

‘No Child Labour – Better Wages’

**IMPACT OF ELIMINATION OF CHILD LABOUR ON WAGES
AND WORKING CONDITIONS OF ADULT LABOUR**

Case Study of cottonseed sector in Andhra Pradesh

by

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0. 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 Padigipadu 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 Padigipadu 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.

1. THE PROBLEM OF CHILD LABOUR IN COTTONSEED INDUSTRY

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 farms¹. 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 country².

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

¹ Venkateswarlu, Davuluri. (2001) 'Seeds of Bondage: Female Child Bonded Labour in Hybrid Cottonseed Production in Andhra Pradesh', Business and Community Foundation and Plan International. (full report available at <http://www.indianet.nl/sob.html>)

² Venkateswarlu, Davuluri (2007), Child bondage continues in India cotton supply chain` study commissioned by India Committee of the Netherlands, ILRF, DWHH, OECD Watch ((full report available at www.indianet.nl/pdf/childbondagecotton.pdf)

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 workers³.

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.

³ Venkateswarlu Davuluri and Lucia da Corta (2005) `The Price of Childhood: On the Link between Prices Paid to Farmers and the Use of Child Labour in Cottonseed Production in Andhra Pradesh, India ` published by India Committee of Netherlands, International Labour Rights Fund and Eine Welt Netz NRW (full report available at http://www.indianet.nl/PriceOfChildhood2005_Final.pdf)

2. INTERVENTIONS TO ERADICATE CHILD LABOUR ON COTTON SEED 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 the school less habitations 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 schools⁴.

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.

⁴ 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 schools. 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 Panchayaths 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.

3. 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 Padigipadu 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 there is little change 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

Villages		No of children working in seed farms		Acreage		No of Children/Acre	
		2005	2009	2005	2009	2005	2009
Intervention villages	Padigipadu	169	5	70	80	2.41	0.06
	Narsipalle	215	18	95	98	2.26	0.18
Non/less Intervention villages	Nandinne	295	315	75	100	3.93	3.15
	Umityala	198	190	48	60	4.13	3.17

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

VILLAGES		2005			2009		
		TOTAL CHILDREN	MIGRANT CHILDREN	GIRLS	TOTAL CHILDREN	MIGRANT CHILDREN	GIRLS
INTERVENTION VILLAGES	PADIGIPADU	169	145 (86%)	105 (62%)	5	5 (100%)	3 (60%)
	NARSIPALLE	215	147 (68%)	128 (60%)	18	16 (89%)	9 (50%)
NON/LESS INTERVENTION VILLAGES	NANDINNE	295	0 (0%)	178 (60%)	315	0 (0%)	167 (53%)
	UMITYALA	198	0 (0%)	112 (57%)	190	0 (0%)	104 (55%)

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 where as 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.

TABLE 3: PROPORTION OF CHILDREN TO TOTAL WORKFORCE ON COTTONSEED FARMS IN STUDY VILLAGES

Villages		% Child labour to Total workforce in 2005	% Child labour to Total workforce in 2009	Change from 2005-2009
Intervention villages	Padigipadu	30.18	0.78	- 97.4%
	Narsipalle	28.29	2.30	- 91.8%
Non / less Intervention villages	Nandinne	49.17	39.38	- 19.9%
	Umityala	51.56	39.58	--23.2%

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 156) 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.

4. 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

Villages	Average Daily Wage and hourly Wage rates (in Rupees)					Percentage of increment
	2005	2009	Increment in wages from 2005-2009	Hourly wages		
				2005	2009	
Intervention villages	47.64	120	+ 72.36	3.97	10.00	151.9
Non/less intervention villages	29.93	45.74	+ 15.81	3.15	4.81	52.8

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 where as 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 where as 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 seed. 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 agrituraral labourer from Umityala village in Mahabubnagar.

TABLE 5: AVERAGE HOURLY WAGE RATES FOR ADULT LABOUR IN COTTON AND OTHER AGRICULTURAL ACTIVITIES

	Adult Wages in Cotton Seed pollination activity (Rs)		Adult wages in Non cotton seed farm activities (Rs)			
	2005	2009	Femal e-2005	Femal e-2009	Male 2005	Male 2009
Intervention villages	3.97	10	4.38	10.5	9.57	19.7
Non/less intervention villages	3.15	4.81	4.12	6.25	7.83	12.25

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
(Guramma, Padigipadu village, Kurnool district)**

Guramma (37) is a cottonseed worker in Padigapadu. Her 10 year old 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. Guramma 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. We also did not prefer to work on seed farms, as wages were too low and the working hours very long. We were able to get better wages in other jobs". Around 2004, wages in other agriculture activities used to be higher 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 children, failing which they would 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. As they are worried about possible actions against them, farmer-employers are not showing interest anymore to employ children on the seed farms. Therefore "they didn't have any other option except employing us (adults)" says Guramma. "All of us bargained for better wages. We demanded Rs.4500/- per month during the last season. The farmers offered Rs. 3700/. At last they (farmers) agreed to pay Rs.4,000/- per month. Earlier and even now they are giving advances; the difference is now they are not charging interest, which they used to do earlier." Guramma 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

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 of 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 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 with free 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 a 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.

5. SUMMARY AND CONCLUSION

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 Padigipadu 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 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.