

**“Child Bondage Continues in Indian Cotton Supply Chain”
(TAMILNADU)**



Study jointly commissioned by

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(Extracts, relating to Tamilnadu, from the Original Report have been brought together by **Social Watch – Tamilnadu**.

The full text of the original Report can be downloaded at:
<http://www.indianet.nl/childbondagecotton.html>

The Draft Action Plan for Companies is taken from the Action Plan to Combat Child Labour by the Campaign “Stop Child Labour – School is the best place to work” and can be downloaded from <http://www.indianet.nl/actionplanchildlabour.html>).

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EXECUTIVE SUMMARY

Recent trends in employment of child labour in hybrid cottonseed production in Tamilnadu clearly indicate that the overall number of children employed in this sector is on the rise. The conditions in the fields continue to be very unsafe and exploitative for the children. The children are mostly trafficked as migrants from other places.

In the 2006-07 cultivation season, nearly 65,700 children under the age of 18, the majority of them (almost 60%) younger than 14, were employed in cottonseed farms in Tamilnadu.

Several Indian companies and multinationals, namely Monsanto and Bayer, are involved in this ‘modern form of child slavery’. The biggest among them, the Indian companies Nuziveedu, Raasi, Ankur and Mahyco (a joint venture partner of Monsanto), make use of child labourers who are employed by the farmers to which they have sub-contracted the cultivation of BT cotton seeds.

The response of state and central governments and the seed industry to address the problem of child labour in this sector has not been very encouraging.

Hybrid cottonseed production in India is concentrated in 5 States, namely Andhra Pradesh, Tamilnadu and Karnataka in South India and Gujarat and Maharashtra. These 5 States account for nearly 95% of total cottonseed production in the country.

Hybrid cottonseed production is a labour-intensive activity. A chief part of this production is cross-pollination which is done manually and this activity alone requires that about 90% of the total labour expended is done mostly by children, especially girls. No other industry in India has such a high proportion of child labour in its workforce.

Most of the children working in cottonseed farms belong to poor families from Scheduled Castes (SCs), Scheduled Tribes (STs) and Backward Castes (BCs).

The exploitation of child labour on cottonseed farms is linked to larger market forces.

INTRODUCTION

In cottonseed production, the 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 are employed on a long-term contract basis through advances and loans extended to their parents by local seed producers, who have agreements with the large national and multinational seed companies. Children are made to work long hours (8 to 12 hours) and are paid less than market and official minimum wages. They are also exposed to poisonous pesticides used in high quantities in cottonseed cultivation.

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 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.

The employment of children in cottonseed work has an adverse impact on literacy and health of children. About 90% of the children working in cottonseed fields are either school dropouts or have never attended school. Working in cottonseed fields also has important health implications for the children involved.

The existing employment practices in cottonseed farms result in the denial of children's rights and violate many national laws and international conventions. Children's rights to education, health and safe living are denied by employing them on the farms on a long term contract basis, making them to work long hours and exposing them to poisonous pesticides that are applied in high quantities on the plants.

Since 2004, many developments have occurred which have affected the nature and magnitude of child labour in cottonseed industry in India and in Tamilnadu. These include:

- a) An increase in the total area under commercial cotton as well as cottonseed production
- b) Substantial increase in the area under BT cotton hybrids resulting in growing control of MNCs over cottonseed business, and
- c) Growing pressure on seed companies from local and international NGOs, media and social investor groups resulting in proactive initiatives by some seed companies to address the problem of child labour in their production farms.
- d) Interventions by the government, NGOs, and international organisations like ILO and UNICEF, to address the problem of child labour.

In the context of the developments mentioned above, the present study makes an attempt to assess the current situation of child labour in cottonseed farms in India.

OBJECTIVE OF THE STUDY

The principal aim of the present study is to examine the current situation and recent trends in employment of child labour in hybrid cottonseed farms in India (and Tamilnadu in particular) in the context of recent developments in the industry.

METHODOLOGY

The present study is mainly based on the analysis of primary data collected through field visits to 430 sample cottonseed farms in 78 villages in four Indian states namely Andhra Pradesh, Karnataka, Gujarat and Tamilnadu. **Out of 430 farms surveyed, 50 were in Tamilnadu.** In Tamilnadu the survey was conducted in Attur taluk of Salem district which is the main production centre for cottonseed in Tamilnadu.

Table 1 presents a break down of sample farms by company included in the survey in Tamilnadu. Of the total 50 farms surveyed 12 were producing seed for multinationals or its joint venture companies and the remaining 38 for local Indian companies. The names of important local Indian seed companies included in the survey in Tamilnadu are Nuziveedu Seeds, Raasi Seeds, and Nath Seeds. The name of the MNC is Monsanto.

Table 1: Distribution of sample farms surveyed in Tamilnadu by company

Name of company	Number of Farms
Monsanto	12
Nuziveedu	12
Raasi	22
Nath Bio	4
Total	50

The field survey for the present study was conducted between September 2006 and February 2007. Information on age and gender composition of workers, wage rates and working conditions was gathered through separate 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 also reported their age as above 14 years knowing that law prohibits employment of children below 14 years. Age determination was found difficult with regard to 34 cases out of 436 in Tamilnadu and such cases were recorded separately as age doubtful cases (probably children). While estimating the total number of children below 14 years, it was decided to treat 50% of numbers in the 'probably children' labour category as children below 14 years with the assumption that the chances of a probably child is really a child are 50%.

As per the investigators' opinion and as per our observations in the field calculating 50% of probably children as definitely children is the best guess. No official data are available on the total area under cottonseed production and the area covered by individual seed companies. This information was gathered through discussions with representatives of seed companies and key informants in seed industry circles. The total number of child labourers in cottonseed production for the 2006-07 crop season is estimated for each state separately on the basis of per acre average requirement of labour and the proportion of child labour to the total work force in the sampled farms by extrapolating the sample proportions to the total area under cottonseed production in different states.

COTTONSEED INDUSTRY - RECENT DEVELOPMENTS

India has the distinction of having the largest area under cotton cultivation in the world. With about 9 million hectares of land under cotton crop, India accounts for 21 percent of the world's total cotton area and 12 percent of global cotton production. There has been an overall increase in total area under cotton production and productivity of cotton in India in recent years.

Table 2 presents the area and productivity of cotton in Tamilnadu between 2003-04 and 2006-07.

**Table 2: AREA AND PRODUCTIVITY OF COTTON
IN TAMILNADU
(Area in lakh hectares and yield in kgs per hectare)**

Year	Area	Yield
2003-04	1.03	619
2004-05	1.29	725
2005-06	1.40	668
2006-07	1.33	639

Source : Cotton Advisory Board

<http://www.cotcorp.gov.in/statistics.asp#area>

- The total area under cotton has increased from 1.03 lakh hectares in 2003-04 to 1.33 lakh hectares in 2006-07.
- The average yields per hectare cotton also increased significantly during this period. The average yield per hectare cotton increased from 619 kgs in 2003-04 to 639 kgs in 2006-07 (It was as high as 725 kgs in 2004-05).
- The increase in production area and yields are largely attributed to the increased use of BT (Bacillus Thuringiensis) cotton hybrids (a shift from traditional hybrids to BT cotton hybrids) and favourable climatic conditions.

India has been a pioneer in developing hybrid seeds for commercial use in cotton. About 6 million hectares (65% of total cotton area) of land in India is currently covered with hybrid varieties. The use of hybrids, particularly BT cotton hybrids, has witnessed significant rise in recent years. BT cotton was officially introduced in India in 2002-03. Beginning with 38,038 hectares in 2002-03, the area under BT cotton hybrids increased to 3.8 million hectares in 2006-07.

Table 3 presents the total area under cottonseed production in Tamilnadu and India for 2003-04 and 2006-07.

Table 3: Area under hybrid cottonseed production (area in acres)

Year	Area (TN)	Area (India)
2003-04	6000	54,000
2006-07	9000	60,000

(Note: No official data are available on the total extent of area under cottonseed production and the area covered by individual seed companies. This information was gathered through discussions with representatives of seed companies and key informants in seed industry circles.)

- The total area under cottonseed production increased from nearly 54,000 acres in 2003-04 to 60,000 acres in 2006-07 in India, and from 6000 acres to 9000 acres in Tamilnadu.
- In 2003-04, the cottonseed production area covered by BT cotton hybrids in India was around 9% which has increased to nearly 66% in 2006-07.

Private seed companies

The production and marketing of hybrid seeds in India is carried out by both public and private sector seed agencies. During the 1970s, the public sector seed corporation played a predominant role in the developing, producing and marketing of hybrid cottonseeds. However, since 1985, the role of private seed companies in cottonseed business has been growing rapidly. Currently, private seed companies, both MNCs and Indian companies, account for nearly 90% of the total cottonseed produced and marketed in the country.

Table 4 presents the approximate area under hybrid cottonseed production by company in Tamilnadu for 2006-07.

Company	Area (in Acres)
Raasi	4400
Nuziveedu	2500
Monsanto	800
JK seeds	800
Tulasi	100
TOTAL	9000

- In 2006-07, out of the nearly 9000 acres under cottonseed production in the state, nearly 50% (4400 acres) of the area was controlled by Raasi Seeds, one of the leading seed companies in India, based in Attur region of Tamilnadu state.
- The other important companies with production bases in Tamilnadu include Monsanto, Nuziveedu, JK Seeds, and Tulasi.

TRENDS IN EMPLOYMENT OF CHILD LABOUR:

FIELD SURVEY FINDINGS

This section presents the important findings from the field survey carried out during 2006-07 crop season in Tamilnadu.

Next to Gujarat and Andhra Pradesh, Tamilnadu is the largest cottonseed producing state in India. In Tamilnadu, cottonseed production is highly concentrated in Attur and Kallakurchi taluks of Salem district which accounts for nearly 90% of the total cottonseed produced in the State.

The issue of child labour in cottonseed farms in Andhra Pradesh, Gujarat and Karnataka states in India has been widely reported. However, there is not much information available on the situation of child labour on cottonseed farms in Tamilnadu.

The cottonseed production in Tamilnadu is largely dependent upon migrant labourers who come from Villupuram, Vellore, Theni, Cuddalore, Perambalur and Tiruvannamalai districts. Migrant labourers (both adults and children) constitute more than two thirds of total workforce. Migrant labourers are mostly engaged in cross pollination activity which is the vital task in cottonseed production.

Unlike in Andhra Pradesh and Karnataka where the duration of cross pollination activity is extended up to 90 to 120 days, in Tamilnadu cross pollination activity is limited to 70-80 days. Crop season begins generally in the month of August with the sowing of seeds. Cross pollination work starts in October and continues until the end of December.

Table 5: Workforce composition in cottonseed farms in TN in 2006-07

Total number of farms surveyed (area in acres)	50 (47 acres)
Total number of workers engaged during cross pollination	436
Type of labour (family vs. hired)	
% of family labour to total labour	14.7% (64)
% of hired labour to total labour	85.3% (372)
Hired labour (local vs. migrant)	
% of migrant labour to total hired labour	82.8% (308)
% of local labour to hired labour	17.2% (64)
Age group and gender composition	
% of Children (below 14 years) to total workforce	46.3% (202)
% of girls to total children	58.4% (118)
% of children (15-18 years) to total workforce	32.6% (142)
% of girls to total children (15-18 years)	60.5 (86)
Adults (above 18 years)	21.1% (92)
Average number of children (below 14 years) employed per acre	4.3
Average number of children (15-18 years) employed per acre	3.0

Important findings

Table 5 presents details of workforce composition in 50 sample cottonseed farms (covering 47 acres) selected in 12 villages in Attur and Kallakurchi taluks of Salem district in Tamilnadu.

- Out of the total 436 workers engaged in these farms during peak cross pollination season in 2006-07, 85.3% (372) were hired labour while family labour accounted for 14.7% (64).
- Among hired labourers 82.8% were migrant labourers who come from Villupuram, Vellore, Theni, Cuddalore, Perambalur and Tiruvannamalai districts of Tamilnadu.
- Children in the age group of 7 to 14 years constitute 46.3% of the total workforce. Among children 60.5% of them were girls.
- On an average, 4.29 children were engaged per one acre of seed production.
- Workers in the age group of 15 to 18 years constitute 32.6% of the total workforce.

Seed farmers are dependent upon middlemen/agents (labour contractors) for recruiting migrant labour. Before the season starts, seed farmers approach labour contractors, place their demand for labourers, and pay some advance money. The advance money includes travel costs of the labourers from their home to work and some advance equivalent to 15 to 30 days worth of wage payment. The per day wage rates are fixed in advance and the agreement lasts for one crop season. Workers, including children, are recruited this way by paying advance amounts. Advance amounts range from Rs. 1000 to 2000 per worker.

Advances are paid two to three months before the crop season begins. It is the responsibility of the labour contractor to identify the required number of labourers and see to it that they continuously work for the farmer for the entire agreement period. Each contractor mobilises 20 to 80 labourers and places them with different farmers. Farmers do not make any individual agreements with the labourers. They only interact with labour contractors, who in turn make agreements on behalf of the labourers. A substantial part of wages is withheld until the completion of the agreement period. The labour contractor receives commission from the farmers for arranging the labourers. In addition, the contractor also deducts 10-15% of the wage payment from each labourer as his commission charge.

The wage rates are fixed for the whole season at the time of the agreement itself. During 2006-07, the daily wage rates paid to labourers for cross pollination work in cottonseed farms varied between Rs. 50 and Rs. 60. This includes labour contractor's commission also. The labour contractors deduct Rs. 5 per day from each labourer and pay the remaining amount to them. In U Kalyanotham, Unattur, Salianagar where cottonseed production is highly concentrated, the wage rates are relatively high compared to other areas. Considering the long hours of work put in by workers in cottonseed farms the wage rates paid to them are low compared to wage rates in the local market. Except for the newly recruited children the wage rates paid for cross pollination are equal irrespective of their age and gender. Newly recruited children are paid Rs. 10 to 15 less than other workers.

For migrant labourers the agreement regarding working hours is vague and the cottonseed farmers are at their liberty to call upon the labourers to work without any fixed schedule or set hours. Since labourers live on the owners' farms, it is at the discretion of the farmers whenever their labour is needed. Labourers generally work for 10 to 12 hours a day with a two-hour break for meals. They begin work around 6 AM and end at 6 PM or 7PM.

Periamal, aged 14, a migrant child labourer

Periamal, a 14 year old girl, has been working as a wage labourer on cottonseed farms since 2004. She belongs to a poor tribal family in a small village in Jawadu hills in Tiruvannamalai district. She has two elder sisters and one younger brother. Her family owns two acres of dry land but income from the land is insufficient and they primarily depend on wage labour. She studied up to fourth class and discontinued in 2002. In 2004, her mother took an advance of Rs 2000 from a labour contractor and sent Periamal and her elder sister Vannamali (16 years) to Unattur village in Attur area in Salem district to work in cottonseed farms. Since then Periamal and her sister have been migrating to Unattur for cottonseed every year. Several labourers from Periamal's village also migrate every year to Attur for about two to three months (during October and December months) to do cross-pollination activity in cottonseed farms.

The seed farmer who employed Periamal owns 8 acres of land out of which cottonseed was grown on 1.5 acres in 2006-07. He has been producing cottonseed for Raasi Seed Company since 2002. In 2006-07, he employed a total of 16 labourers including Periamal and her sister on his 1.5 acre cottonseed farm. All the 16 labourers are migrants from Tiruvannamalai. Out of the 16, 12 are women. Eight of them are children below 15 years of age. All the migrant workers were provided free accommodation and food by the farmer.

Periamal's daily work schedule during cross-pollination season is as follows. She wakes up at 5 AM and from 6 AM to 7.30 AM she works in the field. From 7.30 to 8.30 AM, she has a break for cooking and eating her morning meal. From 8.30 to 12.30 AM, she is engaged in pollination activity. After a lunch break between 12.30 PM and 2 PM, she works in the field during 2 PM to 6.30 PM, when she returns to her living place.

Periamal was paid Rs. 55 per day for her work. Her employer does not pay this amount directly to her. Instead, the labour contractor who arranged work for Periamal and her sister takes the amount from their employer and deducts Rs 5 towards his commission charges and pays the remaining amount to her father at the end of the season.

ESTIMATES OF CHILD LABOUR IN COTTONSEED FARMS IN TAMILNADU

In the previous section, we presented the findings of the survey of sample cottonseed farms in Tamilnadu. In the present section, an attempt is made to estimate the approximate total number of children employed in total cottonseed production area in Tamilnadu for 2006-07. The total number of child labourers in cottonseed production for the 2006-07 crop season were estimated on the basis of per acre average requirement of labour and the proportion of child labour to the total work force in the sampled farms. This was done by extrapolating the sample proportions to the total area under cottonseed production in the state.

Table 6: Number of children employed in hybrid cottonseed farms in Tamilnadu for 2006-07

Total number of children employed (below 14 years)	Total number of children employed (15-18 years)
38,700	27,000

- A total of 65,700 children were employed in cottonseed farms during 2006-07 in Tamilnadu, out of which 38,700 are below 14 year age group and remaining 27,000 are in the age group of 15-18 years.
- Though there is no comparable data available for earlier years, discussions with workers, growers and seed company personnel indicate that the total area under cottonseed production as well as the number of children employed has increased in recent years after the introduction of BT cotton.
- The Tamilnadu based seed company Raasi, whose BT cotton hybrids became very popular among growers, has recently increased its production area in many states including Tamilnadu.

CONCLUDING REMARKS

The recent trends in employment of child labour in hybrid cottonseed production in different states in India clearly indicate that the overall number of children employed in this sector is on the rise. This is due to an increase in the total area under cottonseed production in the country. Since 2002, when BT Cotton was introduced, as the demand for BT cotton increased, the area under BT cottonseeds also increased resulting in an additional demand for labour for production of seeds.

The response of state and central governments to address the problem of child labour in this sector has not been very encouraging. In Tamilnadu, the response of the State Government is very poor.

The response from seed industry as a whole to address the problem of child labour in cottonseed industry has also not been very encouraging. The exploitation of child labour in 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.

Unless the major seed companies like Nuziveedu, Raasi, Nath, JK Seeds, Tulasi and Monsanto, which control the major cottonseed business in the state come forward, it is difficult to address the problem at an industry level. Despite knowing the problem very well, these companies are not paying any serious attention to the issue.

The preliminary estimates of the area under cottonseed production for the 2007-08 season indicate that compared to 2006-07, the total area under cottonseed production in 2007-08 has increased by 15-20% in different states. This will further increase the demand for labour, including children, in this sector. The total number of children in cottonseed farms is likely to increase further during 2007-08, unless serious efforts are made to stop the employment of children at the field level.

Unless the major seed companies like Nuziveedu, Raasi, Nath, JK Seeds and Tulasi which control the major cottonseed business in the state come forward, it is difficult to address the problem at an industry level. Despite knowing the problem very well, these companies are not paying any serious attention to the issue.

‘Out of Work and Into School’

Proposed Action Plan to Combat Child labour 15 Recommendations for Companies

What action can businesses take?

1. Make explicit in your company’s formal policy or code of conduct that all forms of child labour prohibited by the two ILO Conventions (C 138 and C 182) will be avoided and, if need be, combated.
2. Make sure that company policy is based, at the very least, on the international conventions against child labour – and comply with national and local legislation if their standards exceed those of the international conventions.
3. Make it explicit in contracts with your suppliers that they must eradicate child labour and realise labour rights across all sub-contracted operations.
4. Ensure that children hitherto employed at the company’s own plants, plantations or service operations, or in outsourced or sub-contracted operations across the entire supply chain, are transferred to regular schooling at no cost to their families.
5. Protect Children in the ages of 14 to 18, against potentially hazardous and dangerous types of work as specified in ILO Convention 182, and comply with agreements (required by the Convention) on dangerous work between governments, labour unions and industry umbrella associations.
6. Involve your own staff and your suppliers in combating child labour: inform them and involve them in your company’s action plan against child labour.
7. Collaborate and team up with other segments of society, for example trade unions and local and/or national governments, to realize full-fledged schooling for former child labourers.

8. Make a special effort where needed to address the specific challenges faced by children from discriminated and marginalised groups so that they, too, can make the transition from work to school.
9. Ensure that the authenticity of age certificates is adequately verified, and jointly with other parties urge that reliable birth registration systems are set up in areas that do not have them.
10. Combating child labour must always go hand in hand with compliance with the ILO's other three fundamental labour standards and other broadly agreed-upon workers' rights.
11. Pay a procurement price to suppliers that enables them to avoid using child labour and hire adults (or youngsters over the age of 15) instead, offering them decent pay and conditions. If need be, also adjust other elements of your company's sourcing policy with a view to implementing your company's 'no child labour' policy and ensuring
12. Whenever possible, try to transfer the job hitherto done by children to their parents or other close relatives, or offer them alternative suitable employment.
13. Create, independently or working with others, facilities such as crèches and daycare centres for employees, to help them keep their children out of child labour.
14. Plan and implement pro-active investigations, a solid in-house monitoring system, transparency on policy and practice, independent monitoring and verification, and involve those directly concerned and/or affected (the 'stakeholders').
15. Participate in efforts to combat child labour in industries where child labour is rampant (stone quarries, tourism, cocoa, cotton (seed) and garment production, commercial agriculture -coffee, tea, rice, flowers etc.) through a so-called multi-stakeholder initiative and/or join, if your company is a multinational, an '*International Framework Agreement*' with one of the sectoral global unions.

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“Social Watch – Tamilnadu” is a State-level Public Policy Research-cum Advocacy organisation in the South Indian State of Tamilnadu. Based on 8 years (1995-2003) experience of the Tamilnadu Peoples' Forum for Social development, "Social Watch - Tamilnadu" was initiated in 2004 as the knowledge arm of the Forum, focusing on policy research and advocacy.

“Social Watch – Tamilnadu” attempts to ensure that the Social Policies of the State Government of Tamilnadu are progressively geared towards the basic Livelihood-cum-Socio-Economic rights of the marginalised sections of the State, the dalits, tribals, women, children, unorganised labour, small fisher folk and the physically challenged, as enunciated in UN International Covenants and guaranteed by the Indian Constitution.

“Social Watch – Tamilnadu” uses Budget advocacy as the primary instrument of monitoring social policies as well as evolves alternate policy formulations. It undertakes all research-cum advocacy activities and interfaces with the policy makers, social researchers and social activists in the State in its efforts to gear public policy to suit the needs of the weaker sections.

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