem is not so much globalisation, as the country's inability to take part in it (Cigno et al 2002: 1589).

From the overview above, that there are two opposing views. The World Bank economists see a positive link between globalisation and the decline in child labour; a number of anti-globalists on the other hand has maintained that globalisation helps to increase child labour.

In a sense, both claims may be true. The difficulty is that whereas one argument depends on macro-data and econometric models that can be manipulated to fit the outcomes, the other argument depends on anecdotic evidence and on the assumption that the logic of an inhuman, profit-hungry and predatory capitalism necessarily must be at work.

While it is already difficult to get comprehensive and reliable data on child labour in any country, assuming that these data are based on a common understanding of what child labour is, it will be even more difficult to isolate the mechanism that induces more or less child labour. Econometric exercises as well as anecdotic evidence may help, but an overall perception of how social structures evolve will have to form the basis of an explanatory model. That perception will involve a sensitivity to the ambient environment, the historic circumstances.

[5] The method used by Cigno et al. raises a number of questions. One distorting factor, in one exercise, is the way 'openness' is defined: in terms of policies (e.g. less than 40 % tariff barriers) rather than practice. Another is that countries involved in the world economy are by and large the more developed developing countries, i.e. with more education and less child labour, and thus inviting a tautological argument. How can one in a probit analysis come to valid conclusions if countries with a dissimilar GNP and a dissimilar openness in policy (e.g. Thailand and Pakistan) have a dissimilar effective openness.

Globalisation?

Can globalisation have the effect of either increasing or reducing child labour? The answer is: yes and no.

Globalisation as a concept is very elusive, with many meaning to different people and in different contexts, but usually it means that the economy has become more global and that developing countries are being included in that world-wide economy. The suggestion of increasing of economic interaction between the different parts of the globe, however, is not reflecting reality. Such an assumed economic integration, the emergence of a village around the global market place, is at odds with the reality of international trade, investment and income, which rather suggests a relocation of activities within the already developed world and the marginalisation of many regions of the Third World. It is thus not likely to be the case that international capital is looking for more and more sources of cheap labour, including child labour.

Looking back at the mid-20th and even 19th century, the economic traffic between the developed world and the developing countries may actually have declined in relative terms, particularly if some of the outliers, the exceptions to the general trend, like the Southeast Asian dragons, are accounted for. It is a conclusion that many authors have come to on the basis of a comparison of the share of the then colonized countries with their present share in world trade, investment and income. Hoogvelt (1997, pp. 76-7) has put it eloquently:

An ambitious net of capitalist catchments may have been thrown during the colonial era, but having caught the fish it has pulled back and settled comfortably on the shores of a relatively small part of the world. And it is in that part indeed that cross-national economic activity is whipped up into frenzy. What is both a *new and consistent* feature of post-war foreign direct investment is the *geographic redirection* of such flows away from the periphery and into the core of the system.

On the basis of figures calculated by Kuznets that the share contributed to world trade by the regions of Africa, Asia and Latin America was fairly constant at 20 percent up to the first World War, increased by 6 percentage points up to 1953, and then again decreased to around 20 percent, Hoogvelt (1997, p. 77) has even argued that most parts of the Third World, particularly Africa, have become redundant. In fact, she argues, ‘nearly two-thirds of the world is virtually written off the map.’

The importance of oil producing countries may have grown, and many goods meant for the world market are being produced in the coastal areas of China, the Mexican maquilladores (in-bond manufacturing industries supplying to its northern neighbour), the chip industry in Bangalore, the flower plantations in Kenya, the export zones in various countries, etc. Indeed various other commodities and services, ranging from carpets and jeans to diamonds and cutlery, food and drugs, illegal migrants and sex workers are finding their way onto the western markets, but overall, the western world has become more internalised, inclined towards itself.[6]

[6] Relative figures on world economic output, for example the share of the developing countries in world manufacturing output, have hardly changed, except for a spurt in South-East Asia and China. One is therefore in agreement with Hoogvelt (1997, p. 75) when she describes the so-called interconnectedness of the globalizing world as follows: ‘Rather, it stand as evidence of a modestly thickening network of economic exchanges within the

On the other hand, however, whereas the Third World is not important for the world market, the world market has become very important for the Third World. Developing countries have become less autonomous, more inserted in the world system. Their markets and production structures have been subjected to the rigours of the international market place, and not in a position to compete; they import more than they can export, and more than the local competitors can digest. Local industries have given way to foreign goods and foreign services, and debt-inducing loans have been contracted to bridge the gap. The cycle of increasing exports for increasing imports extends the ‘openness’ of the economy to levels where the insertion in the world economy has reached the threshold of no-return.

Many countries in the process of globalisation indeed have become inserted at extending levels; higher percentages of their GNP are accounted for by exports and imports. Bangladesh, for example, in the 1980s had an ‘openness’ (exports plus imports as a percentage of GDP) of 24 %; in the period 1994-98, it had increased to 37 % (Kunal Sen, 2003; Paratian and Tores, 2001). In India, as per the figures published in the annual *Economic Survey* of the Government of India, exports plus imports as a percentage of GDP, which was 14.0 % in 1980-81 and 14.4 % in 1990-91, by 2000-01 had risen to 22.8 %!

The increasing import penetration and the dependence on export opportunities make a country more vulnerable. This is particularly true for developing countries, of which a basic feature is the asymmetric position in the world power structure. The countries are extremely sensitive to the vagaries of the world markets, the financial crunches, the debt overhang, etc. The poorer a country, the less resources it has to cope with the baneful effects of an exposure to the world market.

Vulnerability

The growing vulnerability of countries is what is at stake in the process of globalisation, which by definition is the imposition of a ‘free market’ dominated by conglomerations.[7] Since in times of crisis, the survival of families is at stake, children may be forced to earn a living, unprotected by the government.

An essential aspect of globalisation, in addition to the increasing insertion of the Third World in a global economic discipline, indeed is the loss of sovereignty by states and thus the breakdown of social protection instruments.[8] Governments increasingly turned from Keynesian to neo-liberal policies. As a social welfare policy, it earlier had been accepted that certain categories of people are not able to earn a living, and hence for their livelihood have to depend on the state. This is what, in the vision of the Washington consensus, has to change. In the era of globalisation, i.e. the period after around 1980 when neo-liberal

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core, a significant re-distribution of trade participation within the core, the graduation of a small number of peripheral nations with a comparatively small population base to ‘core’ status, but above all the declining economic interaction between core and periphery, both relative to aggregate world trade and relative to total populations participation in the thickening network.’

[7] Globalisation means exposure and more specifically exposure to the vagaries of the financial market. Today, international financial markets resemble a global casino where traders gamble in split-second trades on market fluctuations. In 1980, the daily average of foreign exchange trading was $ 80 billion; today, more than $1.5 trillion flows daily across international borders. Over nine-tenths of capital flows are speculative, rather than productive in nature.

economic policy was made into official policy in one country after the other, old policies of protection of national industries (e.g. import-substitution, production licences and import tariffs) and its citizens (e.g. food subsidies, free health services, employment programs) were scrapped or diluted. Income re-distribution is no longer permissible as the instrument for welfare measures, the maintenance of public goods, fully-fledged social protection, a regulation of the labour market and free and compulsory quality education for all children.

One orthodoxy indeed has been superimposed over the entire world. It is the orthodoxy of the free market economy and the rolling back of the state. It has replaced all other ideologies and approaches.[9] Commodification, throwing back the individual onto the markets, increases vulnerability manifold.[10]

The aspects of globalisation as they have been summarized in the preceding paragraphs (international market discipline, intra-country and inter-country polarisation, rolling back of the state, increasing vulnerability, privatisation of educational systems, reduction in poor-centred subsidies, etc.) have created conditions in which child labour may become a strategy for survival and in which government institutions do not have enough wherewithal to track and eliminate child labour abuse. Spending cuts in basic social services impact on the decisions on whether sending children to school or not.

In addition, the 'structural adjustment', as demanded by the IMF, invariably hurts workers and poor people in general through any of the multiple effects, and consequently the children of the poor may be directly hit. Massive public sector layoffs (or: civil service downsizing) is one of the adjustments. A contraction in the formal sector of the economy is associated, on the other hand, with a so-called informalisation in which labour has become subject to individual bargaining at the margins of the economy, devoid of collective countervailing power. It further implies wage freezes and the marginalisation of labour unions, which are known under such attractive names as 'labour market flexibility', 'temporalisation' and 'informalisation' of the work force. The loss of countervailing power implies that the labour union, a forceful actor against child labour and for a normal family wage is waning.

The above analysis provides various indicators which could serve as circumstantial evidence for the argument that globalisation increases child labour. Hundreds of millions of people have been excluded from the formal economy and have been thrown back into a state of deprivation and vulnerability in the midst of ostentatious luxury and a non-performing state. Under such condition, the process of what has been called 'adverse incorporation' takes place. Child labour could be one such adverse impact. But is it?

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[8] The weakening of governments in TW countries is brought about, directly and indirectly, by the Washington consensus aimed at liberalising the economy and making the markets do the job. The IMF imposed these policies on willing and not so willing governments in the Third World.

[9] The TINA (There Is No Alternative) assumption has led many governments in the developing countries, to roll back the significance of the state. Development in the newly independent countries was based on the stewardship of the state. Government planning and directives helped to diversify and lay the foundation for industrial development and for food security, stimulated the diversification of the economy and put in place structures that, ideally, would include the population, poor as well as rich, in human and economic development.

[10] The growing commodification of life, which is the essence of a free market, involves the regulation of social relations by the impersonal laws of the market rather than by government regulations, and 'many social functions that once fell within the scope of state administration or communal regulation now belong to the economy.' (Wood 2003, p. 9).

Declining Trends

Answers to the question as to whether globalisation impacts on child labour need to be specific. Some countries, for example Vietnam, Thailand and Mexico, may have witnessed a clear decline; other countries, like Bolivia, Zambia and Moldavia, are likely to have witnessed a decline in schooling and a rise of child labour. Specific studies will have to establish to what extent that is the case and what are the mechanisms behind it.

Overall, however, the aggregate ILO statistics indicate a decline in child labour. Child labour in 1995 was estimated to be 250,000 with a work participation ratio of 24,7 %; in 2000, the figure, excluding developed and transition economies, had come down to 210,000, with a work ratio of 20.2 %. The ILO rightly warns that both sets of figures cannot strictly be compared, for two reasons. The data sources of both estimates vary widely and the extrapolation methodologies on the basis of samples has also changed (ILO 2002: 19).[11]

India can be taken as an example to illustrate the point that child labour is decreasing. Census and National Sample Survey (NSS) data may give an undercount of the real extent of child labour, but the time series allow us to appreciate the trend over a long time period. In 1983, there were 21.5 million child labourers; in 2000, despite a significant increase in the child population, the number had come down to 10.4 million. Although the decline has been gradual, it was steeper in the 1980s than in the 1990s (when India went in for globalisation).

Table 2. India: Child Work Participation Rates (10-14 years), 1983-2000

	1983	1988	1994	2000
Rural boys	25.3	19.0	13.9	9.1
Rural girls	24.0	18.0	14.2	9.6
Urban boys	11.3	8.5	6.6	4.9
Urban girls	7.0	6.5	4.5	3.6

Source: NSSO Data as computed by Ajay Kumar Varma en Anoop Satpathy, Child Employment in India: Patterns, Trends and Correlates (unpublished paper, 2003).

The data set on India informs us that the incidence of ‘child labour’ has seen a consistent downward trend. Although there is circumstantial evidence that globalisation could lead to more child labour, it has not happened in India. Neither does India seem to be a case that fits into the positive scenario as proposed by Cigno, Rosati and Guarcello. I can think of a number of explanations why such a downward trend has occurred.

In the first place, it is worth stressing that child-labour in the export-industry represent only a small segment of the child labour force. Child labour is quasi absent in the formal industry and its numbers in the informal sector producing for export (garments, carpets, sports goods, crafts) are only a faction of child labour in agriculture and related sectors that are not producing for exports. A major decline in child labour incidence therefore, if it occurs, is not likely to have a direct link with the economic forces of globalisation. If it has occurred in agriculture, it is likely to have a direct relationship with focussed government policies as well

[11] Child labour in the ILO approach comprises three types of children: all children in the age group 5-11 who are economically active, the children in the age group 12-14 who are economically active minus those in light work (working less than 14 hours a week), and children in the age group 15-17 engaged in hazardous work.

as with a reduction in poverty. Both are not the consequence of globalisation, unless one takes a dogmatic view of globalisation, attributing a reduction in poverty to economic openness and an increase in poverty to government interference with world market forces.

Public consciousness and public image

The decline of child labour in the export-oriented informal industry itself has a direct link with globalisation, but not necessarily with the market impact (assumedly, as per the projections of the proponents of globalisation, leading to higher incomes). The impact follows from the fact that labour in those industries that feed into exports has come under close scrutiny. The consumer movement in the developed countries had played an essential role in prodding multinational firms into accepting ‘corporate social responsibility’. It is commonly said that the detection of child labour in one of the (lower) chains of the multinational network with one stroke will wipe out an entire years’ advertisement budget. This negative impact on consumer behaviour would particularly be true for companies operating in the higher segment on the market (jeans, sportswear, carpets, etc.). Some companies had taken the initiative to develop a code of conduct, and in the course of the 1990s, practically all multinationally operating firms have followed suit. They have turned child labour from a liability into a public relations instrument and have introduced ‘child labour free’ as a sales promotion label.

There are indications, for example in the carpet industry (see Sharma, Sharma and Raj, 2000: 78, 109), that the incidence of child labour has relatively declined in the core carpet belt, and to a lesser extent in the new extension areas, but that in several villages children who were earlier working in carpet weaving have now shifted to other occupations such as saree weaving, beedi-making, roadside hotels and agriculture. The incidence, however, remains high (see also Srivastava and Raj, 2001), and there are no signs that a relative decrease has been the result of higher prices (higher incomes) and higher skills. On the contrary, child labour at the lowest end of a buyer-driven global commodity chain is not a direct beneficiary of commodity price increases, if any. Increasing awareness has been a more important factor. The labelling programmes themselves have played a limited role. They have contributed, but a major impact has been generated by government policies and interventions: ‘In spite of widespread corruption at various levels, it seems that legislative measures have been most effective towards reducing the incidence of child labour’ (Sharma, Sharma and Raj, 2000: 109). Together with the public pressure by labelling agencies and other activities, an environment of urgency to tackle the problem has developed.

In addition to the consumer movement (and the multinational firms responding to it), ‘fair trade’ measures, as political instruments in the process of globalisation, have also contributed to reducing child labour. A major role in this was played by the government of the United States of America. In the early 1990s, senator Tom Harkin introduced a bill to prohibit the import of goods to the USA, produced whole or in part using child labour. The Bill – a proposal to affect only the small number of children working in export production, and steering clear of a pro-active role in redressing the root causes of child labour- was not passed, but many governments and entrepreneurs had heard the tolling of the bell. In anticipation of the legislation, the Bangladeshi textile exporters for example, keen to protect their trade, began to fire children, and ultimately around 40,000 children, mainly young girls, may have been worse off than before (see a.o. Bissell 2004).

The Department of Labour of the USA administration was keen to document the export share of products made in India (like carpets, silk, locks, brassware, bricks, stoneware, glassware, firework, etc.) in which child labour was involved. The reports, which served as background papers to policy decisions, helped to paint an outraging picture of how bad young children were treated in those industries (U.S. Department of Labor 1994).[12]

The reports helped to prepare the way for official action and for repositioning international organisations along the same lines. Because of the opposition by developing countries, the WTO did not include 'child labour' as one of the social clauses, which would attract trade sanctions, by the international trade union movement.

It may have been the case that the position of western governments and of the International Confederation of Free Trade Unions (ICFTU) were informed by humanitarian concerns, but is has probably also been the case that the threat of 'unfair' competition, leading to the supply of cheap (child-labour) products to the markets of the developed countries, was an important consideration. Whatever the reason, child labour became a hot item, high on the agenda of international politics and leading to a high exposure in the media. Child labour accordingly had to become the target of pro-active policies, and these policies[13] led to the decline of child labour.

It, however, also led to an almost exclusive focus on clearly identified export-oriented industries. In those industries, international firms and their intermediary agents may have reduced the incidence of child labour, but activities may have been relocated to other industries or to other geographic areas where they escape attention. A recent example of Hindustan Lever (a Unilever daughter) in the cotton fields of Andhra Pradesh, India, through its minority company Paras Extra Growth Seeds Ltd., may suggest that international firms extend their supply chain further down the line and in the process access new reservoirs of child labour.[14]

Information on the use of child labour, moreover in pitiable conditions, has a big impact on the corporate image and increasing consumer awareness coupled with pressure from trade unions and NGO's has forced the drafting of corporate responsibility codes. The problems with these codes are manifold. The lack of transparency is one of them.[15] Each individual

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[12] Of the child labour in the carpet industry, the report said that over 70 % were migrant children of which the majority did not receive wages and 'work up to 20 hours a day', seven days a week, and often sleep, eat and work in the small, damp room. They are often locked in at night' (U.S. Department of Labor 1994: 89).

[13] On the various policies, see for example the articles by Anker and by Fyfe in Lieten and White (2001).

[14] Extensive use has been made of young children, around 15,000 of them, mainly young girls in the age range from 10 to 13, who have been taken away from their villages to go and work in the cotton field in Andhra Pradesh (in the labour intensive fertilisation of seeds). It is significant that Kees van der Waay, the director of Unilever Nederland, in a public discussion with the author on November 26th, at a meeting organized by Amnesty International at the Free University of Amsterdam, emphatically declared that Dutch NGOs had leaked the news on a Saturday morning in February (pre-empting the MNC to react to the news for 2 days during the weekend, and 'allow the mischievous and damaging information' to spread), and that the NGOs had not sought to first bring the scandalous misuse of the children to his notice of the mother company or to the notice of the Indian daughter Hindustan Lever. To my surprise, I later learned from the report of a visit of the Dutch trade union federation FNV (FNV Werkbezoek India. Verslag Oktober 2002, p. 9) that already in February 2002 the NGOs had had a meeting with the director himself, and that the meeting room discussions had continued thereafter. Could one deduce from this incident that MNCs will condone child labour in their production chains unless public pressure with potential 'damaging information' will coerce them to implement their 'code of conduct'.

[15] Through the ILO, in a tri-partite consensus, the best possible code of conduct has been developed: article 137 and 182. The principles in these declarations remain an unchallenged reference point for child-labour policies by multinational companies. Corporate social responsibility initiatives would do well to anchor themselves to the

MNC has developed its own code, written down in quite simple terms (e.g. ‘The company shall not employ child labour’), and is itself responsible for its implementation. One aspect of globalisation is the substitution of private responsibility, including private corporate (social) responsibility, for state responsibility.

State responsibility is preferable, but it also is conditioned by public pressure, and for public pressure to operate, public information is needed. Without public pressure, international firms may continue to exploit child labour in the lowest segment of the production chain. The example of Unilever in India is a case that may reflect this trend: while most of the attention was on exposed sectors, such as textiles, sports goods and carpets, child labour continued to be used in unexposed sectors. From this we may conclude that in order to establish whether globalisation (in the sense of exports, etc.) leads to more child labour (in the household sector and in the lower segments of the production chain) a detailed research programme would have to be developed with a focus on those sectors, rather than on the traditional child-labour prone sectors.

Conclusion

Both the proponents and the opponents of globalisation have construed an argument based on logics. According to the proponents, the international free market will reduce the necessity for child labour through higher incomes in the wake of an economic upswing. According to the opponents, the free hunt for cheap labour and the rolling back of the state will suck more and more poor children and women into the decentralizing production network of the international firms.

We have argued that the logic of the argument is not matched by consistent and comprehensive empirical data. We have also argued, although on the basis of far from robust census data, that child labour has probably been on the decline. We have attributed this to targeted government policies, to an expanding ethical consciousness about the wrongs of child labour and also to international pressures.

Industrial and trading firms are keen not to be associated with child labour practices. They recently have added a clause in their code of conduct on the prohibition of child labour, but the implementation of that clause depends to a great extent on continuous public pressure, damaging the image of the firm if it would continue child labour practices. The combination of public pressure (trade unions, parties, NGOs, media) and the growing sensitivity of companies has been an important factor in shrinking the incidence of child labour, at least in reducing the content of child labour in export products. For the overall attack on child labour, however, the government remains the paramount actor.

The staying power of governments, and their resources, added to the commitment, to attack child labour frontally, is probably the factor to look at when trying to explain for the decline in the incidence of child labour in many countries. Liberalisation, unless under strict control, as it is in the West, will increase the difficulties, the powerlessness, the vulnerability at the bottom of society at the bottom of the world. It would be imprudent to ascribe higher levels of education and lower levels of child labour to the impact of liberalisation and insertion in the

established core labour rights conventions rather than each one of them developing a code of conduct of their own.

world market. The economic impact actually may have led to more vulnerability and the need for child labour in the struggle for survival unless other policies and social movements have acted as countervailing powers.

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