

# Asian Resonance

## Child Labour in India: A Catch 22 Situation



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Informal sector plays an important role in providing employment to people at mass level in urban and rural areas. The escalating growth of informal sector indicates that it is one of the largest employment generator not only to labor force (15-59) but also absorbs the child labour which is showing downhill trend yet is significantly visible. India is said to be having highest number of child labour in world, with credible estimates ranging from 60-75 million and counted as one of the major problem in India. Moreover, child work participation rates are higher in India than in other developing countries. Some academicians and activists campaign not for the reduction of child labour but only for a reduction in the exploitation of children. The Government of India needs to take concrete efforts to eradicate the exploitation of children.

In this paper an attempt is made to examine the general employment and to critically analyze the secondary data provided by NSSO & NCEUS on magnanimity child labor in India. The Secondary data is analyzed in the backdrop of current socio-economic situations which affect the lives of children. The paper intends to present child labour phenomenon as a 'Catch 22 Situation' which can neither be avoided nor there any feasible solution at hand.

**Keywords:** Informal/ unorganised sector, Child labour, A Catch 22 Situation, Poverty, unemployment

### Introduction

The concept of informal sector has gained considerable currency in economic literature of the studies on labour and economic development. It has also been recognised that this sector plays an important role in providing employment to large masses of people in urban and rural areas. From the day of its birth in 1973 at the hands of K. Hart 'informal sector' continues to be at centre stage across the world.

In the present times, there has been change in the acuity of informal sector. The escalating growth of informal sector indicates that it is one of the largest employment generator not only to labour force (15-59) but also absorbs the child labour, which is showing downhill trend but still significantly visible? However, India is said to be having highest number of child labour in world, with credible estimates ranging from 60-75 million & it is obvious that they are not to get employment in the formal sector or government sector due to their age criteria constraints. So, needless to say that working children belong to the informal sector. The given amount of comprehensive nature & quantum of poverty and vulnerability in the country further elevates the number of children to take up economic activity. The concepts of unorganised sector and the informal sector are being used as synonyms in this paper.

An attempt is made in this paper to examine the general employment and to critically analyse the secondary data provided by NSSO & NCEUS on magnanimity child labour in India. The data used in the present paper is analysed in the backdrop of current socio-economic situations which affect the lives of children. Child labour in India constituting informal sector presents a catch 22 situation as panacea lurks somewhere in the distant horizon: neither we can avoid this nor find a solution.

Based on Lewisian framework the classical development theories assumed that the informal sector would gradually shrink with the process of industrialisation, urbanisation & modernization. The common view was that the informal sector, which engaged an outsized room in the economies of developing countries, would slowly fade away with the enforcement of suitable strategies for the development of the modern sector that provided gainful employment in the formal sector. However, the present-day evidence contradicts this fact. Instead, capacious empirical text advocates that the informal sector is flourishing & blooming along with the processes of modernization & industrialisation. "It can be argued that persons, who do

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not find employment in the formal sector, are forced to participate in the informal sector for their survival as they cannot afford to be unemployed. This the most acceptable way of defining the informal sector in low income economies" (Maiti & Sen, 2010)

## New Definition of Informal/Unorganised sector

To study the problems & challenge being encountered by what is labeled as the unorganised economy – or informal sector as it is usually referred to internationally-and recommended measures to the government to address them. "India is perhaps the first country to set up, at national level, a commission to study the problems and challenges being faced by what is called the unorganised economy –or the informal economy as it is usually referred to internationally- and recommend measures to the government to address them. The political compulsion for such a remarkable initiative was thrown up by India's success in achieving and sustaining high economic growth since the mid-eighties but that did not adequately address the livelihood security issue of a majority of its citizens". (NCEUS, 2009)

According to NCEUS (2009), ballpark figure of the total Indian labour force is likely to be around 502 million by 2012 & 551 million by 2017- a number that is greater than the country's population of 548 million in 1971. The informal sector of the economy is said to comprising of causal workers and self-employed persons. The increased participation of the informal sector also indicates that they don't have job & social security. There has been Informalisation of jobs in the organised or so called formal sector. The secondary data shows that there is increase in employment in informal work in the formal sector.

**Table 1:**  
**Relationship between Sector and Type of Employment (UPSS), All Workers 1999-00 & 2004-05**

Formal/Informal Sector	Total Employment (Million)		
	Informal/Unorganised Worker	Formal/Organised Worker	Total
<b>1999-2000</b>			
Informal/Unorganised Sector	393.7(99.5)	1.8(0.5)	341.5(100.0)
Formal/Organised Sector	23.1(42.1)	31.8(57.9)	54.9(100.0)
<b>Total</b>	<b>362.8(91.5)</b>	<b>33.6(8.5)</b>	<b>394.4(100.0)</b>
<b>2004-05</b>			
Informal/Unorganised Sector	391.(99.6)	1.4(0.4)	393.2(100.0)
Formal/Organised Sector	28.9(46.2)	33.7(53.8)	62.6(100.0)
<b>Total</b>	<b>420.7(92.3)</b>	<b>35.0(7.7)</b>	<b>455.7(100.0)</b>

Note: Figures in brackets are percentages.  
Source: NSSO 55<sup>th</sup> & 61<sup>st</sup> Round Survey on Employment-Unemployment. Compound

With the latest definition given by NCEUS and based on its characterization given earlier the commission has primed undeviating guesstimate of employment in the unorganised sector. The table 1 shows that the total employment (principal plus subsidiary) in the Indian economy was 456 million, of

which informal sector accounted for 393.2 million. This direct estimation reveals that the unorganised sector constituted 86 percent of total workers in 2004-05 (as was the case in 1999-00 as well). Of the 393.2 million unorganised sector workers, agriculture accounted for 251.7 million and the rest 141.5 million are employed in the non-agriculture sector. So far as the informal/unorganised sector is concerned, only about 0.4 percent of the workers in this segment are estimated to be formal workers in 2004-05 in the sense that the regular salaried/wage workers in the sector were receiving social security benefits like Provident Fund. The remaining were informal workers numbering 391.8 million. In the formal/organised sector, the estimated figure of formal workers was estimated to be 33.7 million and 28.9 million respectively in 2004-05. The above table also discloses very charming relationship between the formal/informal sector and formal/informal employment which highlights that the total employment in the economy has increased from 396 million to 456 million between the two NSS rounds in 1990-00 and 2004-05. The change in the organised/formal employment has been marginal (i.e. 33.6 million to 62.6 million) in the formal sector. In simple terms it clearly means that the complete increase in the employment in the organised or formal sector over this time period has largely been of informal in nature i.e. without any job or social security. This comprises what can be termed as **Informalisation of the formal sector**, where any increase in employment encompasses regular workers without social security benefits and causal or contract workers again without the benefits for which they are rightfully eligible being formal workers and it should accrue to them.

**Table 2:**  
**Sharp Divide between Informality and Formality as Revealed by Sectoral Statistics, 2004-05**

Category 1	Informal Sector 2	Formal Sector 3	Inequality Ratio (2/3) 4
<b>Percentage Distribution of Economic Units (Enterprises)</b>			
<b>Total NF Enterprises (excluding crop cultivation)</b>	<b>89.1</b>	<b>10.1</b>	<b>8.82</b>
<b>Agriculture (excluding crop)</b>	<b>96.2</b>	<b>7.8</b>	<b>12.33</b>
<b>Industry</b>	<b>93.7</b>	<b>6.3</b>	<b>14.87</b>
<b>Services</b>	<b>85.8</b>	<b>14.2</b>	<b>6.04</b>
<b>B. Percentage Distribution of Workers by Male and Female</b>			
<b>Total Workers</b>	<b>86.3</b>	<b>13.7</b>	<b>6.30</b>
<b>Total Male Workers</b>	<b>84.0</b>	<b>16.0</b>	<b>5.25</b>
<b>Total Female Workers</b>	<b>91.3</b>	<b>8.7</b>	<b>10.49</b>
<b>Percentage Distribution of Workers by Activity Status</b>			
<b>Causal Workers</b>	<b>89.1</b>	<b>10.9</b>	<b>8.17</b>
<b>Regular</b>	<b>37.9</b>	<b>62.1</b>	<b>0.61</b>

<b>Salaried/Wage Workers</b>			
<b>Self-employed</b>	98.0	2.0	49.00
<b>C. Percentage Distribution of Workers by Sector</b>			
<b>Agriculture</b>	97.7	2.3	42.48
<b>Industry</b>	70.4	29.6	2.38
<b>Services</b>	72.4	27.6	2.62
<b>D. Percentage Distribution of Gross Domestic Product (GDP)</b>			
<b>Total GDP</b>	50.0	50.0	1.00
<b>GDP from Agriculture</b>	94.5	5.5	17.18
<b>GDP from Industry</b>	28.9	71.1	0.41
<b>GDP from Services</b>	45.3	54.7	0.83
<b>F. Sectoral Product per Worker (Ratio)</b>			
<b>Total</b>	0.58	3.65	0.16
<b>Agriculture</b>	0.98	2.39	0.41
<b>Industry</b>	0.41	2.40	0.17
<b>Services</b>	0.63	1.90	0.33
<b>G. Wages of Casual Workers (Rs. Per day)</b>			
<b>Male Workers</b>	51.3	73.0	0.78
<b>Female Workers</b>	32.4	47.4	0.68
<b>H. Incidence of Poverty</b>			
<b>All Worker Households</b>	20.5	11.3	1.81
<b>All Rural Workers</b>	19.3	12.0	1.61
<b>All Urban Workers</b>	25.5	10.7	2.38
<b>I. Level of Education (Mean years of Schooling of non-agriculture workers)</b>			
<b>Rural Male</b>	5.1	7.6	0.67
<b>Rural Female</b>	2.9	5.7	0.51
<b>Urban Male</b>	7.0	10.1	0.69
<b>Urban Female</b>	4.7	10.1	0.47

Source: Estimated by NCEUS based on NSS 61<sup>st</sup> Round, Economic Census 2005 and National Income Data

The table 2 summarizes the dualism prevailing in Indian economy in terms of its formal and informal fragment. It clearly postulates the structural weakness of the informal sector in terms of, education (I), productivity (F) and wages (G). The outcome of such weaknesses gets reflected in the form of incidence of poverty. However, one cannot deny the ground reality that India's large economy is dominated by a very large number and share of very small units (A) that is employment generator to 86 percent of its workforce with a higher proportion of women workers (B). Regardless of all this, this sector contributes to half the national income of the country (E). The emerging inequalities arising out of this gap should come as an eye opener for the government and policy maker. The reason being, such inequalities further works as seed capital to the problems of child labour that is being faced by Indian economy. The root cause for child labour are said to be poverty, parental illiteracy, social apathy, adult unemployment and urbanisation and lack of education.

### Child Labour in Informal Sector

Child labour is a tangible expression of violations of a variety of rights of children and is recognised as a grave and extremely composite social quandary in India. Working children are denied their right to endurance and growth, education, leisure and play, and sufficient standard of living, prospect for developing personality, talents, mental and physical abilities, and safety from cruelty and neglect. Despite the increase in the enrolment of children in elementary schools and increase in literacy rates since 1980s, child labour continues to be a blemish. In India, the problem of child labour is deeply rooted.

Over a period of time, poverty and its effect on the lives of children have become one of the important social concerns across the globe. The most common trigger for child labour is poverty. In situations where families are unable to meet both the ends, children are much more likely to get into labour for living. Unavailability of government support to help these children in many countries has worsened their plight. Child labour is comprehensively pertinent in small units in India as elsewhere in many countries of South Asia. India is said to be having maximum number of child labour in world.

International Labour Organisation (ILO), has defined child labour as that which includes "Children prematurely leading adult lives, working for longer hours for low wages under conditions damaging their health and affecting physical and mental development, sometimes separated from their families, frequently deprived of meaningful education and training opportunities that could open up a better future for them". Even today after six decades of independence and with various legislations and policies coming into existence, the problem of poverty still continues to hold alarming proportions in India. "Child labour hampers the physical, intellectual, emotional and moral development of children. Children who are in the growing process can permanently distort or disable their bodies when they are forced to carry heavy loads or adopt unnatural positions at work for long hours. Also since child are less resistant to diseases as compared to adults" (Sreenath and Sreenath, 2006)

Child labour is a serious distress because it perpetuates poverty and hampers economic growth by undermining labour productivity and human capital development and because it is a gross violation of fundamental human rights. The indicators that breed child labour in India to a great extent includes many aspects like parental poverty and illiteracy; social and economic circumstances; lack of knowledge; lack of access to essential and significant quality education and skills, and high rates of adult unemployment and under-employment. Attitudes towards child labour also play an important role. In many parts of India, children are perceived as 'adults' at an early stage. Forced labour, principally in the form of liability burden, is found amongst low castes, minorities, and migrants, who suffer additionally from discrimination and social segregation. Although most prevalent in traditional agricultural production systems based on

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sharecropping and casual wage labour, bonded labour in south Asia also occurs in other sectors, including mining, brick kilns, rice mills, carpet weaving, commercial sexual exploitation, match factories, stone cutting, and quarries. (UNICEF, 1999)

**Table 3**  
**NSSO estimate of the magnitude of child labour in India, 1993-2004/05 (in millions)**

Year (Round)	Boys	Girls	All
1993-94 (50 <sup>th</sup> Round)	7.35	6.51	13.86
1999-00 (55 <sup>th</sup> Round)	5.37	4.71	10.13
2004-05 (61 <sup>st</sup> Round)	4.76	4.31	9.07

Source: Derived from Individual Unit Level Records of Sarvekshana (Various Issues)

The table 3 shows the NSSO estimate of magnitude of child labour in India, 1993-2004/05 in millions. It can be noticed that as compared to 2001 Census data, the 61<sup>st</sup> round of NSSO data in 2004-05 the number of persons working in age group of 5-14 years were 9.07 million. The Census survey is conducted at the beginning of every decade whereas the NSSO is conducted twice in each decade. Therefore, the NSSO data provides the mid-decade trends of various dimensions of the economy. It is interesting to note that in the 61<sup>st</sup> round of NSSO (2004-05) there is a declining trend as compared to earlier two rounds in the magnitude of child labour. Though it is heartening to know that the magnitude is declining, but still a very large chunk of children is working as labourers.

**Table 4:**  
**Estimate of Trends in India's Child Labour by Rural-Urban, 1983-2004/05 (in millions)**

Year	5-9	10-14	5-14
<b>Combined</b>			
1993-94	1.27	12.59	13.86
1999-00	0.63	9.50	10.13
<b>2004-05</b>	<b>0.35</b>	<b>8.72</b>	<b>9.07</b>
<b>Rural</b>			
1993-94	1.13	11.03	12.16
1999-00	0.60	8.05	8.65
<b>2004-05</b>	<b>7.18</b>	<b>7.18</b>	<b>7.44</b>
<b>Urban</b>			
1993-94	0.12	1.52	1.64
1999-00	0.07	1.32	1.39
<b>2004-05</b>	<b>0.08</b>	<b>1.44</b>	<b>1.52</b>

Source: Derived from Individual Unit Level Records of Sarvekshana (Various Issues)

Rural-urban divide, particularly in post-colonial countries, have for long been one of the causes of concern for the policymakers. This rural urban divide leads to the disparities are visible in all spheres of human life - economic and non-economic. The extent of disparities, however, differs from country to country. The long colonial rule in India had created an urban-rural divide. What causes immense worry is the sharp rise in the level of disparities after more than six decades of planning, especially because planning was conceived as an instrument to narrow down rural-urban disparities.

Data on NSSO estimates on rural-urban magnitude of child labour is shown in table 4. It is

shocking to note that about 90 percent of the working children are concentrated in the rural areas. They not only work in farm sector but also in various non-farm activities in rural areas. This shows government's narrow control of the law which focuses only on visible forms of child labour in urban areas but neglects the rural areas where a large proportion of children are engaged in labour work-recognised or not recognised. Further they continue as pool of discounted labour supply to be migrated to urban areas along with their families in the event of any misery in rural areas. The 2004-05 NSSO data reflects that out of 9.07 million child labourers, 12.16 million were in rural areas. This leads to an assertion that, the problem of child labour in India is fundamentally a rural problem and phenomenon rather than urban. It may show a downhill inclination in the universal degree of child labour in India, but at the same time it is equally true that the concentration of child labourers in rural areas continues to be significantly high.

**Table 5: Industries hiring Children as Labour**

Industry	Locations
Matches, Fireworks & Explosive	Sivakasi
Glass & Bangles	Ferozabad
Beedi Making	Nizamabad, North Arcot District
Carpet Making	Bhadoi, Varanasi, Mirzapur, J & K
Lock Making	Aligarh
Brassware	Moradabad
Export Oriented Garnet Industry	Tirupur
Gem Polishing Export Industries	Jaipur, Rajathan
State mines and Manufacturing Units	Markkapur
Leather Units	Agra, Kanpur, Durg, Rajasthan
Diamond Industry	Surat

### Child Labour Prevalent in different Industries

India has the largest number of working children in the world, with credible estimates ranging from 60 -75 million. Below, we look at some industries that enslave children - some of these are in the export business, producing the ever so attractive, yet cheap goods that attract the attention of foreign consumers, some of them cater more to the domestic market and others are in the service business – all profit oriented businesses, churning the wheels of our economy, all at the cost of innocent children. Here is a look at the various labour activities involving children, across the length and breadth of India.

### Child Labour in the Agricultural Sector:

According to a recent ILO report about 80% child labourers in India are employed in the agriculture sector. The children are generally sold to the rich moneylenders to whom borrowed money cannot be returned. In agricultural sector bonded labour is prominently visible.

### Children Employed At Glass Factories:

According to recent estimates almost 60,000 children are employed in the glass and bangle industry and are made to work under extreme conditions of excessive heat.

### Child Labour in Matchbox Factories:

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Of the 2, 00,000 labour force in the matchbox industry, experts claim that 35% are children below the age of 14. They are made to work over twelve hours a day, beginning work at around 4 am, everyday.

## Carpet Industry:

According to a recent report by the ILO almost 4, 20,000 children are employed in the carpet industry of India.

## Gemstones

At international level India is known to exports gems worth of hundreds of millions of dollars per year. The majority of the gems are diamonds, which are processed and polished in Surat, Gujarat, and emeralds which are polished in Jaipur, Rajasthan. But the other side of it shows altogether a different and dark scenario where large masses of children work. As compared to adults children are cheap source of labour for many industries and are very commonly engaged as "apprentices", in the gem polishing industry. These children are compelled to work 10 hours a day and during the initial two years they receive a peanut remuneration and the learning process takes five to seven years. After the two years, a child worker is paid 50 rupees per month. What is disappointing is the fact that most of the children who are working with such industries are suffering from incurable diseases at a tender age. Burra (1995) in her study mentioned that more than 30 percent of the children get tuberculosis, due to unhygienic conditions, overcrowding, and malnutrition. Major health issues comprise of body aches, finger tips grazed by the polishing disc.

## Child Labour in Brassware Industry

The Moradabad city of Uttar Pradesh has a blossoming brass industry, that exports products such as vases, figurines, planters, tableware, dinner services, and tea sets all over the world. In this industry also a very huge proportion of children in the age group of 6-8 years are working. Approximately 50,000 children are working for long hours in this industry. Children are occupied in almost the entire process of brassware productions – removing molten metal from molds, near furnaces, directly exposed to temperatures of approximately 2000 degrees F, electroplating, polishing, applying chemicals to the wares. They are also said to be suffering from many chronic diseases likes tuberculosis and other respiratory diseases, due to the constant inhalation of fumes from the furnaces and metal dust while working.

## Leather Industry and Child Labour

One of the other labour intensive industry is footwear industry that hires as many as 25000 children in the age bracket of 10-15 years In order to manufacture shoes and supply it to the emergent market of Europe and the US these industries are also employing large proportion of cheap child labour. What is more shocking is that around 80 percent of the children work for contractors at home. Children work on soling of leather with glue. They work in cramped poorly lit rooms and are also said to be suffering from respiratory problems, lung diseases

and skin infections due to continuous skin contact with industrial adhesives and breathing vapors from glues. Children are reported to be functioning in shoe factories all through Agra, including road stalls, and in small factories unit.

## Child Labour in Lock Industries:

According to researchers there are about 50,000 children employed in the lock industry.

## Where do these Children Work?

In the perspective of globalization new faces of child labour are emerging in India. Many children are said to be enrolled with school but then majority of them are working children and hardly goes to the school. According to a UNICEF report, World's Children 2006, India has the largest number of working children and 17 per cent of them are under the age of 15.

**Table 6: Where do these children work? (2006)**

Activities	Children of Age Group (5-14 Yrs)					
	Number of Children (%)			Number of Children (in 100's)		
	Boys	Girls	Total	Boys	Girls	Total
Children engaged in 'economic activities'	4.18	3.86	4.02	52967	45618	98392
Attended domestic duties only	0.30	3.15	1.67	3770	37208	40788
Attended domestic duties plus free collection of goods, tailoring, wearing for HH only	0.25	1.92	1.06	3178	22693	25897
Children at work	4.73	8.93	6.75	59915	105519	165077
Attending Schools	72.98	61.45	67.44	925350	725964	1651186
Children neither at work nor at school	17.26	20.42	18.80	218889	241255	460205

Source: As compiled by Pradeep Narayanan, (2006)

Table 6 shows that the girls aged 12-13 are the preferred choice of 90 per cent households. Over half of the working children (54%) are in agriculture, and most others are employed either in construction (15.5%) or in household work (18%). About 5% are in manufacturing jobs, and the remainder (about 8%) are scattered across other forms of employment. The table 11 provides a gender-wise breakup of working children, and their schooling status. Please note that the data are for children in the age group 5-14 years.

**Table 7:**  
**Coverage under National Child Labor Project**

State	Districts	Sanctioned School	Coverage Children	Actual Schools	Coverage Children
Andhra Pradesh	20	807	43550	610	36249
Bihar	08	174	12200	173	10094
Gujarat	02	040	2000	023	1254
Karnataka	03	100	5000	024	1200
Madhya Pradesh	05	138	9800	087	6524
Maharashtra	02	074	3700	024	1200
Orissa	16	430	33000	239	14972
Rajasthan	02	060	3000	054	2700
Tamil Nadu	08	379	19500	307	14684
Uttar Pradesh	04	150	11500	105	7488
West Bengal	04	219	12000	164	8250
Total	76	2571	155250	1810	104615

Source: As compiled by Pradeep Narayanan, (2006)

Table 7 reveals that in order to decimate child labour, around 76 child labour projects have been approved under the National Child Labor Project Scheme for covering 150,000 children. Around 105,000 children are already enrolled in the special schools. The Ministry of Labour has asked the Planning Commission for about Rs.1500 crore to cover all the 600 districts under the National Child Labour Project (NCLP) as against the 250 districts at present. Children working in 57 hazardous industries, in dhabas and homes (in the 9-14 age groups) would be covered under this project. Government schemes like the Sarva Siksha Abhiyan have been implemented. Along with the state of education in India also needs to be improved. High illiteracy and dropout rates are reflective of the insufficiency of the educational structure. Poverty plays a role in the futility of the educational system. Withdrawal rates are high because children are forced to work in order to sustain their families. The attitudes of the people also contribute to the lack of enrollment -- parents feel that work develops skills that can be used to earn an income, while education does not help in this matter. Compulsory education may help in regard to these attitudes. For a long time period child labour was not considered illegal in India except in specific hazardous occupations. Since October 2006, the Ministry of Labour has as well incorporated household work and employment in *dhabas*, tea stalls, and restaurants in the schedule of prohibited occupations under the Act. This may lead to lay-off, of many working children, particularly in metropolitan cities and big towns. Along with this it will be necessary to take adequate measures to safeguard, rehabilitate, and educate these children.

#### **Why Child labour in India: A Catch 22 Situation**

In an apparently increasingly prosperous world, more & more people are becoming poorer. Child labour is a source of income for poor families. A study conducted by the ILO reveals that "Children's work was considered essential to maintaining the economic level of households, either in the form of

work for wages, of help in household enterprises or of household chores in order to free adult household members for economic activity elsewhere" (Mehra-Kerpelman 1996) In some cases, the study found that a child's income accounted for 34-37 percent of the total family income. "Government of India, supported by the UN agencies in India and other international organizations have evolved specific interventions to overcome the human deprivation aspects through holistic human development programmes for preventing, eliminating and rehabilitating child labour in India". (Zutshi,1998)

Now the question arises whether the firms employing child be fined? A household sends its children to work in order to escape poverty and starvation. As per the new law, any firm hiring child labour will be fined whenever they are caught doing so. This will clearly cause the wage for child labour to drop this is because children are now less input for the firms. But in reality the children will have to stretch harder so as to earn the target income (subsistence level). Empirically, consider a labour market in which each household consists of one adult & several children in a labour market, adults & children are perfect substitutes. The adult always supplies labour inelasticity, where as children work only to the extent of subsistence.

There is mull over the case when government tries to elevate the fine. This will mean that employing children will be pricier for the firms, because with each child labour there is risk if being trapped & having paid the larger fine to the government the firms will ensure that with the rise in penalty they will make definite that child wages drops further. And once the child wage drops each household will be strained to propel more children to work so as to meet survival consumption goal, so herein lies the essence of pathology, an increased fine for employing children could further leads to increase in the proportion of child labour.

Child labour is one of the major problems in India. The predominance of it is shown by the child work participation rates which are higher in India than in other developing countries. The key determinant of child labour is poverty. Even though children are paid less than adults, but whatever income is earned by them is beneficial to their poor families. In addition to poverty, the lack of ample and available sources of credit forces poor parents to slot in their children in the harsher form of child labour -- bonded child labour. Often, child labour is considered to be a "necessary evil" in poor countries such as India for the maintenance of the family. In that context, some consider it virtuous to give a job to a child. In fact, some academics and activists campaign not for the reduction of child labour but only for a reduction in the exploitation of children. The opponents of child labour regulation argued that child labour was unavoidable stage of development. The existence of child labour is necessary for survival of people below the poverty line and therefore it should be made official.

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## Conclusion

The increase in employment that guarantees ample livelihood security and respectable environment of work should be the bottom line in the quest of economic growth and development of country like India which is significantly dominated by what is called the informal economy. Here informality in employment refers to the absence of employment and social security and it is tremendously associated with low income, poverty and vulnerability.

The approach of leveling up should be done with the view to generate a social floor in such a fashion that nobody should be allowed to fall below that level as a substance of social priority and the bottom line of our developmental programmes initiated and adopted by the government. The missing links of informal sector needs to be linked up in such a way that the emerging weaknesses related to the informal sector starts turning out to be strength of the sector further paving its way to robust economic growth and development. And we are in position to fight strongly against the rising socio-economic evils leading many grass root problems.

In a determined bid to curb the exploitation of children, the government of India needs to take concrete efforts. The long-term/ part solution to child labour troubles lies in reducing poverty, improving the availability & accessibility of education, and increasing access to schooling to deprived social groups. As Juan Somavia, (2006), correctly mentioned "We strongly support fair globalization and resolve to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies as well as our national development strategies, including poverty reduction strategies, as part of our efforts to achieve the Millennium Development Goals. These measures should also encompass the elimination of the worst forms of child labour, as defined in International Labour Organization Convention No. 182, and forced labour. We also resolve to ensure full respect for the fundamental principles and rights at work" (refer to social security norms in different parts of the world & India)

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