The Causes for Child Labour in India: the Poverty Analysis

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Many exercises have been done on the delineation of the causes of child labour. In my analysis, I shall make a twofold distinction. On the one hand I shall make a distinction between the pull process and the push process. Economists particularly have focussed the investigation on the rational choice process within the child labour family, an autonomous choice that is seen to be associated with such variables as poverty and illiteracy. On the other hand, I shall distinguish forms of child labour. In all languages, different words exist for different types of activities in which products, services, artefacts and mental constructs are produced. The English language has words like labour, work, toil, occupation, employment; Hindi has such words as shram, kam, mehnat, rozgar, mazduri, etc. An explanation for the phenomenon of child labour, as I shall argue, will have to start by separating categories before meaningful statistics, and multivariate analysis based on those statistics, can be produced.

Statistical exercises, on the basis of different sets of data (for example Cigno et al., 2001, Kannan 2001, Ramachandran and Massün 2002, Giri National Labour Institute 2000) have established that child labour is positively related, among other factors, with poverty, education, agriculture, and the overall work participation ratio.

The V.V. Giri National Labour Institute, for example, has studied the inter-district differentials in various variables that may have a correlation with child labour. In respect of a number of states, some correlations stand out, but they usually do not show a uniform pattern across the different states that have been studied. There is the suggestion of an inverse relationship between for example rural male and female literacy and child labour and between the general development index and the incidence of child labour. Statistics and correlation exercises work on the assumption that all variables have been clearly defined, that these variables, in combination or taken separately, represent the causal factors, and that the number of observations is sufficiently large to lead to meaningful conclusions. The three conditions are not necessarily fulfilled, and the statistical conclusions hence apparently hang in the air.

We are made to accept that in all states there is ‘a strong inverse correlation between rural literacy rates and incidence of child labour’, and that ‘strengthening of rural literacy programmes would lead to nearly 50 per cent decline in the incidence of child labour’ (National Labour Institute 2000, booklet on Bihar: 2). These correlations, in a statistical sense indeed may exist, but a quick look at the cases selected in Table 1, a selection I should add that was done purposefully with an eye on the outliers, informs us that there are significant differences, within states and particularly between states.

Table 1. Examples of Child Labour-prone Districts.

	Incidence (%) of Child Labour	%Total Rural Literacy Rate	% Workers in Agriculture	RID
Jhabua (Madhya Pradesh)	25.2	13.4	90.4	84
Surguja (Madhya Pradesh)	11.1	24.98	4.3	46
Durg (Madhya Pradesh)	5.5	50.4	70.0	80
Kurnool (Andhra Pradesh)	14.1	33.3	75.2	83
Mahboodnagar(Andhra Pradesh)	14.6	25.3	83.4	53
Saharsa (Bihar)	6.0	26.9	91.0	24
Dumka (Bihar)	7.9	31.5	85.5	32
Kalahandi (Orissa)	12.5	27.9	85.6	51
Koraput (Orissa)	12.7	17.4	84.7	54
Periyar (Tamil Nadu)	8.5	53.8	75.4	128
Kamarajar (Tamil Nadu)	8.9	55.7	52.7	115
Dharampuri (Tamil Nadu)	8.1	43.3	80.8	79

Note: RID (Rural Development Index) derives from a weighted combination of various indicators such as the importance of industry, the spread of bank services, literacy, etc.
Source: National Labour Institute 2000.

There obviously is an observable (and calculable) correlation. For example, Jhabua (Madhya Pradesh) has a child labour incidence of 25.5 % and a total literacy rate of 13.4 %. Durg on the other hand has 5.5 % and 50.4 % respectively. But some districts have a high child labour incidence under conditions that are not necessarily worse than conditions in other districts and in other states. Why should Mahboobnagar and Kurnool (Andhra Pradesh) have a child labour incidence of 14.6 % and 14.1 % respectively? They have a total literacy rate of 25.3 % and 33.3 %. Why should Saharsa (Bihar) have a child labour incidence of only 5.9 % (rural literacy rate is 26.9 %) whereas Kalahandi in Orissa has a comparable literacy rate and a much higher incidence of child labour. Periyar (Tamil Nadu) on the other hand has a child labour ratio comparable to Dumka in

Bihar but it has almost double the rural literacy levels. In respect of the variables ‘agricultural orientation’ and ‘overall development’ similar ‘anomalies’ can be found.

Looking at the data, one observes too many anomalies which hollow the claims made in correlation exercises. My argument at this stage is not whether correlations do exist, but rather that the basis on which the calculations are done is flawed by an ill-definition of child labour.

Clarity of Definition

In the statistics, various forms of ‘child labour’ are generally collapsed into one. Care should be taken to isolate child labour as a category separate from ‘child work’ and ‘child deprivation’. By adding up all children that in one way or the other are not attending school full-time or are attending school but are engaged in some ‘working activity’ or the other, the incidence of child labour has been blown out of proportion. According to some sources (see e.g. Weiner 1991 and Human Rights Watch 1996), India is supposed to have more than 100 million working children.

The high numbers are part of a reconstructed reality, a definitional deception, which elsewhere (Lieten 2002) I have referred to as the called this the mixing of apples, oranges and bananas. Neera Burra, an author whose writings have helped to focus the public attention on child labour (see Burra 1995), writes explicitly that a working child is ‘basically a child who is deprived of the right to education…. What makes this definition important is that it makes it unambiguously clear that all out-of-school children are child labourers in one way or another’ (Burra 1997: 8). Mahendra Dev and C. Ravi (in Ramachandran and Massün 2002: 193) also consider a broadening of the definition ‘by defining a child labourer as one who is deprived of the right to education and childhood.’

It is one thing to draw the attention to the failure of a government (and a society) to look after all its children in an even-handed manner, and provide them access to quality education and health services. It is another thing to compound the various manifestations of negligence in one composite category, which is fairly inadequate for analysis and for policy purposes. The fruit bowl thus constructed indeed is attractive in the sense that it forcefully draws the public attention to the acute social injustice that still affects the majority of the children in India. It, however, also encumbers the search for causal factors and policy solutions.

If we want to know the reasons why children are ‘nowhere’, i.e. neither in school nor in a work place, the explanatory factors need not be related to the factors that are at the root cause of why children do hard labour. The various learned multivariate probit and regression analysis exercises do not make that distinction. Independent correlates in such exercises are calculated to have a positive or negative impact on child labour. Conclusions then often suggest that poverty, nutritional poverty,

indebtedness, literacy, work participation, the number of children and the size of the cattle herd are important factors.
The problem with these exercises, however, is that ‘child labour’ is not a definitionally segregated category. The variable ‘mothers’ literacy’ may have a different impact on girls working in the household and boys working on the family farm after school time or during school time on the one hand, and on boys and girls working in stone quarries, in restaurants, in workshops, etc. on the other hand. Whereas the former activities fall under child work, and can be considered as a valuable aspect of socialisation, the latter are directly related to the sale or hire of labour power and may interfere with the normal physical, intellectual, psychological and emotional development of the child. The clubbing all these different types of ‘labour’ together in econometric models (using Census of NSS data) is unlikely to produce sound results, and is unlikely to explain for much of the mechanism that perpetuates child labour. The data are culled from a fruit bowl of meanings and for a sound analysis, the different types of work/labour should first be disentangled.
I shall later argue that authors who put the responsibility for child labour on the parents of the child labourer itself, rather than on a system, or an entrepreneurial class. I first intend to look at two explanatory variables: culture and poverty.

Tradition

Traditional modes of living, dating back to a culture in which work was not a distinguishable activity but was tied up with routine, did not distinguish between work and labour. Children were gradually initiated into the world of the adults. Quite a lot of what has been subsumed under child labour, and as such has entered the statistics, is work performed during a standard process of socialisation. Most of the child labourers in Africa and Asia reside in the countryside and assist on the family farm. The opportunity to do such work, in the transition from toddler to adulthood, is something to be encouraged. The child is being socialized in a manner that prepares it for its future tasks and life style in a specific community in a specific society. Light work, which does not pre-empt the other essential activities of children, can constitute a gradual initiation into adulthood and a positive element in the child’s development. It may also have a qualitative impact on work attitudes in general.
In developing countries there tends to be a difference, even a rift, between manual workers and the (male and female) elite. The ‘work’ practice at a young age (cleaning, washing up, repair work, digging, weeding, and a host of other activities) may help to better understand, to better respect and to better appreciate the meaning of work and labour. This consideration is one more reason why the work done by children should be analytically categorized.

Having said this, one should also be weary of attempts to condone the position as ‘future workers’ that many children are caught in. Many have argued that the work done by children -on the farm, in the artisanal shop or in petty trading- has served as a form of apprenticeship, preparing them, better than any formal or informal school system could, for the income generating profession in adulthood. It is an argument that can be found in many books produced by Third World scholars who wish to stress the cultural exclusivity of their tradition. In the overview by Mishra and Pande (1996: 5), the exponents of the socialization theory of child labour argue that the socio-cultural framework of peasant societies ‘emit such socio-economic processes whereby the use of child labour is socialized as an integral part of family-oriented social and institutional order’.

The assumption behind the argument is that socialization within the poor family, with its different norms and expectations, is different from the norms and expectations associated with the modernizing state. Such an argument, rather than poverty, was also noticeable in the report of the Department of Labor of the US Government, written after senators Tom Harkin and George Brown had introduced the Child Labor Deterrence Bill:

> The general perception in Asia is that children should work to develop a sense of responsibility and develop a career…. It is argued that child employment apparently teaches children of the poor to acquire moral and ethical attitudes and work habits at an early age (US Department of Labor 1994: 24).

The difficulty with this argument is that it assumes that there is something like a culture of poverty among the marginalized and exploited families at the bottom of society with its separate norms and aspirations. It separates the elite from the people and justifies a class-imposed differential treatment of children. This is the attitude underlying the scathing attack by Myron Weiner (1991) on the ‘Hindu’ culture. Weiner, in my view has a myopic and ethnocentric view of Indian culture, but his arguments do apply to some of the learned high-caste scholars in India who seek to explain child labour on the basis of ancient cultures and the exceptionalism of that great Indian tradition. One such source, notably in an ILO publication on the subject, questions the notion that work is an unjust imposition on children, and argues that no useful purpose is served by invoking the need for schooling for all children within a certain age group:

> it is necessary instead to review the place of children in society and to look into the culturally conceived obligations towards and expectations from them. ... Value judgments and evaluative standards rooted in and deriving from Western experience cannot always be meaningfully superimposed on the social realities of the developing countries (Dube 1981: 179, 182).

An official Government of India report of 1977 had stated that child labour is ‘economically unsound, psychologically disastrous and physically as well as morally dangerous and harmful…. On account of their vulnerability and dependence, they can be exploited, ill treated and directed into undesirable channels by unscrupulous elements in the community (quoted in Dube 1981: 183). Dube disagrees with such a position and calls for a better understanding of Indian reality and for greater conceptual clarity. After going back to the ancient Hindu scriptures, she places the ancient idea of childhood involving labour in the context of modern society:

> The argument that a cultivator’s son who does not learn to handle the plough and other instruments at the appropriate age would find it difficult to handle them later, has sufficient strength. Once it is assumed by the parents that children are to live and function more or less in the same society as their own, it stands to reason that the tasks they have to perform should be learned at a proper age (Dube 1981: 189).

Cultural relativism and cultural exceptionalism may invite the danger of defending class privileges and class disabilities that are out of tune with the universal declarations of *Human Rights* and of the *Rights of the Child*. It in any case explains the prevalence of child labour as deriving from a conscious decision by the parents of the children. It uses ‘national culture’ as an explanatory model.

Poverty

The cultural explanation is not necessarily distinct from the poverty explanation. It has often been argued that child work was essential to the survival of the children and their families. It indeed is obvious that, by and large, poverty is an important reason why children work. If they were not to work, survival of the entire family could be at stake. Child labour as a matter of fact can be beneficial to the child, not only in terms of the preparation for the tasks of adulthood, but also in terms of direct improvement of health condition. Since labour adds to the family income, it will add to the nutritional intake of the young worker, and the morbidity levels of the working child may even be lower than the levels prevailing among comparable counterparts. With these considerations in mind, it is not uncommon to divide child labour in four categories, from intolerable to hazardous and neutral and ending up with varieties of child work, which even may have a positive impact on the future adult.

Acute poverty is usually advanced as a reason for sending children to work. This obviously is an explanation, which hardly requires neither substantiation nor verification. It is common sense to accept that the poorer the family, the poorer the district, the poorer the country, the higher the incidence of child labour. A closer observation, however, suggests that this is the case in a restricted sense only.

The first problem with this explanation is that poverty is difficult to define and that poverty in any case is more than economic poverty. There are certain thresholds below which people will find it difficult to survive. These thresholds are defined by nutrition, sanitation, health and shelter. At the level of deprivation, below these minimum thresholds, there is not much of an option between work and non-work. Deprivation often comes as a shock effect: the dead or severe illness of the adult breadwinner has often been documented to be a direct cause underlying child labour.

Poverty defined as human deprivation goes to the root of the child labour problem. It relates to many factors that cannot be quantified and cannot be streamlined into econometric exercises. Deprivation relates to exclusion, to vulnerability and to ignorance as much as to physical weakness and lack of property assets. Children living under such conditions, especially when a shock event has torn normal family life apart, will work in order to survive. By working, they find an individual answer to calamities for which society does not take responsibility.

Poverty, as defined traditionally, usually combines with many children per households, with low literacy and with a horizon of lowly-paid and unskilled jobs, open to child labour. It hence is not surprising if positive correlations can be found. They have been found by many. For example, Cigno, Rosati and Tszannatos (2001), on the basis of data on around 35 thousand households provided by the National Council of Applied Economic Research, have concluded that child work is negatively correlated with household income, and that school enrolment 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, but Cigno et al. (2001) are not, however, concluding that poverty is at the root cause of child labour. Indeed elsewhere in the *Handbook on Child Labour*, produced for the World Bank, they argue that the NCAER survey establishes that the negative effect of household income on child labour supply tends to be small:

> the elasticity of child labor to household resources is relatively small. While low income seems to be associated with relatively higher child labor supply, changes in income do not seem to generate large reductions in the child labor supply (and) income subsidies are likely to reduce only relatively small effects. This implies that very large transfers would be required to significantly alter the situation. However, transfer of such a magnitude are not economically or politically feasible (Cigno et al. 2001, chapter 4).

Others have presented findings which suggest that ‘poverty’ is not a significant variable in explaining child labour. Mahendra Dev and Ravi (2002: 197) found a robust positive correlation with female work participation, female literacy and indebtedness of households, but not with poverty as such: ‘In all our results, poverty as measured by the headcount ratio performed poorly with perverse signs.' 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: 'However, even among the high expenditure non-poor, child labour is not totally absent, being 40-50 per thousand compared to 81-112 among the poor' (Chaudhri and Wilson 2002: 123).

Parents, when they themselves are disabled, may need the work of the children to keep the household running. In these cases, poverty is very much at stake as an explanatory variable. Most of the 'child labour' referred to in the previous paragraph, however relates to 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 (and children) across the various categories of non-rich argue that education has a restricted usefulness only. The sooner the children learn a skill the more beneficial it will be for the child since it will help him or her to secure a job. Since education has been experienced not to be helpful -the quality of teaching and the lack of job prospects even after many years of schooling- it is better to send children to work than to have them loiter around

The arguments in defence of 'tolerable forms' of child labour -as long as wages and employment opportunities remain below a critical level- are not without merit. The low levels of income, usually associated with the absence of countervailing power in the forms of trade unions, may make it necessary to involve more family members than the standard 'breadwinner' in the labour process.

It would be wrong, however, to assume that poverty causes child labour. Poverty, as many studies have warned, is not the only reason for the existence of child labour. The picture varies across households and across 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. Another example is Sri Lanka where even in the 15-17 years' age group only 9.9 % were not attending school and only 25 % were working, usually while attending school. Sri Lanka, taking the age category between 5 and 17 years (!), has only 5.4 % and 3.3 % who are respectively economically active and working in the household without attending school (IPEC Sri Lanka 1999).

The enormous difference between Pakistan and Sri Lanka or between Kerala and Andhra Pradesh cannot possibly be explained with reference to the poverty factor as the sole variable or even the main variable. The exceptions indicate that it is possible to reduce child labour without having to wait for the breakthrough in economic development. The impact of social and political movements, the Buddhist reform movement in Sri

Lanka and the leftist movement in Kerala may have changed the social equilibrium in such a way that education, and other rights to development, were able to replace the old division of labour. This is a point to which we shall return in the later pages of this article.

Push and Pull

Up to now, the focus has been on the push factor. Much research on the causes of child labour indeed tends to concentrate on the supply factors. Apart from the common view that poverty is pushing poor children into the labour market, there is also the pre-occupation with the victims, and the life conditions they have to cope with. Neo-classical economics is based on the multivariate analysis of supply (and demand) factors. The individual author is expected to take decisions and to take these decisions on the basis of a rational choice. The rational choice is conditioned by various variables (literacy of parents, level of poverty, number of children, gender, etc.).

Quite a lot of World Bank inspired research has been done (by economists like Rosati, Cigno, Fallon, Ravallion, Grootaert and Ray) on the axioms introduced by Basu and Van (1998). The two axioms are defined as the Luxury Hypothesis and the Substitution Hypothesis. The assumption is on the one hand that a family will send the children to the labour market only if the income from adult labour sources drops very low and on the other hand that adult labour and child labour are substitutes, depending on the equilibrium in the market and endowments within the family.

The onus for child labour in this frame of mind rests with the family, not with the employers. The various studies (using Probit regressions) predict that certain variables within the households have a positive or negative role to play. Through econometric analysis the probability of a girl of an illiterate mother in a below poverty level household is tested. The conclusions then relate to the way parents react to the opportunities and the challenges. They are the players in the game and the regressions exercises are meant to calculate how they will play the game. Rajan Ray, after comparing the age group 10-17 (!) years in Peru and Pakistan rejects both the Basu/Van hypotheses, the Luxury axiom as well as the substitution axiom. The poverty coefficient is statistically insignificant. Crossing the poverty line, Ray (2000a: 9-11) argues, does not reduce the child labour levels:

> The strong rejection by the Pakistani data of any direct link between economic deprivation and child labour … is consistent with the observation of Bhatty (1998) who cites a variety of Indian studies on child labour in support of the view that ‘income and related variables do not seem to have any direct significant effect on children’s work input … it is not a financial imperative that forces children to work … children are often put to work as a deterrent to idling rather than as an economic necessity’ (p. 1734).

The technicality of the regression analysis, and the results it produces, cannot obviously be questioned. My concern is that the data sets include children up to the age of 17 and does not appear to be based on a rigorous definition of child labour. My other concern is that the study argues that wage increases for the working poor do not bring down child labour, and that on the contrary adult female wage increases exerts a positive impact on a household's propensity to put its children into employment: 'The complementarity between adult female labour and child labour … would appear to be inconsistent with the idea of parental altruism that underlies the "Substitution Hypothesis", namely, that mothers will reduce their children's work involvement if their own wage conditions improve' (Ray 2000a: 12).

Statistics, however, can serve different explanatory trajectories. Ray in another paper (Ray 2000b: 364), looking at the same set of date, argues that the hypothesized relationship between child labour and household poverty and between child schooling and household poverty 'are both strongly confirmed' by the Pakistani data: 'When a Pakistani household falls into poverty, it increases each child's involvement in outside, paid employment … just as the luxury axiom predicts.' The conclusion is the reverse of what has been stated in the previous paragraph.

As one of the few perceptive authors, it is to be added, Ray (2000b: 365) concludes his article with an important caveat: 'It is also important to look at child labor from the demand side, using industry-level data. The existing literature follows the supply side.' Not only has the demand side been rejected, the responsibility for child labour has squarely been assigned to the poor parents themselves: parents, and children, take decisions wilfully, balancing the pros and cons, and as agents in their own right opt for earning a living (or an extra income) in the labour market rather than postponing consumption demands and enter the educational system.

It is a perception from the outside, which alleges that poor people have certain 'axioms'. The evidence of the existence of those axioms is found in statistical exercises. The non-poor (and often foreign) observers read the minds of the poor through the medium of statistical data or in some cases by merely assuming the mindsets of the poor. This attitude has found its most extreme form in the theory that poor people actually produce more children in order to make them work. Parents are assumed to want children as assets to contribute to the short-term needs of the household. Also Myron Weiner (1991: 186), without much evidence, just proclaims it to be a well-know fact:

> 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 a economic liabilities. Indian policy makers accept as the basis for policy the fact that childbearing for low-income Indians is part of their strategy for family survival and well-being.

Such assumptions of a 'well-known fact' are not based on a detailed study of why poor families in certain regions often have many children. Research may indicate the opposite process: children in large families are more likely to work is because very poor families usually have a high fertility rate. The higher fertility rate is not associated with a rational choice strategy of producing more labour power (see Lieten 2000, part 2, and 2002). As Tim Dyson (1991: 81) has put it: 'children work because people have children, rather than people have children because children work.'

The struggle for survival underlies the need to work. That is the push factor in the poverty-stricken families. But there also should be a pull factor at work, the external force which pulls children towards the furnaces and the looms, towards the kilns, the quarries and the brothels. In research, the pull factor should receive more attention, as also suggested by the ILO (1996: 18):

> Research on the causes of child labour tends to concentrate on the supply factors 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.

Segmented Labour Market

One would imagine that the profit motive is the foremost causal factor on the pull side. The 'nimble finger' usually stands out as an important factor. It is contended that to contend that employers in certain industries prefer the child labour hands as being more dexterous and more productive. However, studies conducted by the ILO, for example, have argued that the prevalence of specific skills or specific dexterity does not cut much ice. In the industries where the argument is being used, for example in carpet weaving, diamond polishing and sport goods stitching, adults and children work side by side. When some of the tasks are performed exclusively by children, the skills required are so minimal that child labour is clearly replaceable by (male or female) adult labour. Profit margins would drop only marginally if child labour were to be replaced by adult labour (Anker and Barge 1998; see also Chandrashekar 1997, Sharma et al. 2001).

Under conditions of an excess supply of labour, which is usually the case in child labour-prone areas, one could moreover expect employers to employ adults rather than children. The downward pressure on wages, which is bound to occur in an environment of a weak or non-existent collective bargaining power and of an abundant supply of (adult) labour, would ultimately lower adult wages to a level hardly above the level of child wages. Since this has not happened, the suggestion is that adult labourers, after all, do have a bargaining power, which keeps the wages and the labour circumstances at somewhat higher levels.

The bargaining power usually consists of alternative employment, either on a small piece of land or in a different segment of the labour market. It is a combination, which Engels has sarcastically referred to as the 'blessing' of landownership for the modern worker in the Irish and German domestic industry in the 19th Century:

> Competition permits the capitalist to deduct from the price of labour power that which the family earns from its own little garden or field. … Here we see clearly that what at an earlier historical stage was the basis of relative well-being for the workers, namely, the combination of agriculture and industry, the ownership of house, garden and field, and certainly of a dwelling place, is becoming today, under the rule of large-scale industry, not only the worst hindrance to the worker, but the greatest misfortune for the whole working class, the basis for an unexampled depression of wages below their normal level (Engels 1872: 303).

With the growth of capitalism, semi-proletarisation is associated with the growth of labour market segmentation with a set of submarkets with different employment conditions and different labour profiles. Such markets are served by members of poor families depending on their overall endowments. Some sectors are served by the poorest families, often as landless migrants moving around and taking up work as collectives. In some industries, for example in the stone quarries and in crop-cutting in agriculture, the labour units consists of all work-able members of the family. Other sectors draw on the child labour force, leaving the adults to work on a small plot of land or in a separate job.

Under conditions of high unemployment and social polarization, Rodgers and Standing (1981: 36) have argued, the prospects of breaking out of the submarket regime are limited. The vast majority of the poor are cut-off from higher-status, higher-wage jobs, and in competing for the jobs available to them, relatively low wages are driven down further: 'So the pattern of supply of workers to different types of job can be expected to strengthen labour market segmentation.'

The segmentation of the job market usually occurs in an environment in which there is a reasonably high demand for labour and a low degree of labour empowerment. Under such circumstances, employers on the demand side have created selective markets for labour in addition to a labour market for (male and female) adults. It is actually not necessarily the high levels of unemployment that structure the labour market, but rather the power of the entrepreneurs to access the labour market unhindered by countervailing power. Child labour actually correlates with high levels of employment and gets drawn into one segment of the labour market.

Table 2 indicates that if there is a significant correlation with child labour, it is between child labour and overall economic participation rates, particularly female participation rates. It is significant to note, as we have indicated earlier, that the states with the highest child labour incidence (child labour as an ill-defined category though) are also states with a high per capita state domestic product. These states (Andhra Pradesh, Karnataka, Himachal Pradesh, and Tamil Nadu) have a much higher (female) work participation rate than for example Bihar, Assam, Uttar Pradesh and West Bengal.

Table 2. Child Labour, Literacy, Income and Work Participation Across States.

	Child Labour	Per capita domestic product	Female Literacy	Work Participation	
				Al l	Female
Andhra Pradesh	17.8	7006	24.8	81.0	72.4
Karnataka	13.9	7242	34.6	74.9	61.3
Himachal	13.6	6896	51.5	79.9	72.9
Rajasthan	12.2	5315	15.0	77.6	67.2
Tamil Nadu	10.4	8051	42.8	74.8	64.7
Madhya Pradesh	8.7	5516	22.1	76.5	63.0
Orissa	7.4	4662	30.5	65.3	45.7
Maharashtra	6.5	12010	39.7	77.7	70.5
West Bengal	5.1	6247	40.7	58.9	28.5
Uttar Pradesh	5.0	4794	22.9	61.9	34.7
Gujarat	4.1	9054	36.1	73.2	57.9
Bihar	3.7	3417	19.7	56.6	26.9
Punjab	2.7	12934	43.9	58.7	32.4
Assam	2.6	5520	52.1	54.5	23.9
Haryana	2.6	12934	43.9	58.7	32.4
Kerala	0.8	6524	81.7	53.4	32.5

Note: Domestic product in Rs; the other columns in percentages.
Source: NSS 50th Round in Dev and Ravi 2002.

The data in Table 2 have been used for Figure 1, a scatter diagram, which clearly shows that (female) work participation has a strong influence on the prevalence of child labour. In general, one observes a positive correlation between the two indicators. The two outliers are Maharashtra and Gujarat. The states with the lowest child labour incidence, are also states with a reasonably low female work participation. Kerala, Haryana, Assam, Bihar, and Punjab, despite stark differences in other variables, also have a low child labour incidence. The inference is in line with the theory of labour market segmentation and complementarity stated above: under conditions of a high demand for labour in the lower segments of the labour market, poor families will be tapped for additional labour power: after the adult male and adult female labour power also the child labour power will be pulled into employment, as is the case in the match industry in Sivakasi, where working families often combined factory work with work in the home and/or service in other business sectors

> Factory managers thus found themselves with influence not only over the productive performance of the workers but also over a substantial part of their social life. This endowed them with an unusual degree of power…. Employers were thus not solely responsible for the cost of sustenance and reproduction of the labourers, which may have been a contributory factor in the low wage levels within the industry (Hilding 2004: 179).

The demand side, constituted historically with a specific labour market segmentation, creates a specific demand for workers, and once such segmentation has become the custom (like the demand for child labour in the match factories, the carpet sheds, the glass industry and the gem industry), wages and employment conditions are such that adult labour is excluded from competition with child labour.

The natural order of things under capitalism is to produce as cheaply and trouble-free as possible. Under 'normal' labour conditions as they emerged in the course of the history of capitalism, wages have risen to a level which allows for the maintenance of a family, including the extended reproduction of labour power and the leisure associated with it. In many sectors of Third World countries, however, the reward for labour has been maintained at levels below the reproduction needs of labour families. The segmentation of the labour market leaves the most vulnerable and marginalized families to fend for survival at the lower end of the income scale. Indebtedness, illness, failed marriages and social exclusion help to push the most impoverished families into labour conditions where wages are far below the family reproduction level.

Conclusions

For an efficient and realistic intervention in policy matters, a differentiation needs to be made of the different categories of disenfranchised children: the labouring child, the working-cum-schooling child and various other disabled children who are usually referred to as nowhere children. A clear analysis will also help us to have a better understanding of the causes of child labour, although one should add that causes tend to be multivariate, and that explanations need to be found in the structure (of poverty, modes of employment, labour relations, etc.) as well as in agency.

Many exercises aimed at finding correlations have treated 'child labour' as an all-inclusive category. Using such a category will add to the confusion. One need not go into complicated exercises to establish that child labour has something to do with poverty, literacy, high fertility, etc., and we have suggested to look at causes after first having separated child labour from child work and nowhere children. After we have isolated 'child labour' as such, we could then to look more at the pull forces than at the push forces. After from shifting some of the blame away from parents to child labour employers, it would help us to explain the paradox of high poverty areas with low child labour incidence and the other way round. In areas where one could expect more push forces because of poverty and illiteracy, child labour incidence is lower than in areas where levels of poverty and illiteracy are considerably lower. Our suggestion is that the specific labour market segmentation, with a low reward for labour power and high levels of employment under conditions of social, economic and political submissiveness, is a key to an explanatory model.

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