A Tale of Two Companies

The difference between action and inaction in combating child labour

Child Labour and Wages in Hybrid Vegetable Seed Farms Supplying to the companies Nunhems and Bejo Sheetal in Karnataka, India
By: Davuluri Venkateswarlu | June 2013 | Study Commissioned by INDIA COMMITTEE OF THE NETHERLANDS (ICN)

No Child Labour – Better Wages (Reprint November 2010)

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Report 2 (page 24-41)

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SECTION-I
INTRODUCTION

BACKGROUND
The principal aim of the present study is to examine the issues of child labour and minimum wages on the farms producing hybrid vegetable seeds for two leading Dutch multinationals namely Nunhems (subsidiary of Bayer Crop Science) and Bejo Zaden BV (partly owning Bejo Sheetal) in India. Nunhems and Bejo Sheetal are among the top ten leading vegetable seed companies in India. Together they hold about 20% of market share in hot pepper and tomato hybrid seeds. The vegetable seed production of both Nunhems and Bejo Sheetal is largely concentrated in the South Indian state of Karnataka which is the main centre for production of hybrid vegetable seeds.

The issue of child labour and underpayment in the production of hybrid seeds in India has received considerable attention in recent years. Hybrid seed production, particularly vegetable seeds like hot pepper and tomato, is highly labour-intensive and children, particularly girls, are engaged in most of its operations. In hybrid seed production cross-pollination (hybridization) is the main activity which requires more than 70% of the total labour used in seed cultivation. Children are mainly employed in this activity. They are employed on a long-term contract basis through advances and loans extended to their parents by local seed producers, who have agreements with large national and multinational seed companies like Nunhems and Bejo Sheetal. Children are made to work long hours and are paid less than market and official minimum wages.

According to a study conducted in 2009, approximately 152,369 children, out of which 59,417 (39%) below 14 years and 92,952 (61%) in the 15-18 year age group, were employed in tomato, hot and sweet pepper, brinjal and okra seed plots in the states of Karnataka, Maharashtra and Gujarat. These states account for nearly 95% of the total production area in the country1. Karnataka has the largest vegetable seed production area in the country accounting for nearly 89,920 (58% of the total) children employed in this sector, out of which 35,458 children are below 14 years and the remaining 54,462 are in the 15-18 year age group.

Nunhems has paid serious attention to the issue of child labour on the farms producing seed for its company. Since 2009 it has been implementing a special programme called CCP (Child Care Programme) to combat child labour on its suppliers’ farms. It has adopted a zero tolerance policy towards child labour under the age of 15 years. The Child Care Programme implemented by Nunhems has three components. The first is creating awareness and acceptance of the “Zero tolerance policy towards child labour under the age of 15” with the seed production growers. The second component is internal monitoring which is backed by incentives to the compliant growers and sanctions to the non-compliant growers. The third component is promoting school attendance since eliminating child labour implies the need for access to education2. Nunhems claims that the Child Care Programme implemented by its company

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2 For complete details on Bayer/ Nunhems child labour interventions see the following links in company website www.journal.bayercropscience.com/bcsweb/cropprotection.nsf/id/EN_Topic_Protecting_childrens_rights, www.nunhems.in/www/NunhemsInternet.nsf/id/CW_EN_Child_Care_Program
had a substantial positive impact and the incidence of child labour has come to practically zero level. The internal monitoring data collected by the company shows that the incidence of child labour as a percentage of total labourers during the rainy season was reduced from 15.6% to 0.01% and the incidence of child labour per monitored acre was reduced from 2.58% to 0.001% between 2007 and 2012.3

The issue of payment of below minimum wages to workers on its suppliers’ farms also received some attention from Nunhems. However, the company is yet to implement any systematic plan, like it did in case of child labour, to address the minimum wage issue. Nunhems is still in the process of understanding the complexity of the minimum wage issue and developing an action plan to address it.

Both the issues of child labour and below minimum wages on its supplier’s farms have not yet received serious attention from the management of Bejo Sheetal and it has not made any serious efforts to address these issues. These issues were brought to the notice of Bejo Zaden in 2010 itself by the India Committee of the Netherlands4. The report ‘Growing Up in the Danger Fields’ published in June 2010 showed that there were many children at farms supplying to Bejo Sheetal. Also the report pointed out that the wages paid to both child and adult workers were far below the minimum wages prescribed by the government5.

MAIN OBJECTIVE OF THE STUDY
The main objective of the study is to examine the issues of child labour and minimum wages on the farms producing hot pepper and tomato hybrid seeds for Nunhems and Bejo Sheetal in the South Indian state of Karnataka which is the main centre for production of hybrid vegetable seeds in India.

METHODOLOGY
The present study is mainly based on the analysis of primary data collected through field visits to 80 sample seed farms in 15 key production villages in three districts in Karnataka. The names of the districts are Koppal, Davanagiri and Haveri, which are prime centres for vegetable seed production.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>COMPANY-WISE AND CROP-WISE DISTRIBUTION OF SAMPLE FARMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location/District</td>
<td>Nunhems</td>
</tr>
<tr>
<td></td>
<td>Hot pepper</td>
</tr>
<tr>
<td>Koppal</td>
<td>9</td>
</tr>
<tr>
<td>Davanagiri</td>
<td>6</td>
</tr>
<tr>
<td>Haveri</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

3 As per the details provided by the company. On request the Nunhems’ management has shared a six page note titled ‘A brief note on success of Child Care Programme in Nunhems/Bayer vegetable seeds’ on its child labour programme with the author.
4 Bejo Zaden BV in The Netherlands now has a minority stake in Bejo Sheetal but in 2010 when the issues of child labour and minimum wages were brought to its notice it had a considerable stake in Bejo Sheetal.
Of the total 80 sample farms, 30 were producing seed for Nunhems, 30 for Bejo Sheetal and the remaining 20 for selected Indian companies (table 1). The names of the Indian companies included in the study sample are Raasi, Kanchana, JK Seeds, Ankur, Kaveri, Centuri, Namdhari and Sungrow. Out of 80 sample farms, 30 were selected from Koppal and 30 from Davanagiri district while 20 farms were selected from Haveri. As there was a negligible production of hot pepper seeds in Haveri all the hot pepper sample farms were chosen from Koppal and Davanagiri only.

The main field survey for the present study was conducted from October to December during the cross-pollination period in 2012. A four member study team (Mr. Davuluri Venkateswarlu, Mr. Ravi Raj, Mr. Kranthi Kumar and Mrs. Manjula) with the help of local community (village school teachers and youth) made visits to seed farms. Information on age and gender composition of workers and wage rates were gathered through interviews and discussions with labourers and seed farmers and also through field observations.

In some borderline cases, age determination was found difficult by the field investigators by physical observation or discussions with workers. Workers who may be 13 or 14 years tended to report their age as above 14 years knowing that the law prohibits employment of children below 14 years. Age determination was found difficult in 22 cases in hot pepper and 10 cases in tomato and such cases were recorded separately as "age doubtful cases" (probably children). Of the total 32 age doubtful cases 4 were from Nunhems, 18 from Bejo Sheetal farms and the remaining 10 from Indian companies. In six cases, the study team visited the local school for age proof documentation to cross-check the age details reported by the workers.

It was found that out of six doubtful cases three have crossed 14 years and three were under 14 years. Due to time constraints and lack of cooperation from farmers and workers in some farms the study team could not verify the age proof documents for all the doubtful cases. While estimating the total number of children below 14 years, it was decided to treat 50% of numbers in the ‘doubtful/probably children’ labour category as children below 14 years with the assumption that the chances of a ‘probable child’ is really a child are 50%. As per the investigators’ opinion and as per our observations in the field calculating 50% of ‘probable children’ as ‘definitely children’ is the best guess.

Due to the sensitivity of the child labour issue in some locations, the research team had to cope with several obstacles during the fieldwork. There was extreme nervousness and reluctance to admit the existence of child labour in the study farms. During the survey in some farms the children either tried to hide or run away after they saw the researchers. For the purpose of counting, children running away in front of researchers were treated as child labourers. In some farms it was observed that children had standing instructions from

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6 Out of 30 Bejo Sheetal farms, 14 were selected from Davanagiri, 10 from Koppal and six from Haveri district. When the draft copy of this report was shared with the management of Bejo for their comments they denied having any production in Koppal district during 2012–13 when the survey was conducted. To cross check and re-verify the identity of the company for whom the sample farms are supplying seed, the study team revisited all the 10 sample farms of Bejo Sheetal in Koppal district in March 2013. The interactions with the growers during revisits to the farms reconfirm that the sample farms included in the study are producing for Bejo Sheetal. All the Bejo Sheetal growers interviewed in Koppal have a very long standing association with the company. The study team also met some of them in 2010 for their previous research study.

7 Similar methodology was adopted by an ILO research team while doing study on child labour in the carpet industry in India in 1998 (source: Richard Anker, Sandhya Barge, S. Rajagopal & M.P. Joseph (Eds.) (1998): ‘Economics of Child Labour in Hazardous Industries of India’, Centre for Operation Research and Training, Baroda).
growers that they should hide or leave the farms if they observed any outsider entering the farm. Due to the reluctant attitude of some farmers, investigators could not freely interact with workers to obtain their age and payment details. In such cases, an attempt was made to meet the workers outside the farms at their homes after they returned from the fields. Without the support from local resource persons it would have been difficult for the study team to collect the data on child labour.

The average wage rate at regional (location-wise) level is derived by dividing the sum total of wages of all sampled farms by the number of farms reporting wages (quotations). Calculation of weighted averages are restricted only to those occupations where the number of quotations are two or more in order to avoid inconsistency in wages paid to different categories of workers on account of difference in number of quotations.
SECTION-II

WORKFORCE COMPOSITION AND ESTIMATES OF CHILD LABOUR

Workforce Composition

Table 2 presents a comparison of the details of workforce composition and estimates of child labour during cross-pollination activity in 80 sample seed farms producing hot pepper and tomato hybrid seeds for Nunhems, Bejo Sheetal and selected Indian companies. The average size of tomato seed plots is about 0.40 acres, for hot pepper it is 0.25 acres. Field visits to the farms were conducted during cross-pollination, the most labour intensive activity, which takes up approximately 70% of the total work days required for seed production. Compared to tomato, hot pepper seed production is more labour intensive. Depending upon plant population, the average tomato plot (0.40 acres) requires about 250–300 work days while the average hot pepper plot (0.25 acres) requires 350–450 work days for completion of cross-pollination activity.

FAMILY VS HIRED LABOUR

In most of the sample farms visited it was observed that the family members of the growers take active part in various production related activities. They work side by side with the hired labour. As the seed production requires a large number of labourers the dependence on hired labour is a must, even for small and marginal farmers. Family labour accounted for 14.7% of the total labour force in the sample farms. Family labour accounted for 14.6%
in hot pepper and 16.9% in tomato farms of Nunhems, 13.3% in hot pepper and 16.6% in tomato farms of Bejo Sheetal and 16.1% in hot pepper and 14.6% in tomato farms of local Indian companies. Involvement of migrant labour is insignificant in the studied locations. Hired labour is recruited from the same village and sometimes from neighbouring villages in a radius of 10-30 km. Farmers provide free transport facility to workers from other villages for daily commuting to work place.

GENDER COMPOSITION
The gender composition of workforce indicates that women play a predominant role in hybridization activity. Women accounted for more than 80% of the total workers involved in cross-pollination both in tomato and hot pepper farms of all the companies studied. They accounted for 84.4% of the total workforce in Nunhems seed farms, 81.6% in Bejo Sheetal and 80.5% in Indian companies. Among child workers both under the age of 14 and in the 15-18 age groups, girls outnumber boys.

<table>
<thead>
<tr>
<th>Total number of seed plots surveyed</th>
<th>15</th>
<th>15</th>
<th>20</th>
<th>10</th>
<th>10</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average size of seed plot (acres)</td>
<td>0.25</td>
<td>0.40</td>
<td>0.25</td>
<td>0.40</td>
<td>0.25</td>
<td>0.40</td>
</tr>
<tr>
<td>Total number of workers engaged during cross-pollination activity</td>
<td>178</td>
<td>130</td>
<td>286</td>
<td>84</td>
<td>162</td>
<td>94</td>
</tr>
<tr>
<td>% of family labour to total labour</td>
<td>14.6% (26)</td>
<td>16.9% (22)</td>
<td>13.3% (38)</td>
<td>16.6% (14)</td>
<td>16.1% (26)</td>
<td>14.6% (14)</td>
</tr>
<tr>
<td>% of hired labour to total labour</td>
<td>85.4% (152)</td>
<td>83.8% (109)</td>
<td>86.7% (248)</td>
<td>83.3% (70)</td>
<td>83.9% (136)</td>
<td>83.3% (80)</td>
</tr>
<tr>
<td>% of Children (below 14 years) to total workforce</td>
<td>1.7% (3)</td>
<td>0.0% (0)</td>
<td>17.8% (51)</td>
<td>11.9% (10)</td>
<td>21.0% (34)</td>
<td>11.7% (11)</td>
</tr>
<tr>
<td>% of girls to total children</td>
<td>100% (3)</td>
<td>0.0% (0)</td>
<td>80.3% (41)</td>
<td>80.0% (8)</td>
<td>76.5% (26)</td>
<td>81.8% (9)</td>
</tr>
<tr>
<td>% of children (15-18 age group) to total workforce</td>
<td>33.1% (59)</td>
<td>27.8% (36)</td>
<td>25.5% (73)</td>
<td>29.7% (25)</td>
<td>25.9% (42)</td>
<td>23.4% (22)</td>
</tr>
<tr>
<td>% of girls to total children (15-18 age group)</td>
<td>84.7% (50)</td>
<td>86.1% (31)</td>
<td>83.6% (61)</td>
<td>80.0% (20)</td>
<td>75.5% (34)</td>
<td>81.8% (18)</td>
</tr>
<tr>
<td>Average number of children (below 14 years) per plot</td>
<td>0.2</td>
<td>0.0</td>
<td>2.6</td>
<td>1.0</td>
<td>3.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Average number of children (15-18 years) per plot</td>
<td>3.9</td>
<td>2.4</td>
<td>3.2</td>
<td>2.2</td>
<td>4.2</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Note: While the present Indian child labour law defines a child as a person who has not completed fourteen years of age, following ILO norms, Nunhems’ child labour policy defines child as a person under the age of 15. If we use 15 years as an age limit for defining child labour the number of child labourers found working on sample farms are as follows: Hot pepper farms: Nunhems–4, Bejo Sheetal–59 and Indian companies–39, Tomato farms: Nunhems–nil, Bejo Sheetal–13 and Indian companies–15.
CASTE COMPOSITION
The details of caste background of workers are available for 54 farms. The data indicate that most of the hired workers (children as well as adults) working on tomato and hot pepper seed farms of all the companies belong to poor families from socially backward communities like Dalits, also called Scheduled Castes (SCs), Adivasi, also called Scheduled Tribes (STs) and Backward Classes (BCs).

Of the total 496 hired workers in 54 sample farms, 136 (27.4%) were SCs and 111 (22.3%) were STs. Backward Classes accounted for 41.9% (including 10.6% Muslims) while upper castes accounted for 8.2% (41).

MAGNITUDE AND PROFILE OF THE WORKING CHILDREN

MAGNITUDE OF THE NUMBERS
Though the employment of children is observed on seed farms of both Nunhems and Bejo Sheetal, there is a significant difference in the magnitude of child labour between these two companies. The situation in Bejo Sheetal is much similar to Indian companies who have not taken any serious efforts to address the issue of child labour on their farms. Children under the age of 14 years accounted for 17.8% and 21% of the total workers in Bejo Sheetal and Indian companies respectively in hot pepper seed farms, while this percentage is only 1.7% in Nunhems’ farms. Of the total 286 persons found working during field visits to 20 Bejo Sheetal’s hot pepper sample farms, 51 were children under 14 years old. In farms supplying to Indian companies, out of a total 162 workers in 10 hot pepper farms, 34 were under the age of 14 years. In Nunhems’ farms, 3 out of 178 workers in 15 hot pepper farms were children under the age of 14 years.

9 The study team was not able to collect caste details of the workers in some farms due to non-cooperation from farmers for carrying out discussions with the workers.

A TALE OF TWO COMPANIES – The difference between action and inaction in combating child labour
Compared to hot pepper, the magnitude of child labour is less in tomato farms. Children under the age of 14 years accounted for 11.9% and 11.7% of the total workers in Bejo Sheetal and Indian companies respectively in tomato seed farms while none of the Nunhems’ tomato farms visited were found with any confirmed cases of children under the age of 14 years, except one doubtful case. Of the total 84 persons found working during field visits to 10 Bejo Sheetal’s tomato pepper farms, 10 were children under 14 years old. In Indian companies’ farms, out of a total 94 workers in 10 sample farms, 11 were under the age of 14 years.

The average number of children (below 14 years) per plot was 0.2 in hot pepper farms of Nunhems while this number was 2.6 and 3.4 in Bejo Sheetal and Indian companies’ farms. In tomato farms the average number of children per plot was zero in Nunhems and 1.0 in Bejo Sheetal and Indian companies’ farms.

Children in the age group of 15–18 accounted for 23–33% of the total workers in different companies’ farms. They accounted for 25.5% and 25.9% of the total workforce in Bejo Sheetal and Indian companies respectively in hot pepper seed farms, while this percentage is 33% in Nunhems’ farms. In tomato farms the proportion of children in the age group of 15–18 varies between 23.4–28.9% in different companies’ farms.

**Girls outnumber boys**
The gender composition of working children clearly indicates that girls outnumber boys both on tomato and hot pepper farms of all the companies. More than 75% of the working children under the age of 18 years are girls. In hot pepper plots girls accounted for 100%, 80% and 76.5% of total children (below 14 years) on Nunhems, Bejo Sheetal and Indian companies farms respectively. In tomato plots girls accounted for 80.0% and 81.8% on Bejo Sheetal and Indian companies respectively. No child under the age of 14 was found on Nunhems’ tomato plots.

**Most of the working children are hired labour and school dropouts**
There is a misconception that most of the working children in seed production are family labourers who help their parents during school holidays and before and after school hours. This is not correct. Of the total 109 children (below 14 years) found working on the farms 78% were hired labourers. Children from the family of the farmers themselves accounted for only 22%. In the age group of 15–18 years family labour accounted for 29%.

With regard to the educational status of working children there are no significant differences between different companies. Most of the children found working on seed farms were school drop outs who have discontinued their schooling half-way and work as full time workers. Out of 109 children under the age of 14, the details of educational status are available for 88 children. Out of 88 children, 54 (61.4%) reported that they discontinued their studies and work as full time workers (26 discontinued their studies before 5th class, 22 children after 7th class and 6 children after 8th class). Twenty two children (25%) reported that they are going to school but they work some days (10–15 days) during peak cross-pollination period.

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10 The study team visited the local schools and interacted with the teachers in four villages. Most the teachers interviewed reported that there is a pressure on school going children to go to work during peak cross-pollination period due to scarcity of labour. In Arisikeri in Davanagiri district and Erukalagada village in Koppal district the study team visited the local government schools during peak hot pepper cross-pollination period in the first week of November and observed that 20–35% of the children were absent in 7th, 8th and 9th classes. When enquired the teachers and children they reported that the main reason for the absence of most of the children was their engagement in cross-pollination activity in hot pepper farms.
remaining 10 children reported that they are regularly going to school and occasionally work on farms during school holidays and sometimes as a temporary replacement of their parents when they are not well.

EXTENT OF CHILD LABOUR – REGIONAL VARIATIONS
Table 3 presents location-wise comparison of the extent of child labour (below 14 years) on seed farms of different companies. To capture the regional variations in the extent of child labour, the survey was conducted in three districts i.e. Koppal, Davanagiri and Haveri. Compared to Koppal and Davanagiri, the magnitude to child labour was very low in all companies’ farms in Haveri district. Of the total 20 farms visited in Haveri district, 12 were found without any children under the age of 14. None of the Nunhems’ farms and four out of twelve Bejo Sheetal and Indian companies’ farms surveyed in Haveri were found with any children. The average number of children under the age of 14 per plot in Haveri district is 0.4, while this number is 1.77 and 1.63 in Koppal and Davanagiri respectively. The low incidence of child labour in Haveri district is mainly attributed to relatively high literacy rates both among growers and workers, and to good functioning of the schools and high agricultural growth rate due to better infrastructure in the district compared to Koppal and Davanagiri.

TABLE 3
LOCATION–WISE AND COMPANY–WISE DISTRIBUTION OF CHILD WORKERS (BELOW 14 YEARS) IN SAMPLE FARMS, 2012–13

| Location/  | Nunhems | Bejo Sheetal | Indian companies | Total |
| District   |         |             |                  |       |
|           | Hot pepper | Tomato     | Hot pepper | Tomato | Hot pepper | Tomato |
| Koppal     |           |             |          |        |            |        |
| Number of farms surveyed | 9 | 5 | 6 | 4 | 4 | 2 | 30 |
| Number of children working | 3 | 0 | 24 | 6 | 15 | 4 | 52 |
| Davanagiri |           |             |          |        |            |        |
| Number of farms surveyed | 6 | 2 | 14 | 0 | 6 | 2 | 30 |
| Number of children working | 0 | 0 | 27 | 0 | 19 | 3 | 49 |
| Haveri     |           |             |          |        |            |        |
| Number of farms surveyed | 0 | 8 | 0 | 6 | 0 | 6 | 20 |
| Number of children working | 0 | 0 | 0 | 4 | 0 | 4 | 8 |

According to 2011 census data the general literacy rate in Haveri district is 77.6% while this figure is 74% and 67% in Davanagiri and Koppal respectively (source: Census data 2011).
TRENDS IN EMPLOYMENT OF CHILD LABOUR

The recent trends in employment of child labour on farms producing vegetable seed for different companies in Karnataka indicates a marginal decline in the overall incidence of child labour since 2009. The decline is significant on farms of some companies like Nunhems and Syngenta which have made serious efforts to address the problem. Also the decline is significant in the areas where there was a concerted effort from different actors like the government, UN organisations, NGOs, community based organisations and seed companies to address the issue.

TABLE 4

TRENDS IN EMPLOYMENT OF CHILD LABOUR ON HOT PEPPER SEED FARMS IN KARNATAKA

<table>
<thead>
<tr>
<th>Company name</th>
<th>Proportion of children (below 14 years) to the total workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009-10</td>
</tr>
<tr>
<td>Nunhems</td>
<td>12.5%</td>
</tr>
<tr>
<td>Bejo Sheetal</td>
<td>24.3%</td>
</tr>
<tr>
<td>Indian companies</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

Note: The data for 2009-10 were taken from a larger survey conducted by the author in 2009. The survey sample in 2009 includes 12 farms producing hot pepper seed for Nunhems and 10 farms producing for Bejo Sheetal. For results of this survey see the report ‘Growing Up in the Danger Fields: Child and Adult Labour in Vegetable Seed Production in India’, jointly published by ICN, ILRF and Stop Child Labour Campaign (the full report can be downloaded from www.indianet.nl/pdf/dangerfields.pdf).
The issue of child labour in general and hybrid seed production in particular in Karnataka has recently received attention and a number of initiatives to address the problem have been undertaken by the Government, non-governmental organisations (NGOs), UNICEF and the seed industry. UNICEF in collaboration with Karnataka government has been implementing a special project since 2010 in Koppal district which is the prime centre for hybrid seed production in the state, to address the issue of child labour. As part of this project the district administration in Koppal has taken up several initiatives which include awareness and motivation campaigns, school enrolment drives, rehabilitation of child labourers through bridge course centres etc. Seed companies – mostly multinationals like Syngenta, Nunhems and Seminis – have been implementing special measures to address the issue on their supplier's farms.

Table 4 presents the data on the magnitude of child labour on farms producing hot pepper seed for Nunhems, Bejo Sheetal and selected Indian companies in 2009–10 and 2012–13. The data for 2009–10 was taken from a larger survey conducted by the author in 2009. The data indicate that there is a marginal decline in the overall incidence of child labour since 2009–10. But while Bejo Sheetal and Indian companies show the same pattern, the decline is very significant on Nunhems’ farms. The proportion of children (below 14 years) to the total workforce during the cross-pollination period was reduced from 12.5% in 2009–10 to 1.7% in 2012–13 on Nunhems’ farms, while this reduction was from 24.3% to 17.8% on farms supplying for Bejo Sheetal and from 27.5% to 21% on farms supplying to Indian companies during the same period.

NUNHEMS’ REHABILITATION EFFORTS

The significant reduction in the incidence of child labour on Nunhems’ farms is largely due to the serious efforts made by the company to address the issue. It has put an elaborate system in place to address the issue at multiple levels. It has kept a 30 member trained team in the field who work full time on this issue with the close collaboration with company production staff. Farmers are educated about company’s ‘no child labour policy’ and prior written consent is obtained before entering into formal production agreements with them.

Farms are frequently monitored to check for non-compliances, if any. Non-compliance issues when reported are immediately attended by the company staff.

The study team has seen the field staff of Bayer and Nunhems in action while addressing the non-compliance issues on the farms. During the field visits to one of the village the study team saw two children (below 14 years age) doing cross-pollination in one of the cottonseed farms producing for Bayer and information was immediately shared with the local management of the company. The local management has immediately alerted their field staff and in an hour time the concerned farm was visited by the company filed staff and the farmer was instructed to remove the children immediately. The farmer obeyed it and children were removed immediately.

Attempts are made to rehabilitate the child workers removed from the fields into regular schools. With the purpose of rehabilitating child labourers removed from company’s fields and also any child labourers from workers’ families whose parents work on company’s fields, Nunhems has been supporting a Residential Bridge Course (RBC) school for child labourers in Koppal district run by a local NGO called Association for Rehabilitation of the Disabled (ARD). Currently this centre is providing facilities for 34 children, 23 boys and 11 girls. Out of

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12 A brief report titled ‘A brief note on the success of the Child Care Programme in Nunhems/Bayer vegetable seeds’ on its child labour programme shared by the company with the author.

13 Workers as well as farmers present during the visit admitted that they are below 14 years.
34 children, 26 (76.4%) are under the age of 11\textsuperscript{th}. Nunhems is also supporting another NGO ‘Sampark’ in implementing a project called ‘Prerane’ to reduce the number of drop outs at ten high schools in Koppal district.

The various interventions undertaken by Nunhems to address the issue of child labour had a positive impact which was reflected in the significant decline in the incidences of child labour on the company’s farms in recent years. While the company was successful in its interventions aimed at sensitizing the growers and removing the children from the fields when observed, its efforts towards rehabilitation of children removed from the fields had a limited impact. The Residential Bridge Course centre supported by the company seems to be not fully catering to the needs of child labourers who require this facility most. More than 75% of the children in this centre are 11 years and below who can be directly mainstreamed into regular schools without bridge course unless they missed several years of education and need to be prepared for regular schools. The children who need this facility most are the older ones (12–14 years) and children who had never been to school or missed several years of schooling. Most of the children under the age of 14 years who were removed from either Nunhems’ vegetable farms or Bayer’s cottonseed farms have not utilised this facility so far. For the rehabilitation programme to be successful there is a need for the company to make a critical review of its current functioning and take appropriate steps to reach the programme to the target group of children.

\textsuperscript{16} Very few of the 34 children enrolled in this centre during 2012 were found working on Nunhems’ seed production farms. However, they all had a direct relation to company growers, or labourers of company growers.
The analysis of data on wages for important agricultural activities in hot pepper and tomato seed farms collected from the sample farms clearly indicate significant variation in wage rates based on type of production activity, gender, location and type of labour arrangement. No significant differences in wage rates were found between the farms producing seeds for different companies.

**VARIATIONS IN WAGE RATES BY ACTIVITY**

Task-wise variations in the wage rates are observed in both hot pepper and tomato seed crops across all the study locations. Tables 3, 4 and 5 present task-wise and gender-wise average daily wage rates on farms producing seed for Nunhems, Bejo Sheetal and Indian companies in three locations. The wage rates are higher for tasks such as ploughing and spraying pesticides compared to other activities such as sowing, weeding, and cross-pollination. While spraying pesticides fetches the highest wage, weeding activity is receiving the lowest wages in all the three locations. The average daily wage rates for spraying pesticides activity in Nunhems’ farms varied between Rs 185 and 220 depending upon the location (Rs 185 in Koppal, Rs 200 Davanagiri and Rs 220 in Haveri). The average daily wage rates for weeding activity for female workers varied from between Rs 105 and Rs 148 depending upon the location (Rs 105 in Koppal, Rs 110 Davanagiri and Rs 148 in Haveri).

**VARIATIONS IN WAGE RATES BY REGION**

Regional variations in wage rates for different tasks and categories of workers are observed in all the farms producing for different companies. There are variations in wage rates across three locations. Haveri has 5%-40% higher wages for different categories of workers and tasks as compared to Koppal and Davanagiri. For instance in Nunhems’ farms, for harvesting Rs 150 is paid to women workers in Haveri as opposed to Rs 115 and Rs 120 for the same activity in Koppal and Davanagiri respectively. Similarly, for cross-pollination Rs 206 is paid to women workers in Haveri as opposed to Rs 120 and Rs 130 for the same activity in Koppal.
and Davanagiri. As previously explained, compared to Koppal and Davanagiri, Haveri is a relatively developed area with better infrastructure facilities. Due to heavy concentration of seed production farms, demand for labour is more in this area as compared to supply, leading to higher wages. The literacy rate is higher among farmers and agricultural labourers, and the incidence of child labour on seed farms is found to be low\(^{15}\).

**VARIATIONS IN WAGE RATES BASED ON LABOUR ARRANGEMENTS**

Variations in wage rates are observed based on type of labour arrangement through which workers are hired. Broadly three types of labour arrangements – daily wage, seasonal and piece-rate – do exist in the study locations. Cross-pollination, which is the vital activity in seed production, is mostly carried out through seasonal agreements. As farmers require an assured supply of labour during cross-pollination activity, they prefer to enter into seasonal agreements with the labour by extending advance money to them\(^{16}\). Daily wage arrangements are prevalent in other activities such as sowing, weeding and harvesting. Hiring the labour for job work/piece rate is in practice for some activities like construction of the net, seed-bed preparation in case of vegetable seeds, ploughing and harvesting of cotton.

The wages for daily casual labour are slightly higher compared to the seasonal labour in the study locations. For instance, the average daily wage rate for women in cross-pollination activity in Koppal is Rs 125 for daily causal workers whereas the wage rate is Rs 120 for seasonal workers.

**VARIATIONS IN WAGE RATES BY GENDER AND AGE**

Division of labour based on gender is well documented by several studies and the present study has also observed similar phenomena in all its study locations. This has serious implications on the earnings capacity of men and women. Ploughing and spraying pesticides are considered as tasks done by men and weeding as done by women and they are exclusively hired for these tasks. Women are preferred for harvesting and cross-pollination, which are labour-intensive activities. The wage rates for ploughing are 40%-70% higher compared to weeding in different locations. The average daily wage rates for ploughing varied between Rs 175 and 210 whereas for weeding it varied between Rs 105-148 in different locations.

Wage differences also exist in the activities where both men and women participate. For example, in joint male and female activities such as fertilizer application, the men get 15%-30% higher wages compared to women (wages paid to women varied between Rs 115-150) in different locations. Men’s participation in joint activities such as cross-pollination is insignificant and in most of the cases the younger boys and older men work along with women. In such cases the men are being paid at par with the women.

Though children (below 14 years) are involved in many activities, they are preferred and employed for cross-pollination for which they receive wages at par with women if they have some work experience. Children who are newly recruited and those who work during school vacations are paid 10%-20% less compared to women.


\(^{16}\) Nearly 70% of the hired workers on the sampled farms were employed on seasonal contract basis.
VARIATIONS IN WAGE RATES BASED ON CASTE

Most of the hired workers (children as well as adults) working on tomato and hot pepper seed farms of all the companies belong to socially backward communities like Scheduled Castes (SCs), Scheduled Tribes (STs) and Backward Classes (BCs). Caste-based discrimination in wages was not reported in any of the locations. However, differential treatment of workers by the employers based on caste was reported in Koppal area in Karnataka.

TABLE 5
ACTIVITY-WISE AND GENDER-WISE AVERAGE DAILY WAGE RATES IN BEJO SHEETAL’S SEED FARMS IN KARNATAKA DURING 2012-13 (AMOUNT IN RS)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Koppal Male</th>
<th>Koppal Female</th>
<th>Koppal Children</th>
<th>Davanagiri Male</th>
<th>Davanagiri Female</th>
<th>Davanagiri Children</th>
<th>Haveri Male</th>
<th>Haveri Female</th>
<th>Haveri Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ploughing</td>
<td>175</td>
<td>#</td>
<td>#</td>
<td>187</td>
<td>#</td>
<td>#</td>
<td>210</td>
<td>#</td>
<td>#</td>
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<tr>
<td>Transplanting</td>
<td>@</td>
<td>115</td>
<td>100</td>
<td>@</td>
<td>115</td>
<td>105</td>
<td>164</td>
<td>150</td>
<td>140</td>
</tr>
<tr>
<td>Weeding</td>
<td>#</td>
<td>105</td>
<td>100</td>
<td></td>
<td>110</td>
<td>100</td>
<td>#</td>
<td>148</td>
<td>135</td>
</tr>
<tr>
<td>Fertilizer Application</td>
<td>152</td>
<td>115</td>
<td>@</td>
<td>175</td>
<td>115</td>
<td>@</td>
<td>180</td>
<td>150</td>
<td>#</td>
</tr>
<tr>
<td>Spraying Pesticides</td>
<td>185</td>
<td>#</td>
<td>#</td>
<td>200</td>
<td>#</td>
<td>#</td>
<td>221</td>
<td>#</td>
<td>#</td>
</tr>
<tr>
<td>Harvesting</td>
<td>130</td>
<td>115</td>
<td>105</td>
<td>@</td>
<td>120</td>
<td>117</td>
<td>164</td>
<td>150</td>
<td>135</td>
</tr>
</tbody>
</table>

Notes: Except for cross-pollination, the daily wage rates mentioned for other activities are for casual labourers who work on daily wage contracts. For cross-pollination, the wage rates are mentioned for both casual and seasonal workers. Seasonal labour is involved mainly in cross-pollination.

@ = Number of quotations is less than two. Averages are restricted only to those occupations where the number of quotations is two or more in order to avoid inconsistency in wages paid to different categories of workers on account of difference in number of quotations.

# indicates that particular categories of workers were not engaged in that operation.

Notes are the same for Table 6 and 7.
### Table 6
**Activity-wise and Gender-wise Average Daily Wage Rates in NUNHEMS' Seed Farms in Karnataka During 2012-13 (Amount in Rs)**

<table>
<thead>
<tr>
<th></th>
<th>Koppal</th>
<th>Davanagiri</th>
<th>Haveri</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Children</td>
</tr>
<tr>
<td>Ploughing</td>
<td>175</td>
<td>#</td>
<td>#</td>
</tr>
<tr>
<td>Transplanting</td>
<td>@</td>
<td>115</td>
<td>#</td>
</tr>
<tr>
<td>Weeding</td>
<td>#</td>
<td>105</td>
<td>#</td>
</tr>
<tr>
<td>Fertilizer Application</td>
<td>152</td>
<td>115</td>
<td>#</td>
</tr>
<tr>
<td>Spraying Pesticides</td>
<td>185</td>
<td>#</td>
<td>#</td>
</tr>
<tr>
<td>Harvesting</td>
<td>135</td>
<td>115</td>
<td>#</td>
</tr>
</tbody>
</table>

Cross - pollination

<table>
<thead>
<tr>
<th></th>
<th>Koppal</th>
<th>Davanagiri</th>
<th>Haveri</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Children</td>
</tr>
<tr>
<td>Daily causal labour</td>
<td>130</td>
<td>130</td>
<td>120</td>
</tr>
<tr>
<td>Seasonal labour</td>
<td>125</td>
<td>125</td>
<td>@</td>
</tr>
</tbody>
</table>

### Table 7
**Activity-wise and Gender-wise Average Daily Wage Rates on Farms Producing for Indian Companies in Karnataka During 2012-13 (Amount in Rs)**

<table>
<thead>
<tr>
<th></th>
<th>Koppal</th>
<th>Davanagiri</th>
<th>Haveri</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Children</td>
</tr>
<tr>
<td>Ploughing</td>
<td>175</td>
<td>#</td>
<td>#</td>
</tr>
<tr>
<td>Transplanting</td>
<td>@</td>
<td>115</td>
<td>100</td>
</tr>
<tr>
<td>Weeding</td>
<td>#</td>
<td>105</td>
<td>100</td>
</tr>
<tr>
<td>Fertilizer Application</td>
<td>160</td>
<td>115</td>
<td>@</td>
</tr>
<tr>
<td>Spraying Pesticides</td>
<td>190</td>
<td>#</td>
<td>#</td>
</tr>
<tr>
<td>Harvesting</td>
<td>130</td>
<td>115</td>
<td>105</td>
</tr>
</tbody>
</table>

Cross - pollination

<table>
<thead>
<tr>
<th></th>
<th>Koppal</th>
<th>Davanagiri</th>
<th>Haveri</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Children</td>
</tr>
<tr>
<td>Daily causal labour</td>
<td>125</td>
<td>125</td>
<td>100</td>
</tr>
<tr>
<td>Seasonal labour</td>
<td>120</td>
<td>120</td>
<td>110</td>
</tr>
</tbody>
</table>
The recent trends in agricultural wages indicate significant rise in wage rates for different farm activities in many parts of Karnataka. According to the official data collected by the Labour Bureau, under the Ministry of Labour and Employment, in Karnataka state agricultural wages in general have increased by 108% during the period from December 2007 to December 2011. The interviews with seed growers and workers and the study conducted by the author in 2009 also indicate a steady increase in wages in vegetable seed production in recent years particularly after the introduction of NREGA, the national employment guarantee scheme of government of India since 2006.

Despite recent increases, the wages paid for certain activities and categories of workers are still below the minimum wages. Karnataka State Government has fixed Rs 157.34 (Rs 100 basic + Rs 57.34 VDA) as a minimum daily wage for casual labourers in various agricultural activities such as sowing, ploughing, weeding, spraying pesticides and fertilizer application, staking and pruning of plants, harvesting, emasculation and pollination in hybrid seeds. A comparison of prevailing market wages in Nunhems and Bejo Sheetal seed farms with the statutory minimum wages fixed by the government indicates that for certain activities and categories of workers the legal norms are not being followed.

Male workers in general receive higher wages than the minimum legal wages for most activities in both Nunhems’ and Bejo Sheetal seed farms across all the study locations. For ploughing and spraying pesticides, which are exclusively done by men the prevailing wages are 10-40% higher compared to minimum legal wages. Except for cross-pollination in Haveri, women and children in general are not paid the legal minimum wages for any of their activities in all the study locations. The average prevailing daily wage rate for children is 20%-36% lower and for women 14%-33% lower depending up on the activity compared to the minimum legal wages.

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Minimum wages and VDA from 01-04-2012 to 31-03-2013 (Source, Department of Labour, Karnataka Government).
In this study the issues of child labour and minimum wages on the farms producing hybrid vegetable seeds for Nunhems and Bejo Sheetal is examined in the South Indian state of Karnataka. Nunhems has paid serious attention to the issue of child labour and has been implementing special measures to combat child labour on farms producing seed for its company. The issue of child labour has not received serious attention from Bejo Sheetal and it has not made any serious attempts to address it. Both companies still have to deal with the issues of payment of below minimum wages and wage discrimination in terms of gender. Though the issue of below minimum wages received some attention from Nunhems, it is yet to implement any systematic plan, like it did in case of child labour, to address the minimum wage issue.

The results of the study are based on analysis of primary data collected through field visits to 80 sample seed farms (30 each for Nunhems and Bejo Sheetal and 20 for selected Indian companies) in 15 key production villages in three districts in Karnataka during 2012-13. Important observations from the study are presented below.

- Though the employment of children was observed on seed farms of both Nunhems and Bejo Sheetal there is a significant difference in the magnitude of child labour between these two companies. The situation in Bejo Sheetal is much similar to Indian companies who have not taken any serious efforts to address the issue of child labour on their farms.
- Children under the age of 14 years accounted for 19.4% and 21% of the total workers in Bejo Sheetal and Indian companies respectively in hot pepper seed farms, while this percentage is only 1.7% in Nunhems’ farms. The average number of children per plot is 0.2 in hot pepper farms of Nunhems while this number is 2.6 and 3.4 in Bejo Sheetal and Indian companies’ farms.
Compared to hot pepper, the magnitude of child labour is less in tomato farms. Children under the age of 14 years accounted for 11.9% and 11.7% of the total workers in Bejo Sheetal and Indian companies respectively in tomato seed farms while none of the Nunhems’ tomato farms visited were found with any confirmed cases of children under the age of 14 years, except one doubtful case.

Most of the working children are hired labourers. Children from the family of the farmers themselves accounted for only 22%. Girls outnumber boys and they account for more than 80% of the total working children. Most of the children (61.4%) found working on seed farms were school drop outs who have discontinued their schooling half-way and work as full time workers.

Regional variations in the magnitude of child labour were observed. Compared to Koppal and Davanagiri, the magnitude to child labour was very low on farms producing for all companies in Haveri district. The low incidence of child labour in Haveri district is mainly due to relatively high literacy rates both among growers and workers, to good functioning of the schools and to high agricultural growth rate because of better infrastructure in the district compared to Koppal and Davanagiri.

The trends in employment child labour indicate that there is a marginal decline in the overall incidence of child labour since 2009–10. While Bejo Sheetal and Indian companies show the same pattern, the decline is very significant on Nunhems’ farms. The proportion of children (below 14 years) to the total workforce during cross-pollination period was reduced from 12.5% in 2009–10 to 1.7% in 2012–13 on Nunhems’ farms, while this reduction was from 24.3% to 17.8% on farms supplying for Bejo Sheetal and from 27.5% to 21% on farms supplying for Indian companies during the same period.

The significant reduction in the incidence of child labour on Nunhems’ farms is largely due to the serious efforts made by the company to address the issue. It has put an elaborate system in place to address the issue at multiple levels.

The analysis of data on wages for important agricultural clearly indicate significant variation in wage rates based on type of production activity, gender, location and type of labour arrangement.

On average, women workers earn less than men. Average wages in the entire sample are substantially lower for labour-intensive tasks such as cross-pollination, weeding and harvesting – which are traditionally carried out by women. For instance the wage rates for ploughing are 40%-70% higher compared to weeding in different locations.

Children do some of the same work as adults on farms, but are paid less. They are paid on average 10–20% less than women completing the same tasks.

Caste-based discrimination in wages was not reported in any of the locations. However, differential treatment of workers by the employers based on caste was reported in Koppal area in Karnataka.

A comparison of prevailing market wages in Nunhems and Bejo Sheetal seed farms with the statutory minimum wages fixed by the government indicates that for certain activities and categories of workers the legal norms are not being followed.

Male workers in general receive higher wages than the minimum legal wages for most activities. For ploughing and spraying pesticides, which are exclusively done by men, the prevailing wages are 10%-40% higher compared to minimum legal wages.

Women and children are not paid legal minimum wages for most of their activities. Women earn 14%-33% and children 20%-36% less than the legal minimum wages depending up on the activity.

No significant differences in wages for different categories of workers were found between the farms producing seed for Nunhems and Bejo Sheetal.
No Child Labour – Better Wages

Impact of elimination of child labour on wages and working conditions of adult labour

(Reprint November 2010)

Case Study of cottonseed sector in Andhra Pradesh
By: Dr. Davuluri Venkateswarlu, director Glocal Research, Hyderabad, India and RVSS Ramakrishna

Study commissioned by: India Committee of the Netherlands (ICN) and FNV Mondiaal
INTRODUCTION
- Background
- Objectives of the study
- Methodology

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SITUATION OF CHILD LABOUR IN INTERVENTION AND NON/LESS INTERVENTION VILLAGES

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SECTION–V
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Table 5: Average hourly wage rates for adult labour in cottonseed and other agricultural activities

Davuluri Venkateswarlu
Director, Glocal Research and Consultancy Services, Hyderabad, davuluri_v@yahoo.com

NO CHILD LABOUR – BETTER WAGES – Impact of elimination of child labour on wages and working conditions of adult labour
INTRODUCTION

BACKGROUND
For the last two decades there has been growing concern for child labour across the globe and several efforts are being made by the governments, donor agencies, UN agencies and civil society organisations to eliminate child labour. This concern has been translated into action in several parts of the world where certain successful models have evolved that helped in bringing down the incidence of child labour. In this context certain interesting questions come up regarding its (withdrawal of children from labour force) impact on the labour practices. It is argued that the labour of children, who were earlier available in large numbers in the labour market, depresses the wages and worsens the labour conditions of adults. Withdrawing children from the labour market would possibly cause rise in the wages for adults.

The International Labour Organisation (ILO) has developed labour standards and the broader concept of decent work (also including employment creation, social security and social dialogue) and recognised child labour as one of the important impediments to achieve the same. Any successful efforts in the direction of eliminating child labour should therefore also significantly contribute to the achievement of decent work for adults.

The principal aim of the present study is to examine the relationship between child labour and decent work for adults. It is argued that the presence of child labour reduces the bargaining power of adult workers and suppresses their wages. Once the children are removed from the workforce, the demand for adult labour automatically increases which will in turn help them to improve their bargaining power for better wages and working conditions. An attempt is made in this study to empirically test this hypothesis in hybrid cottonseed sector in Andhra Pradesh.
OBJECTIVES OF THE STUDY
The main aim of the study is to examine the impact of elimination of child labour on wages and working conditions of adult labour in cottonseed sector in Andhra Pradesh.

METHODOLOGY
The study is mainly based on primary data collected through field interviews with different stakeholders – farmers, workers, community leaders, representatives of NGOs, government and seed industry from four selected villages, two in Kurnool district and two in Mahabubnagar district in Andhra Pradesh where hybrid cottonseed production is concentrated. The two (intervention) villages namely Narsipalle and Padigapadu selected from Kurnool district are located in Uyyalawada mandal. Uyyalawada mandal is one of the project areas of MV Foundation (Mamidipudi Venkatrangaiya Foundation), an NGO based in Andhra Pradesh, where it has implemented its strategy for elimination of child labour with the support from FNV (Dutch Trade Union Federation). Uyyalawada is also a key location for MNCs namely Monsanto and Bayer which have been trying to address the problem of child labour in their supplier’s farms.

The interventions of MV Foundation, seed companies and local administration caused a drastic decline in the incidence of child labour in cottonseed and other farm activities as can be seen in Narsipalli and Padigapadu villages. The other two (non/less intervention) villages viz., Umityala and Nandinne selected in Mahabubnagar are located in Gattu mandal which is also a cottonseed producing area where the incidence child labour is high.

In these villages no major interventions took place either from government or seed industry or NGOs to address the problem of child labour. In the intervention villages and non/less intervention villages, excepting the interventions to remove children from labour force rest of other aspects that impact adult wages are commonly present. Importantly the National Rural Employment Guarantee Scheme (NREGS), which has great bearings on the wages of adults, is common; in both the sets of villages Hybrid Cottonseed Cultivation is an important source of income for wage labourers.

In order to understand the impact of withdrawal of children from work force on wages and working conditions of the adult labour, the data on wages and working conditions of adult labour in Kurnool villages which have recently undergone significant interventions and witnessed a drastic decline in child labour are compared with villages in Mahabubnagar district where there are no or minimal interventions and incidence child labour continues to be high.
The issue of child labour in the production of hybrid cottonseeds in India, particularly in the state of Andhra Pradesh, has been widely reported and documented. The reported large scale violations of child rights in this sector have caught the attention of many around the world. The specificity of hybrid cottonseed production is that the majority of workers in this sector are children, particularly girls. No other industry in India has such a high proportion of child labour in its workforce. In 2001, nearly 250,000 children, mainly girls, were employed in cottonseed farms in Andhra Pradesh which is the main centre for cottonseed production in India. Children accounted for nearly 90% of the total labour force in cottonseed farms18. In 2007 nearly 416,460 children under the age of 18, the majority of them (54%) younger than 14, were employed in cottonseed farms in Gujarat, Andhra Pradesh, Tamilnadu and Karnataka states which account for nearly 92% of the total production area in the country19.

In cottonseed production cross pollination (hybridization) is the main activity and is done manually. This activity alone requires 90% of the total labour used in seed cultivation. Children are mainly employed in this activity. They are made to work for long hours (10-12 hours in day) and are paid less than market wages and official minimum wages. They are also exposed to poisonous pesticides used in high quantities in cottonseed cultivation and often trafficked as migrants from other places.


The exploitation of child labour on cottonseed farms is linked to larger market forces. Several large-scale national and multinational seed companies, which produce and market the seeds, are involved in perpetuating the problem of child labour. Cottonseed production is carried out through contract farming. Companies depend upon local farmers for seed production. They arrange seed buy back arrangements with local farmers through middlemen called ‘seed organizers’. Seed organizers thus mediate between companies and farmers. Although seed companies are not directly involved in the production process, they exert substantial control over farmers and the production process by supplying foundation seed, advancing production capital, fixing the procurement prices and through stipulating quality controls.

Children are employed on a long-term contract basis through advances and loans extended to their parents by local seed farmers. Farmers employ children, particularly girls, primarily in order to minimize costs. In cottonseed production labour costs account for about 50% of total cultivation costs. Farmers endeavour to cut these labour costs by hiring children because the wages paid to children are far below both the market wages for adults in other agricultural field work and even further below official minimum wages. Farmers also hire children in preference to adults because farmers can squeeze out higher productivity from children per day: children will work longer hours, will work much more intensively and they are generally much easier to control than adult workers20.

CHILD LABOUR AND ADULT UNDER EMPLOYMENT

The large scale employment of children in hybrid cottonseed production has a very adverse impact on employment opportunities and working conditions of adult labour. In areas where cottonseed production is concentrated there is widespread underemployment problem for adult labour, particularly for women. Mahabubnagar and Kurnool districts in Andhra Pradesh where cottonseed production is concentrated are well known across the country for large scale distress migration of agricultural labourers to urban areas in search of wage work. The wage rates for adult labour in Mahabubnagar and Kurnool are low compared to other districts in Andhra Pradesh.

SECTION II:

INTERVENTIONS TO ERADICATE CHILD LABOUR ON THE COTTONSEED FARMS

The use of child labour in cottonseed production in the state of Andhra Pradesh received wide attention from the national and international media in the early 2000s. The campaign initiated within and outside the country by various NGOs forced the government and the seed industry to take certain pro-active measures. A number of initiatives to address the problem have been undertaken by the Government, non-governmental organisations (NGOs) like the MV Foundation, the seed industry and international agencies like ILO-IPEC, UNICEF and UNDP.

The broad strategies followed for addressing the problem of child labour in general and cottonseed production in particular by different agencies may be classified into three categories based on the nature of the programmes, a) Social Mobilisation in favour of children's education and against child labour, b) pro active schemes—like rehabilitating child labourers in Residential Bridge Course Centres or non-Residential Bridge Course Centres and later integrating them in the mainstream formal schools; mid day meal scheme, starting of new schools in habitations without schools etc, c) Enforcing law, which means initiating legal actions against the employers of children.

Social Mobilisation against child labour involving all stakeholders' viz., parents, employers, youth, community leaders, trade unions, teachers, elected representatives etc and regular monitoring of school children and out of school children by MV Foundation is applauded as the effective strategy in the elimination of child labour. It is combined with the second strategy of focussing on bridge courses and mainstreaming into formal schools.

With regard to the issue of child labour in cottonseed production, the contribution of MV Foundation is significant. In Kurnool district which is the main centre of cottonseed production MV Foundation started its activities in 2003 and has intensified the same in 2005 with the support of FNV (Dutch Trade Union Federation). As part of this programme MV Foundation has formed Child Rights' Protection Forums (CRPF) with local youth, Joint Action Committees consisting representatives of trade unions, teachers and members of CRPF. With the help of these agencies MV Foundation has organised a large scale campaign against child labour with a focus on cottonseed production.

21 The MV Foundation, based in the state of Andhra Pradesh, Southern India, has done pioneering work on the issue of child labour. It has developed a unique and powerful approach to address the twin problems of child labour and lack of access to full time education. MV Foundation works with the basic understanding that ‘Any child out of school is a child labourer’ and the only way to eliminate child labour is through full formal education. A set of interlinked strategies have been implemented to liberate children and to enrol them into schools. As part of its overall strategy, MVF mobilises all those concerned with the process of withdrawing children from work and enrolling them in schools: parents, teachers, youth, employers, women’s groups, elected representatives and the children themselves. This massive mobilisation effort is done with a view towards transforming attitudes and creating an environment that is supportive of children’s education. Motivation centres have been established at villages which serve as the nerve centre to bring working children into school. Bridge courses, camps and residential programmes are conducted as part of a process to encourage children to attend school. The success of the MVF model can be gauged by the fact that since 1991 up to now the Foundation has worked in over 4,330 villages. The efforts of MVF resulted in 1500 Gram Panchayats declared child labour free. In 600 villages all children up to 14 are attending school. Nearly 600,000 children have been withdrawn from the burden of different forms of work and enrolled and retained in schools, while 25,000 bonded labourers have been released.
Similarly, UNICEF has supported a pilot programme on the eradication of girl child labour in cottonseed production in Yemmiganoor launched by the district administration. As part of this programme district administration has organised residential bridge course centres, implemented school improvement programme apart from organising activities on social mobilisation.

The government of Andhra Pradesh has also initiated certain measures to arrest children from joining labour force in cottonseed as well as other sectors. Number of Residential Bridge Course Centres and Non residential Bridge Course Centres are started by the Government with the help of Civil Society Organisations. As a strategy to retain maximum number of children in the schools and to prevent dropouts from the schools many new schools were started and the existing schools were upgraded (Elementary schools to middle level schools and middle level schools into high schools). Further, mid day meal which was limited to elementary school level was extended to middle school level and there are plans to further extend the level till high school level.

The campaign initiated by local and international NGOs, social investor groups and the media has put seed companies, particularly multinationals, under severe pressure to pay serious attention to the problem. Since 2005-06, MNCs namely Monsanto and Bayer have been implementing an action plan which includes motivation campaigns, price incentives to the growers for not employing children, disincentives like black listing of farmers who are found using child labour for future production and separate schools to rehabilitate former child workers. The initiatives undertaken by these companies had some positive impact in reducing the numbers of working children but due to limited coverage of their area their efforts have a minimal impact on the overall magnitude of child labour in the industry.

As a result of these interventions by different agencies, hundreds of children working in cottonseed fields were withdrawn from work and were sent to schools. Special bridge course camps for older (10-14 years) girls were conducted to bring them into the fold of mainstream school education. This has resulted in the significant decline of children working on cottonseed farms. However, these activities are confined to limited geographical areas and the changes are also confined to the areas where this kind of interventions took place. Out of nearly 350 villages in Kurnool and Mahabubnagar districts where cottonseed production is concentrated significant reduction in child labour numbers due to focussed interventions has been observed in about 70 villages (20%). The proportion of child labour to total workforce on cottonseed farms has dropped to below 10% in 2009 in these villages compared 80-90% in the early 2000s.
SECTION III:
SITUATION OF CHILD LABOUR IN INTERVENTION AND NON/LESS INTERVENTION VILLAGES

In the following pages findings of the study on the situation of child labour in intervention and non/less intervention areas are presented. As intervention areas, two villages namely Narsipalle and Padigapadu in Uyyalawada Mandal in Kurnool district are chosen. Uyyalawada mandal is one of the project areas of MV Foundation where it has implemented its strategy for the elimination of child labour. Uyyalawada is also a key location for the multinational companies like Monsanto and Bayer which have been trying to address the problem of child labour in their supplier's farms. For non/less intervention areas two villages namely Umityala and Nandinne in Gadwal area in Mahabubnagar are chosen. In Umityala and Nandinne neither MV Foundation nor MNCs are present. The interventions from the local administration are also very minimal.

A comparison of child labour situation in intervention and Non/less intervention villages during the years 2005 and 2009 clearly indicates that the number of child labour witnessed a drastic decline in intervention villages, whereas very little change has been observed in non/less intervention villages. Cottonseed production is the main source of employment for wage labourers in both intervention and non/less intervention villages. More than 90% of child labourers in these villages were or are involved cottonseed production.

TABLE 1
MAGNITUDE TO CHILD LABOUR ON COTTON SEED FARMS IN STUDY VILLAGES IN 2005 AND 2009

<table>
<thead>
<tr>
<th>Villages</th>
<th>No of children working in seed farms</th>
<th>Acreage</th>
<th>No of Children/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention villages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Padigapadu</td>
<td>169</td>
<td>5</td>
<td>70</td>
</tr>
<tr>
<td>Narsipalle</td>
<td>215</td>
<td>18</td>
<td>95</td>
</tr>
<tr>
<td>Non/less Intervention villages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nandinne</td>
<td>295</td>
<td>315</td>
<td>75</td>
</tr>
<tr>
<td>Umityala</td>
<td>198</td>
<td>190</td>
<td>48</td>
</tr>
</tbody>
</table>

The data collected for the years 2005 and 2009 in respect of number of children working on seed farms shows that there is a sharp decline in the number of children working on seed farms in intervention villages. In Padigapadu village which is an Intervention village, cotton seed was cultivated in 70 acres in which 169 children were working in 2005 (i.e., on an average 2.41 children per acre). By 2009, despite an increase in the area of cultivation by 15%, the number of children working on farms declined by 97%. In 2009, 80 acres were cultivated in this village but total number of children found working was only 5 (i.e., on an average 0.06 children per acre). Similarly, in Narsipalle, (the other intervention village) there was also a significant decline in the incidence of child labour. While there were 215 children working in 95 acres in 2005 (i.e., on an average 2.26 children per acre), the number has drastically fell down in terms of child workers, even though there was an increase in the acreage. In the year 2009 cottonseed was sown in 98 acres in which 18 children were reported working (i.e., on an average 0.18 children per acre).
In the non-intervention villages the situation of child labour participation has almost remained unchanged. In Nandinne village in 2005 cottonseed was sown in 75 acres in which 295 children were reported to have worked (i.e., on an average 3.93 children per acre). By the year 2009 there was an increase in the acreage to 100 acres on which 315 children were found working (i.e., on an average 3.15 children per acre). Similarly, in Umityala village in 2005, seed was sown in 48 acres and 198 children were reported to have worked (i.e., on an average 4.13 children per acre) and by 2009 seed cultivation has expanded to 60 acres in which 190 children worked (i.e., on an average 3.17 children per acre).

It was observed that in 2005 and 2009 girls constituted majority in the total child labourers. Further, in intervention villages, there were neither local children nor migrant children anymore of which the latter in 2005 constituted the bulk of the child labourers. In the non-intervention villages all the child labourers (100%) are local children.

### TABLE 2

**PROPORTION OF GIRLS AND MIGRANT WORKERS AMONG CHILD LABOUR IN STUDY VILLAGES**

<table>
<thead>
<tr>
<th>Villages</th>
<th>Total Children</th>
<th>Migrant Children</th>
<th>Girls Children</th>
<th>Total</th>
<th>Migrant Children</th>
<th>Girls</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intervention villages</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Padigapadu</td>
<td>169 (86%)</td>
<td>145 (86%)</td>
<td>105 (62%)</td>
<td>5 (100%)</td>
<td>5 (60%)</td>
<td>3 (60%)</td>
</tr>
<tr>
<td>Narsipalle</td>
<td>215 (68%)</td>
<td>147 (68%)</td>
<td>128 (60%)</td>
<td>18 (89%)</td>
<td>16 (50%)</td>
<td>9 (50%)</td>
</tr>
<tr>
<td><strong>Non/less Intervention villages</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nandinne</td>
<td>295 (0%)</td>
<td>0 (0%)</td>
<td>178 (60%)</td>
<td>315 (0%)</td>
<td>0 (0%)</td>
<td>167 (53%)</td>
</tr>
<tr>
<td>Umityala</td>
<td>198 (0%)</td>
<td>0 (0%)</td>
<td>112 (57%)</td>
<td>190 (0%)</td>
<td>0 (0%)</td>
<td>104 (55%)</td>
</tr>
</tbody>
</table>

As shown in the table, girl child participation continues to be high in both the intervention villages, though very small in total numbers, and non/less intervention villages. This ranges from 53% to 60% in 2009. In intervention villages local child labourers' participation has almost come to be zero whereas migrant children’s participation has gone up percentage wise over the years in the intervention villages. In non/less intervention villages, migrant labour continued to be nil and girls’ participation has very slightly declined.

The proportion of children to the total workforce also indicates that there is a drastic decline in child labour in intervention villages. In 2005 children accounted for nearly 30% and 50% of total workforce in both intervention and non/less intervention villages respectively. By 2009 the child labour percentages declined more than 90% in intervention villages whereas the decline is very minimal in non/less intervention villages. The gender composition of workforce in 2009 clearly indicates that children are replaced mostly with young (15–18 years) and adult female workers. Young and adult female workers accounted for nearly 85% total hired workers in 2009 in intervention villages.
In the intervention villages, while the supply of children into labour market was largely reduced by the Social Mobilisation spearheaded by MV Foundation, which has made very crucial efforts in mobilising cross sections of the society, the demand for child labour by the farmers was controlled to a great extent by the MNCs. This has reinforcing effect both on the supply and demand for child labour. Children who were thus weaned out of work were either admitted into the schools or into the Residential Bridge Course camps. In these two villages it was reported that children joining the labour force has been almost stopped. For the fear of being booked under different cases, farmer employers are demanding date of birth certificates from the children. The Head Master of Padigapadu Elementary school said that for the last three years there have been many people, who were former students of this school, requesting for the issue of date of birth certificates.

On the other hand, in the non intervention villages, it was reported that the attendance was thin in the schools during August to February. While cross pollination work takes place from August to November, work on Tobacco starts from December and lasts till March. Head Master of an Elementary school in Nandinne, Mrs. Aruna said about 30–40% of children, mostly girls do not attend school during these six months.

Though it is not possible to track the migrant children's whereabouts an effort was made to know what happened to the local children who were earlier working on seed farms. As mentioned above most of these children were admitted into the Residential Bridge Course centres and schools and around 35% of children have crossed 15 years of age.

There are no new registrations of children joining the labour force in the intervention villages. Except two boys in Narsipalle village all the children in both the villages are going to schools. In Narsipalle there are 89 boys and 69 girls (total 158) and in Padigapadu there are 35 boys and 26 girls (total 61). School teachers told that all the children are coming to the schools regularly and everyday more than 95% of children attend schools. As per the data collected from the Mandal Education Officer, there were more than 450 children out of school in the age group of 6–14 years in the year 2005 in the entire mandal and now the number has come down to mere 20. Teachers told that there would be extra vigilance during the cross pollination season to check every child from joining the seed work.

### TABLE 3

<table>
<thead>
<tr>
<th>Villages</th>
<th>% Child labour to Total workforce in 2005</th>
<th>% Child labour to Total workforce in 2009</th>
<th>Change from 2005–2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intervention villages</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Padigapadu</td>
<td>30.18</td>
<td>0.78</td>
<td>- 97.4%</td>
</tr>
<tr>
<td>Narsipalle</td>
<td>28.29</td>
<td>2.30</td>
<td>- 91.8%</td>
</tr>
<tr>
<td><strong>Non/intervention villages</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nandinne</td>
<td>49.17</td>
<td>39.38</td>
<td>- 19.9%</td>
</tr>
<tr>
<td>Umityala</td>
<td>51.56</td>
<td>39.58</td>
<td>- 23.2%</td>
</tr>
</tbody>
</table>
SECTION IV:
IMPACT OF ELIMINATION OF CHILD LABOUR ON ADULT WAGES AND WORKING CONDITIONS

ADULT WAGE RATES
The key objective of present research is to examine the impact of withdrawing children from labour force on wages and working conditions of the adult labour. The rural areas of Andhra Pradesh have recently witnessed an upward movement in labour wages. Apart from other factors the National Rural Employment Guarantee (NREG) Act introduced by government of India in 2005 has significantly contributed to an increase in wage rates for rural workers. The Act provides legal guarantee of 100 days of wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work at the minimum wage rate notified for agricultural labour prescribed in the State. In Andhra Pradesh the daily minimum wage rate fixed for works under NREGS is Rs 100. Though there is a general increase in the wage rates for rural adult workers across the state, compared to other areas the increase in the adult wages is significantly higher in the areas where children are removed from the workforce.

TABLE 4
AVERAGE DAILY WAGE RATES FOR ADULT LABOUR IN COTTONSEED CROSS POLLINATION ACTIVITY

<table>
<thead>
<tr>
<th>Villages</th>
<th>2005</th>
<th>2009</th>
<th>Increment in wages from 2005-2009</th>
<th>Hourly wages</th>
<th>Percentage of increment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention villages</td>
<td>47.64</td>
<td>120</td>
<td>+ 72.36</td>
<td>3.97</td>
<td>10.00</td>
</tr>
<tr>
<td>Non/less Intervention villages</td>
<td>29.93</td>
<td>45.74</td>
<td>+ 15.81</td>
<td>3.15</td>
<td>4.81</td>
</tr>
</tbody>
</table>

Table 4 presents average daily wage rates paid to adult workers for cross pollination activity on cottonseed farms in 2005 and 2009. In intervention villages where there is a substantial reduction of child labour from work force and non/less intervention villages where the incidence of child labour continues to be high. In 2005 the average daily wage rate paid to adult workers for cross pollination activity was Rs 47.64 in intervention villages and Rs 29.93 in non/less intervention villages. There is a difference of working hours in this activity in intervention and non/less intervention villages. In intervention villages cottonseed workers work about 12 hours a day where as in non/less intervention villages the working in a day is 9.5 hours. If we take hourly wages into consideration adult workers received Rs 3.97 and Rs 3.15 per hour in intervention and non/less intervention villages respectively (as shown in columns 5 & 6). By 2009 the daily wages for adult workers in cottonseed farms increased both in intervention and non/less intervention villages.

Though there is general upward movement in adult wages in both the areas the increase
is very substantial, even spectacular, in intervention villages where significant changes have taken place in labour supply and demand on account of withdrawal of children from workforce. The average daily wage rate for adult labour increased by 152% during 2005 and 2009 (from Rs 47.64 in 2005 to Rs 120 in 2009) in intervention villages where as the increase in wage rates is only 53% in non/less intervention villages.

Compared to other agricultural operations the wages in cottonseed farms were low in 2005 in both intervention and non/less intervention villages. Table 5 presents a comparison of hourly wage rates in cotton and non cottonseed activities in both intervention and non/less intervention villages. In non cottonseed farm activities adult female workers received Rs 4.38 per hour, whereas in cottonseed activity they were paid only Rs 3.97 in intervention villages. In non-intervention villages the hourly wage rate for adult female worker was Rs 4.12 in non cottonseed activities whereas they were paid only Rs 3.15 in cottonseed activity. The impact of withdrawal of children from the seed farms has not just been limited to this sector alone. Its impact is observed on the wages in other agriculture activities, including activities which were using little child labour, where wages are somewhat higher compared with wages in cotton. In intervention villages the gap between wage rates for cottonseed and other agricultural operations has reduced because of scarcity of labour caused by withdrawal of children from the labour force. In non-intervention villages the wage gap between cotton and non cottonseed activities still persists. The persistence of child labour on cottonseed farms is the key factor for low adult wages in cottonseed cultivation in non/less intervention villages. “When children are available to work for low wages why will farmers employ us?. If they want to employ adults they have to pay at least Rs 70 which is the prevailing wage rate for adults in other agricultural operations”, says Naik, an agricultural labourer from Umityala village in Mahabubnagar.

**TABLE 5**

**AVERAGE HOURLY WAGE RATES FOR ADULT LABOUR IN COTTON AND NON COTTONSEED OPERATIONS**

<table>
<thead>
<tr>
<th></th>
<th>Adult Wages in Cotton Seed pollination activity (Rs)</th>
<th>Adult wages in Non cotton seed farm activities (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intervention villages</strong></td>
<td>3.97</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Non/less intervention villages</strong></td>
<td>3.15</td>
<td>4.81</td>
</tr>
</tbody>
</table>
Umityala Thanda – one of the non-intervention villages – is a tribal settlement in Dharur mandal, Mahabubnagar district. This village has nearly 100 families with the total population of around 650. Cottonseed production is the main source of agricultural employment for local workers. In 2009, cottonseed was sown in about 25 acres in this village where mostly children are employed. There are about 120 children in this village in the age group of 6-18 years, out of which nearly 70% of them are employed in cottonseed farms. Children are employed by the cottonseed farmers on a seasonal agreement basis by paying advances/loans to their partners. They are paid Rs 40 a day for 9-10 hours of work. Even the adult labourers in cottonseed work are paid only Rs 50 which is significantly below the prevailing market wages for adult workers in non cottonseed activities.

In non cottonseed farm activities the employment opportunities are very limited. Most of the farmers are marginal land holders who mostly manage their farms with own family labour. Due to low wages and less preference for adult labour in cottonseed production coupled with lack of sufficient employment in non cottonseed farm activities, several adult workers from this village are migrating to cities like Hyderabad, Mumbai and Bangalore for wage work. Nearly 70% of the families in this village are involved in seasonal out migration for wage work. One or more members from these families seasonally migrate for wage work for 6-10 months every year. Lack of proper school facilities for children in this village is one of the important factors for large number of children joining the workforce. There is a government elementary school in this village. For the last one year or so teacher was not there. Children are seen roaming on the streets of the village on a day school is supposed to work. Seed cotton activity concludes in the month of December and from January starts work on tobacco farms in which children participate in large numbers. For about 6 months children are very busy with cotton and tobacco activities. Though NREG scheme is implemented in the village, it’s impact on other avenues of employment and wages is very marginal as children are available in large numbers in the labour market.
LABOUR ARRANGEMENTS AND WORKING CONDITIONS

Seasonal agreements with the labourers by paying advances /loans are a common practice followed by seed farmers across all the cottonseed production locations. Cottonseed production requires assured supply of labour for carrying out various activities, particularly, cross pollination work. Keeping this in view, the seed producers prefer to have advance agreements with labourers before starting off the seed cultivation. They employ workers on long term contract basis by paying advances /loans to them. Advances/loans are used by the employers as a means to bind the workers with them and curtail their freedom and mobility. Though this system of labour arrangement is still prevalent in both intervention and non/less intervention villages some changes in terms and conditions in favour of workers were found in intervention villages. Earlier several farmers used to charge interest on advance payments. But now this has almost become uncommon in intervention villages, whereas this is still a common practice in non/less intervention villages.

CASE STUDY
OF AN ADULT FEMALE COTTONSEED WORKER (GURRAMMA, PADIGAPADU VILLAGE, KURNOOL DISTRICT)

Gurramma (37) is a cottonseed worker in Padigapadu. Her 10 years daughter was earlier working on the seed farms in the same village. Her husband is also a wage worker. She has been working on seed farms for the last three years. When asked why she stopped her child to work on seed farms, she said the farmer-employers were being warned against using children on seed farms. The girl is now studying 3rd standard in the local elementary school. She said that earlier she was not willing to work on seed farms. She said “employers did not prefer adults and they were only asking for young labourers. Even we also never preferred to work on seed farms as wages were too low and working hours are very long. We were able to get better wages in other works”. Around 2004 wages in other agriculture activities used to be more than the wages in cotton sector. Adult wage labourers did not prefer to work on seed farms.

For the last four or five years there has been a sea change in the situation. Much of the cottonseed area in this village is controlled by the multinationals Bayer and Monsanto which have recently initiated active steps to eliminate child labour in their production farms. These companies started asking farmers not to employ the children, failing which they will be disqualified for future contracts. To encourage the growers to replace children with adult workers financial incentives were offered by these companies. Farms are regularly monitored to check the use of child labour. The campaign initiated by MV Foundation and the local administration against child labour also put the cottonseed farmer under severe pressure to avoid the use of children in their farms. Worried about a possible action on them, farmer-employers are not showing interest anymore to use children on the seed farms. Therefore “they didn’t have any other option except employing us (adults)”, says Gurramma. “All of us bargained for better wages. We demanded Rs 4500 per month during the last season. Farmer offered Rs 3700. At last they (farmers) agreed to pay Rs 4000 per month. Earlier and now also they were giving advances; the difference is now they are not charging interest, which they used to do earlier.” Gurramma said she received advance when her daughter was working and paid interest too.

“Now we are paid on par with the wages in other agriculture activities. However, employment on seed farms is somewhat preferable now, because we can get employment for 100 days for which period we don’t need to look for work”, said Gurramma.
The scarcity of labour on account of withdrawal of children from labour market has improved the bargaining power of adult labour for better wages and working conditions in intervention villages. They are now demanding greater amounts of advance payments and additional facilities at the work site. In 2005 farmers used to pay 30% to 60% of monthly salary (Rs 500 to Rs 1000) as wage advance at the time of entering into contract. Now the labourers are demanding a minimum of one month salary as wage advance (Rs 3000 to Rs 4000). Despite the wage advances workers are not hesitating to leave the employers in the middle of the season if they find better wages and opportunities. In addition to bargaining for better wages, labourers are demanding free transport also. Farmers in Narsipalle and Padigapadu told that they are arranging transport for the workers who are coming from neighbouring villages like Harivaram etc.

A farmer in Narsipalle village said that "earlier labourers were after us and now we are after them. Earlier we used to employ the children but now we stopped it because of restrictions imposed by government and seed companies. The withdrawal of children from cottonseed work increased the demand for adult labour. Because of the scarcity of labour farmers are competing with each other, giving labour the opportunity to demand for higher wages. Till five years back we used to pay Rs 500 to Rs 1000 for each worker as an advance with 12% per year interest rate to work on cottonseed farms, but now the workers are demanding Rs 3000 to Rs 4000. Even after paying this much amount without interest there is no guarantee that they work in our farms till completion of the season. Last year I paid advances to five workers but only three of them worked with me till the completion of the cross-pollination work. The two labourers who left me in the middle of the season took Rs 4000 each as wage advance two months prior to beginning of the season and agreed to work for a salary of Rs 3800 per month. After completion of one month with me they got an offer from another employer with a salary of Rs 4200 per month. They asked me to increase the salary to Rs 4200 which I did not agree for. So they left me and joined with another employer."

The scarcity of labour has also forced farmers in intervention villages to slowly shift from daily wage to piece rate arrangements in non cottonseed farm activities. Under piece rate arrangements, labourers try to finish the work fast and get more in return. Even farmers too are showing preference to piece rate arrangements as it reduces their burden of searching for labour and coordinating with them and supervision at the time of work. Shifting from daily wages to piece rate basis is to the advantage of the labourers in a disorganised sector like agriculture where the work is seasonal in nature and less opportunities for regular employment.
The growing concern for the elimination of child labour and the initiatives in this direction has brought in marked changes in the situation of child rights in certain pockets. It is argued that the removal of children from labour force will lead to better working conditions for the adults. This study is an attempt to understand the evolving changes in the wages and working conditions for the adults in the background of withdrawal of children from labour force. To understand this, the wage rates and other working conditions of adult labourers in hybrid cottonseed sector in Andhra Pradesh have been studied. The study was carried out in four villages. Prior to 2005 all the 4 villages were having large number of child labourers working on the seed farms, and by 2009 two of these 4 villages witnessed drastic decline in the incidence of child labour, while the situation of child labour remained almost the same in other two villages.

Social mobilisation by civil society organisations like MV Foundation, proactive measures initiated by the state government of Andhra Pradesh and the initiatives of some seed companies like Monsanto and Bayer have helped in bringing about a change in two villages (Narsipalle and Padigapadu) in respect of employing children on seed farms. The other two villages (Umityala and Nandinne) were void of any interventions and the situation of child labour remained almost unchanged since 2005. In order to understand the impact of withdrawal of children from work force on wages and working conditions of the adult labour, the data on wages and working conditions of adult labour in Narsipalli and Padigapadu villages which have recently undergone significant interventions and witnessed a drastic decline in child labour are compared with Umityala and Nandinne villages where there are no or minimal interventions and incidence child labour continues to be high.

It was found that the changes in the incidence of child labour have a direct bearing on the wages of adults. In the intervention villages it was found that average daily wages for adults
in cottonseed farms have increased by 151.9% between 2005 and 2009 and though there was an increase in the non/less intervention villages, it was mere 51% only during the same period. The impact of withdrawal of children from the seed farms has not just been limited to this sector alone. Its impact is observed on the wages in other agriculture activities, including activities which were using little child labour, where wages are somewhat higher compared with wages in cotton seed. In intervention villages the wage rates increased by 131% for female adult workers and 105% for male adult workers between 2005 and 2009. Whereas the increment in the wages in non/less intervention villages was reported to be 51% and 56% for males and females respectively during this period. In intervention villages the gap between wage rates for cottonseed and other agricultural operations has reduced because of scarcity of labour caused by withdrawal of children from the labour force. In non-intervention villages the wage gap between cotton and non cottonseed activities still persists. The persistence of child labour on cottonseed farms is the key factor for low adult wages in cottonseed cultivation in non/less intervention villages. The scarcity of labour on account of withdrawal of children from labour market has improved the bargaining power of adult labour for better wages and working conditions in intervention villages. They are now demanding greater amounts of advance payments and additional facilities at the work site.

To sum up, the withdrawal of child labour from workforce had a positive impact on wages and working conditions of adult labour. The removal of children from the workforce led to creation of additional employment opportunities for adult labour and increased the demand for them. This has in turn led to improved bargaining power of adult labour for better wages and working conditions. The substantial rise in the wage rates and improved working conditions for adult workers in the areas where children are withdrawn from the labour market compared to areas where children constitute significant numbers in the workforce clearly supports the argument that the presence of child labour reduces the bargaining power of adult workers and suppresses their wages.
INDIA COMMITTEE OF THE NETHERLANDS (ICN) is an independent human right ‘in solidarity with the oppressed in India’. Its activities include research, advocacy, campaigning and networking (not funding). It is working in the thematic areas of child labour and education, labour rights and caste-based discrimination as well the cross-cutting theme of corporate accountability. It focussed on certain sectors in the Indian and global economy like tea, cotton(seed), garments and stone quarrying. ICN is an active member of a number of Dutch, European and international coalitions like Stop Child Labour, International Dalit Solidarity Network, the Clean Clothes Campaign and the Dutch CSR Platform of NGOs.

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‘STOP CHILD LABOUR – SCHOOL IS THE BEST PLACE TO WORK’ (SCL) started in 2003 as a joint advocacy, education and awareness raising campaign in Europe inspired by the successful work of the NGO MVF Foundation (MVF) in India. SCL is a joint initiative of the Alliance2015 network of development organizations in Germany, Ireland, Denmark, Italy, Czech Republic and the Netherlands. Over the years the campaign has increased its cooperation with organizations in other parts of the world, especially in child labour affected countries in e.g. Africa and Latin America. All partners are working on the basis of the principle that ‘no child should work; every child must be in school’.

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FNV MONDIAAL
FNV Mondiaal is part of the FNV, the largest federation of trade unions in the Netherlands. FNV Mondiaal gives direct support to democratic trade unions and related organisations in Africa, Asia, Latin America and the Middle East by funding projects.
FNV Mondiaal stands for a fair, just and sustainable division of income and growth. One of the ways to achieve this is to promote decent work for all workers. Decent work delivers a fair income and strengthens occupational safety and health, it conveys social protection, and freedom to people to organise and to participate in social dialogue.

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FNV Mondiaal is a member of the campaign: Stop Child Labour – School is the best place to work