

Child labor: The inconvenient truth behind India's growth story

By Josh Jacobs and Reeva Misra. August 21, 2017



An underage laborer in the informal economy works in a silk factory in Sidlaghatta, India. (Reeva Misra)

NEW DELHI — Seventy years ago last week, India gained independence. The country has since created one of the world's largest economies. But despite its wealth, 33 million children from ages 5 to 18 are working — and almost one third of this group are under 15 according to Save the Children India, making India home to one of the highest concentrations of child workers in the world.

Economic theory suggests that child labor would be all but eradicated by growth and development. But after some successful efforts to increase the number of children in school and to rehabilitate former child workers, the national effort to eliminate the practice is losing momentum and child labor in major cities has increased significantly, according to interviews with more than a dozen child rights groups, academics and international organizations.

“People have dropped the ball,” said Joachim Theis, UNICEF India’s Child Protection Chief from 2013 to 2016. Child labor “is being seen as something which is too difficult” to stop.

15 Since the election of the pro-growth prime minister, Narendra Modi, in 2014, India has implemented ambitious reforms aimed at deregulating and growing its economy. Under his watch, the country at one point overtook China as the world’s fastest growing economy (although it ceded this position earlier this year), and is predicted to average an impressive real GDP growth of 7.4 percent this year and
20 next, says a report this month from Deutsche Bank.

But the nation’s development has been segmented, and much of it has not impacted the areas of the economy where children tend to work. “India’s GDP and growth is largely oriented around a highly educated and highly skilled workforce,” said Rajeev Dehejia, professor of public policy at New York University. “This is paradoxical for an
25 economy where most people have a low level of education.”

Conversely, most child labor is concentrated away from the skilled economy, in the informal sector that makes up about 90 percent of India’s workforce and half of its GDP, according to Credit Suisse estimates. Here, children are not subject to government inspections, legal protections or minimum wage requirements. Such
30 industries include agriculture, small factories for carpets and clothing, brick kilns and domestic staffing.

“It is very under the table,” said Nina Smith, chief executive of GoodWeave International, which works against child labor in global supply chains. “There is a huge workforce that is unregulated, does not really benefit from labor laws, and is
35 highly vulnerable to exploitation.” [...]

Since the 1930s, numerous laws have been introduced banning child work and encouraging education in the country. A 2009 act requiring all children between the ages of 6 and 14 to attend school is one example. In July, the Indian Parliament passed an amendment to existing child labor legislation that imposed a widespread
40 ban on children under 14 working and increased penalties for employers. It also contained a measure allowing children to work in family businesses which, critics say, de facto legalizes much of the child labor across India’s villages.[...]