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Child labour in global production networks: poverty, vulnerability and 'adverse incorporation' in the Delhi garments sector

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What is Chronic Poverty?

The distinguishing feature of chronic poverty is extended duration in absolute poverty.

Therefore, chronically poor people always, or usually, live below a poverty line, which is normally defined in terms of a money indicator (e.g. consumption, income, etc.), but could also be defined in terms of wider or subjective aspects of deprivation.

This is different from the transitorily poor, who move in and out of poverty, or only occasionally fall below the poverty line.

Abstract

Child labour occurs across many sectors of the Indian economy, including in those which are tightly integrated into global production networks (GPNs). On the basis of an original study of the Delhi garments sector, this paper explores the evolving relationship between the nature and functioning of GPNs, the incidence of highly exploitative social and labour relations (including those associated with child labour), and the production and reproduction of chronic poverty and vulnerability. Two questions frame the discussion: 1) to what extent, in what ways and under what circumstances does chronic poverty foster patterns of exploitative employment within GPNs for poor and vulnerable workers, including children? 2) to what extent, in what ways and under what circumstances can the incorporation of these workers into GPNs be said to produce or reproduce chronic poverty and vulnerability? Our arguments are rooted theoretically in the concept of 'adverse incorporation', and developed by combining analysis of how accumulation occurs in contemporary GPNs with an exploration of the social processes in which these forms of accumulation are embedded. Child labour is simultaneously an outcome of these processes of adverse incorporation and itself a key mechanism through which they can be produced and reproduced.

Keywords: Child labour, poverty, India, global production networks, garments, adverse incorporation

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1 Introduction

The South Asian region retains the highest incidence world-wide of child labour. In India, figures from the 2001 national census indicate that working children account for around 5 per cent of the total population aged between five and 14 years, which ostensibly contrasts favourably with much higher figures of 42 percent for Nepal or 19 percent for Bangladesh (Chakrabarty and Grote, 2009). But in terms of absolute numbers of working children, India accounts by some distance for the highest concentration in the world, with estimates indicating a total of some 12.6 million. Notwithstanding aggressive global and local strategies to address the problem, child labour occurs across many sectors of the Indian economy, including in those parts of it, such as the garments industry, which are tightly integrated into global production networks (GPNs).¹ We are thus presented with the key question of how to understand the evolving relationship between the nature and functioning of GPNs and the incidence of highly exploitative social and labour relations, including those associated with child labour.

We contend here that an adequate response needs to explore how conditions of chronic poverty and vulnerability both enable and arise from particular modes of integration into GPNs. Many accounts of child labour, including the growing number of media exposés on the subject, tend to offer either top-down depictions of the problem, concentrating on the commercial strategies of large transnational firms, or alternatively 'bottom-up' perspectives, focusing attention on the household economy. Here, we contend that the issue requires an integrated approach – one that is capable of capturing the interplay between the economic processes of accumulation within GPNs and broader sets of social relations in creating and recreating the patterns of poverty, inequality and vulnerability which are central to understanding child labour. Two questions thus frame our discussion. First, to what extent, in what ways and under what circumstances does chronic poverty foster patterns of exploitative employment within GPNs for poor and vulnerable workers, including children? Second, to what extent, in what ways and under what circumstances can the incorporation of these workers into GPNs be said to produce or reproduce chronic poverty and vulnerability?

Our arguments are rooted in the concept of 'adverse incorporation' – a term which has lately gained considerable currency in research on chronic poverty. The concept responds to the clear empirical evidence that, contrary to the dominant orthodoxies of poverty reduction,

¹ Global value chain (GVC) analysis has focused on the commercial linkages between firms in which dominant buyers play a coordinating role, with insufficient examination of labour or the social and political context in which firms operate. Here we draw on GPN analysis, which places greater emphasis on the complexity of sourcing arrangements, asymmetrical power relations and the social embeddedness of firms. A GPN is defined as 'the nexus of interconnected functions and operations through which goods and services are produced, distributed and consumed' (Henderson *et al.*, 2002: 445).

inclusion in global economic activity through employment does not always, everywhere and for everyone result in an alleviation of chronic poverty and vulnerability; rather, it is for vast swathes of the global labour force associated with their perpetuation. The key issue therefore concerns the *terms* on which workers are integrated into economic processes, and the manner in which these economic processes themselves create social outcomes associated with the reinforcement of long-term poverty and vulnerability. It is through this lens that we approach the specific question of child labour, attending both to the immediately exploitative terms on which child workers are themselves included in productive activity and to the wider dynamics of adverse incorporation among adult workers in the household economy which are central to the production and reproduction of child labour.

Such an agenda also necessitates attention to what it is about GPNs, as distinct from other arenas of production that enables and reinforces patterns of child labour. In this respect we root our arguments in an idea of the social embeddedness of GPNs, by which we refer to the ways in which GPNs are rooted in social (as well as economic) contexts, and furthermore work to create for themselves social contexts which are conducive to the cause of accumulation. In other words, the social foundations of GPNs are contextually specific, at the same time as they are reflective of broader processes of social change connected with the workings of the global capitalist economy. Thus, we argue, child labour emerges not as an externality that is disconnected from GPNs, but rather a symptom of their distinctive, socially embedded commercial dynamics.

The paper is based on an original study of child labour in the garments sector located in and around New Delhi. In the late 1990s it was estimated that Delhi accounted for around a third of national garments production (registered and unregistered production combined), and that it contained some 18 percent of garments enterprises in India (see Barrientos *et al.*, 2010: 132). In this sectoral context, the forms of adverse incorporation associated with child labour have been reconfigured since the early 2000s. There has been a visible decline in the incidence of child labour in factory settings, in reaction to growing public and political pressure within India and beyond.² Yet this decline represents merely a displacement of the problem: child labour has shifted out of factory-based production into the arena of household activity, as the restructuring of garments production to reduce costs and evade regulation has dramatically increased the importance of home-based work and the numbers of (particularly women) workers in the burgeoning household sector. We argue that these shifts in the profile and utilisation of child labour represent an exacerbation of the adverse terms on which both the child workers themselves and the households to which they belong are incorporated into the productive economy.

² See Bachman (2000) for an interesting discussion of emerging anti-child labour movements.

The initial, context-setting sections of the paper outline the methods and premises of the research, and then sketch a typology of the Delhi garments sector to inform the subsequent discussion. The following section sets out our theoretical and analytical approach to the core questions which animate the paper. We then combine these theoretical perspectives with detailed empirical evidence in three areas of enquiry: first, the exploitative foundations of economic accumulation which shape the dynamics of adverse incorporation; second, the wider social relations associated with poverty and vulnerability which are harnessed in and facilitate these dynamics; and, third, the manner in which patterns of adverse incorporation become durable and institutionalised, such that we see a perpetuation of poverty and vulnerability for particular social groups over time. The final section pulls the threads of the arguments together and offers concluding reflections on the politics of governance and regulation which underpin the forms of adverse incorporation associated with child labour.

1.1 Child labour in the Delhi garments sector: methods and premises

Our study was based on field research conducted from late 2009 to mid-2010 in New Delhi and the National Capital Region (NCR) of India. Supplementing basic secondary data from the National Sample Survey (NSS), a household survey in five key locations – Nangloi, Gandhinagar, Seemapuri, Jehangirpuri and Shahpur Jat – collected information on the incidence, profile and patterns of child labour, and on the socioeconomic characteristics and conditions of the households in which it occurred. The locations selected for the survey are poor, 'semi-slum' areas with a high concentration of garment workers and household-based enterprises in the garment industry, situated near major garment-producing centres or wholesale garment markets. A sample of 220 households was identified, which included around 45 households in each of the five locations. Nineteen of these 220 were subsequently discovered to be household enterprises – workplaces-cum-hostels where employees work and live along with their employers. These are treated separately in our analysis from 'home-based' households, where the workers are family members. In the 201 'home-based' households there was a total of 552 children, 370 of whom were in the age group 5–14 years. The sample is thus indicative rather than representative, but nevertheless sufficiently sizeable to generate revealing data and insight into the incidence and nature of child labour in the Delhi garments sector.

The second element of field research consisted of 30 firm-level case studies based on interviews. The aim was not to trace direct connections from the sample households to specific firms, but rather to obtain a broad understanding of production operations, firms' engagement with global brands and the domestic market, outsourcing and subcontracting practices, and labour management strategies. The firms and enterprises were selected for their locations in the major garment-producing centres of Gurgaon and NOIDA (the New Okhla Industrial Development Authority), respectively located on the borders of Delhi in the

states of Haryana and Uttar Pradesh, and served by activity in the locations included in the household survey. The firms were of diverse types, including main producers/factories, subcontracting firms, intermediary firms, wholesale dealers and designers. The informants were owners, managers and merchandisers. These interviews were supplemented by more informal conversations with representatives from civil society organisations and auditors involved with social compliance issues.

Undertaking research on child labour has always been demanding and challenging (see Sharma *et al.*, 2004; Mehta and Sherry, 2009), but has become more so given the spread of awareness of the laws regarding child labour and the stigma attached to this practice. In the areas selected for the household surveys, especially Shahpur Jat (which featured in 2007 in a major exposé of child labour in global production) and Gandhinagar, the presence of strangers, especially those who appear educated and middle-class, is frequently met with hostility and obstruction. Equally it is difficult to speak to the children, as they are always under strict supervision and tutored in how to respond to questions about their age or connections with a household. Such difficulties were addressed in our study by using the services of local facilitators, some of whom were also the enumerators who conducted the survey, and personal connections in the areas. The identity of households and firms has been kept confidential and all conversations were conducted on the condition of anonymity.

Child labour is defined in our study as involving workers between the ages of five and 14, in which range child labour is ostensibly prohibited under Indian law. The critical point – to which we will return later – is that Indian law only prohibits the labour of children in situations of employment outside the home, and specifically excludes child labour in the household context.³ Our working definition of child labour (based on age) is thus not to be taken as inspired by Indian legal definitions of the problem, and indeed the discussion rests on a critique of their very partial nature. Furthermore, we define child labour as children's involvement as workers in productive activity within the garments sector, which may or may not be conducted in tandem with schooling, and for which the child may or may not receive direct payment. Distinctions between (paid) child labour and (unpaid) child work, which have been the source of much debate in recent years (see Leiten, 2002; Burra, 2005), are both problematic in general and inapplicable in the more specific context of work within GPNs. The children who constituted the focus of the present study were often unpaid workers within the context of a family or home-based unit, their contribution being subsumed into a payment made to the family or to the adult workers. Yet this does not negate their participation as workers in productive activity, nor the value that accrues within the production network as a

³ Clause 3 of the Child Labour (Prohibition and Regulation) Act of 1986 prohibits the employment of children in certain occupations and processes with the proviso that 'nothing in this section shall apply to any workshop wherein any process is carried on by the occupier with the aid of his family'. We are grateful to Preet Rustagi for clarifying this point.

result of their labour. The key point in this context is that the commercial dynamics of GPNs function precisely to favour and reinforce the use of this kind of labour, both directly (by fostering the integration of children as workers, whether paid or unpaid, in productive activity) and indirectly (by favouring the use of children in the reproductive household economy so that adult workers are made available for wage labour).

1.1.1 *The Delhi garments sector*

A brief typology of the Delhi garments sector is also necessary to contextualise our research findings. The key characteristic of the Indian and Delhi garments industry is the high level of market segmentation, driven by an acceleration of outsourcing along the full length of the value chain. The firms and enterprises involved in garment production, including those parts of it which take the form of GPNs, can be classified into five types, whose characteristics are summarized in Table 1.⁴

Type 1, 2 and 3 firms comprise the factory segment of garment production. The largest (Type 1) and medium-sized (Type 2) firms are located largely in four locations of Delhi/NCR (Okhla, Gurgaon, NOIDA and Faridabad), where our research was concentrated. They are largely 'full package' suppliers, exclusively for the export market in the case of Type 1 firms and combining both export and domestic markets in the case of many Type 2 firms. A significant part of garment export belongs to the US\$5 per unit value category, but the Type 1 and 2 export firms also produce higher-priced garments for international brands such as GAP, H&M, Nike or Adidas. Type 3 firms are found in locations adjacent to major export clusters, in urban villages, notified colonies or suburban districts. Type 3 units are scattered and often unregistered, engaging mainly in the manufacture and assembly of garments, and serving both export and domestic markets. Their work would normally be outsourced from Type 1 and 2 firms in instances where the latter require additional production capacity to meet large orders or peak seasonal demand.⁵

⁴ This classification is consistent with the Indian Micro, Small and Medium Enterprises Development Act of 2006, and the synthesis draws additional detail from Singh and Sapra (2007), Mezzadri (2008) and NCAER (2009). See also Unni and Scaria (2009).

⁵ Seasonality applies to the garments sector in a range of ways, notably in connection with the wedding season in India or new season collections in export markets.

Table 1: The Delhi garment sector

	Type 1	Type 2	Type 3	Type 4	Type 5
Type of buyer	Global brands	Global brands, high-end Indian brands	Type 1 and Type 2 firms, Indian brands	Low-end Indian brands, unbranded market	All types
Market	International	International, Indian	Indian, international indirectly	Indian	International, Indian
Ownership of production units	Own factories with state-of-the-art facilities in industrial estates	Own factories with state-of-the-art facilities in industrial estates	Own factories with state-of-the-art facilities in industrial estates	Own small un-registered production units, located in the notified or un-notified colonies	Own-account and owner-operated household units
Activity	Full package: design to shipment/delivery	Full package: design to shipment/delivery	For Indian brands, production to packing and delivery. On sub-contract for Type 1 or 2 firms, only production or specific activity	Design to production for wholesale market	Embellishment, embroidery, thread cutting, stitching, buttons, cuffs
Outsourcing to factory segment	Orders beyond the capacity of the factory Specific activities like printing, dyeing, washing/ironing	Orders beyond the capacity of the factory Specific activities like printing, dyeing, washing/ironing	Specific activities like printing, dyeing, washing/ironing	Specific activities like printing, dyeing, washing/ironing	N/A
Outsourcing to non-factory segment	Embellishment and thread cutting	Embellishment and thread cutting	Embellishment, thread cutting, buttons, cuffs, collars	Embellishment, thread cutting, buttons, cuffs, collars, packing	N/A
Social compliance	ISO 9001–2000 certified units. In compliance on health, environmental and work conditions at own factory premises	In compliance on health, environmental and work conditions at own factory premises	Aware of requirements, but less concerned and less investment in social compliance issues	Least concerned: visible violations of social compliance requirements	Some monitoring by NGOs, Indian designers
Involvement of intermediaries	When outsourcing embellishment and thread-cutting activities	When outsourcing embellishment and thread-cutting activities	When outsourcing various activities, including embellishment	When outsourcing design, material and accessories, activities such as thread cutting, embellishment, packing, buttons, etc	Rarely any direct contract with buyers, work usually obtained through intermediaries
Incidence of child labour: direct in the factory/ unit	Operate in child labour-free zones and do not employ anybody under 18	Operate in child labour-free zones and do not employ anybody under 18	In activities requiring unskilled workers, but above 14	In activities requiring unskilled workers	In both home-based and household enterprises
Incidence of child labour: indirect in the non-factory segment	Likely when work is outsourced to household units and home-based workers	Likely when work is outsourced to household units and home-based workers	Likely when work is outsourced to household units and home-based workers	Likely when work is outsourced to household units and home-based workers	Substantially present

Type 1 and 2 firms employ large numbers of workers (up to 400 per shift) of multiple types. Management staff and skilled employees are formal workers with written contracts, benefits and good wages. Fixed-term contract workers have *ad hoc* salaries above the minimum wage level, but without other benefits. Their contracts are renewed periodically after a break of a few days, such that they return as new workers – a practice facilitated by the prevalence of migrant workers who return to their villages during the off-season. A third category consists of workers hired on a daily wage basis until the completion of the work.

In Type 3 firms, where competitiveness is based on low production costs, the labour model is based on contract workers on piece-rate wages without social security provision. The vast majority of workers are male, with women featuring only at administration or management levels. During the peak season, the premises of Type 3 firms also serve as accommodation for workers, with the result that there is no demarcation between working and leisure hours. In order to retain their competitiveness in the outsourcing market, some Type 3 firms – designer firms or embellishment firms working directly for designer firms – are bound by social compliance requirements. Most of the production process in these cases therefore takes place in workshops directly owned by these Type 3 firms. In general, however, Type 3 firms exist precisely to circumvent the extensive social compliance requirements which apply to Type 1 and 2 firms. Even so, the fact that Type 3 enterprises supply the high-end Indian market is reflected in higher piece-rate wages and timely pay for outsourced work. When work is outsourced to the non-factory segment, it is generally done directly rather than through the system of labour contractors (*thekedaars*).

Type 4 and 5 enterprises, the focus of our research, comprise the non-factory segment of the garments sector. Type 4 firms are micro-enterprises, usually unregistered, focusing on outsourced work relating to a single activity, such as printing, dyeing, embellishment and machine or hand embroidery (*zari* or *adda*). Such firms are scattered in notified and un-notified (unregistered, informal) colonies or villages. They engage in outsourced work, selling in the wholesale garments market in Delhi, from where the garments are sold to smaller wholesalers and retailers from around the country.

In Type 4 firms workers are hired without written contracts or social security protection, and at very low daily or piece-rate wages, normally amounting to less than the minimum wage. Payment is always partial in order to ensure that the workers are effectively tied to a particular employer. The involvement of family and social networks reinforces these constraints: labour contractors are normally employees themselves and bring people from their own villages and within their own caste. In a particular location a firm may have many units with 10–20 employees each, with each unit performing a particular activity component in the value chain. One of the firms reported in our interviews that it favours such a model in order to avoid unionisation and deflect the attention of the authorities. Such units generally operate behind closed shutters to avoid unannounced inspections. At night the workplace is converted into workers' accommodation, which, according to one owner we interviewed, is intended precisely to afford greater leverage over the workforce and facilitate long working hours.

Type 5 enterprises represent the household sector, consisting of the two sub-types noted earlier: household enterprises with employees who are not family workers, and home-based units with only family workers. Even though its contribution is usually not more than 5–10 percent of the value of a garment, this tier is of central importance as it represents the concentration of embellishment and embroidery activities, which have become the key niche of the Delhi garments sector. Type 5 enterprises supply all the market segments mentioned above, usually securing orders through a chain of intermediaries or subcontractors, but occasionally directly from designer or export firms.

Workers in the Type 5 category are, inevitably, the most invisible participants in the value chain. Workers and owners of enterprises are unlikely to have any sense of which firms, buyers or markets they are supplying at other points in the chain, and workers are hired and paid solely through contractors. The informality and invisibility of this tier mean that the system is easy to manipulate, such that the exploitation of workers is endemic: payment for work is often extremely low, partial and/or late, and deductions are frequently made from payments on pretexts of sub-standard quality. It is in this segment that child labour is used most extensively and the problems of adverse incorporation are most pronounced.

This typology of firms in garment production indicates the very blurred lines that exist between production for domestic markets and that which is integrated into 'global' markets. Tracing the value chains, it is also abundantly clear that Type 4 and 5 enterprises are directly integrated into GPNs as well as into local production networks, and that GPNs are deeply rooted, in both their commercial dynamics and their social foundations, in the informal economy. Both of these issues will be central to the discussion which follows and to the development of our arguments.

2 Child labour and the dynamics of adverse incorporation

We are now in a position to turn to our key research questions relating to the relationship between the evolution and processes of accumulation in GPNs (in this case in the Delhi garments sector), and the social dynamics associated with chronic poverty, marginalisation and vulnerability (in this case focused on child labour). The key task is to understand the circumstances under which inclusion through employment in global economic activity leads not to a reduction in poverty and vulnerability, as predicted by the dominant orthodoxy (see World Bank, 1990; 2002a; 2002b), but instead to a reinforcement of these conditions over the long term. It is this scenario which is captured by the notion of 'adverse incorporation', where the terms under which people are incorporated into the productive economy, through employment, offer few or no prospects for accumulation and the alleviation of poverty and vulnerability. The immediate, practical imperatives of short-term survival divert the longer-term achievement of accumulation or security and the enhancement of human capabilities. Thus vulnerable workers are trapped in conditions of poverty and marginalization rather than lifted from them (Wood, 2000: 19; 2003; Murray, 2001; Bracking, 2003; Hickey and du Toit, 2007; Ponte, 2008).

A theorisation of adverse incorporation thus requires an understanding of the mechanisms by which such conditions arise. The point of departure is a recognition of the 'relational' character of poverty (Bernstein, 1990; Tilly, 1998; Kaplinsky, 2005; Hickey and du Toit, 2007; Mosse, 2010). The 'relational' proposition sees chronic poverty as at root 'the consequence of historically developed economic and political relations' (Mosse, 2010: 1157), as opposed to a 'residual' phenomenon arising from a situation of exclusion from these relations which is to be remedied, according to the orthodoxy, by the expansion of inclusion in labour markets (see Milanovic, 2003; Kaplinsky, 2005). Thus, chronic poverty must be understood as a result of the economic, political and social relations on which global accumulation processes rest, and which shape the terms on which people, as workers, are incorporated into them.

With this point of departure, we propose a theoretical perspective on adverse incorporation – and specifically on those forms associated with child labour – which follows David Mosse in combining a political–economic analysis of how accumulation occurs in contemporary production networks with an exploration of the social processes in which these forms of accumulation are embedded, but which have their own 'logic' (Mosse, 2010: 1157). The first required step is thus an analysis of the accumulation model in the garments sector, the particular manner in which labour (including child labour) is incorporated within it, and the social consequences of that incorporation. The key concept for this purpose is what, with echoes of Rosa Luxemburg, we will call 'accumulation by hyper-exploitation', recognising that all accumulation under capitalism is based on exploitation, and seeking thereby to highlight the severity of particular forms. While space prevents a discussion of the various philosophical debates around the concept of exploitation, 'hyper-exploitation' is taken here to refer to those labour relations in which power is deployed in such a way as to exclude the worker from the value contributed by his/her labour, or from wages that cover the cost of the

reproduction of labour power, involving severe violations of his/her labour (and often human) rights, in order to increase the returns to capital.

Second, we need to explore the social conditions and processes which facilitate exploitative labour relations, showing how poverty and vulnerability are harnessed to the cause of accumulation. The key concept here is that of 'social categorisation' (Tilly, 1998; Mosse, 2010) – in our context relating particularly to gender, age and caste – which sanctions and institutionalises exploitation. The third step in our approach is to consider how forms of adverse incorporation associated with child labour are connected to the intergenerational perpetuation of chronic poverty and vulnerability. In this, the key concept is that of 'opportunity hoarding', which Charles Tilly deploys in order to capture the forms of marginalisation that arise 'when members of a categorically bounded network acquire access to a resource that is valuable, renewable, subject to monopoly' and erect social structures to reserve the resulting opportunity structures to members of that network (Tilly, 1998: 10). We will take each of these three steps in turn.

2.1 Accumulation by exploitation in GPNs

We have established that the process of accumulation in the Delhi garments sector is based on a pronounced segmentation of the value chain, driven in large part by the commercial dynamics of the associated GPNs. The many layers of outsourcing and subcontracting have put in place a complex production structure which is progressively difficult to govern. Beyond the first or second tiers of the value chain, much of the production process is located beyond the reach of public or private regulation, and indeed is designed purposefully to this end.

A key element of this process is of long standing, namely, the informalisation of the Indian economy (see Breman, 1996; 2010; Harriss-White, 2003; Harriss-White and Gooptu, 2001). It is estimated that in the 2000s the unorganized (informal) sector accounted for over 60 percent of gross domestic product (GDP), and that by 2000 the informal sector had come to account for fully 93 percent of the workforce. Figures are dramatically higher for some sectors and locations, including the Delhi garments sector, where nearly 98 percent of all production units are in the unorganised/informal sector (Harriss-White and Gooptu, 2001: 90; Lerche, 2007: 443; Harriss-White, 2010: 176; Barrientos *et al.*, 2010: 130). Equally the process of informalisation has been concentrated among women workers, the majority of economically active women in 'developing countries', including India, being thought to work in conditions of informality (Carr *et al.*, 2000: 126).

The process of informalisation has been central to the new industrial policy pursued in India since the early 1990s, which deregulated the private sector and aimed to impose greater discipline on India's 'well entrenched and activist labour' (Kohli, 2006: 1363). The strategies associated with the latter goal included reversing what had been some of the most stringent labour laws in the world, widespread lay-offs of workers under the so-called voluntary retirement scheme, a thoroughgoing shift to the use of contract or casual labour, and the increasing emphasis on subcontracting, as outlined above, to small-scale units or marginalised areas where enforcement of existing laws remained very low (Bardhan, 1998: 126–127). Such changes were also associated with an acceleration of labour mobility,

particularly between rural and urban contexts. A good part of the impetus for these reforms sprang from the need to accommodate the commercial dynamics of GPNs, which in the garments industry are driven by the ability of powerful buyers in lead firms to stipulate conditions of price and supply (and vary them at any given time) and thereby to capture the value created within the production process (Nathan and Kalpana, 2007; Barrientos, 2011). Responses to the resulting commercial pressures, especially on the small supplier firms which are characteristic of the Delhi garments sector, are often managed through strategies designed to reduce the share represented by labour in suppliers' input costs and to enhance their ability to manipulate those costs to accommodate highly variable commercial conditions. These strategies are facilitated by the disempowerment of labour associated with both the forms of flexibilisation outlined above and the expansive informalisation of the labour force.

The twin processes of informalisation and labour mobility are thus foundational to the contemporary model of accumulation, representing as they do 'ways to organize economic activity with a high return to capital and an excessively low return to labour' (Breman, 2010: 24). In other words, accumulation processes rest on the imperative of locating or creating a labour force which has particular characteristics conducive to a specific mode of its utilisation – one premised on maximum flexibility for firms, employers and management, on control of workers' political capacity to negotiate the production process and contest outcomes, and hence on the maximisation of returns to capital (see Deyo, 2001; Taylor, 2008, 2011; Phillips, 2011).

The informalisation of the labour force in the Delhi garments sector is evident across the hierarchy of firms set out in our typology. Type 1 and 2 firms are likely to be registered enterprises employing mainly registered workers. Yet these tiers represent a tiny proportion of the total workforce and, even here, informal employment practices are not uncommon: they include the casual employment of unregistered workers (without contracts) or the under-declaration of wages paid to registered workers in order to save on social security and tax contributions (see Bulut and Lane, 2011). Type 3, 4 and 5 firms are much more likely to be unregistered enterprises which become progressively more 'invisible' as one moves up the different tiers of the value chain. The overwhelming majority of workers in the non-factory segment are unregistered, unorganised and unprotected.

Migrant workers and home workers are perhaps the most salient groups in this context of informalisation. Labour migration – or what Jan Breman prefers to call 'circulation' to capture the continuous loops of movement – is pivotal to the construction of the kind of labour force outlined above, and indeed to the livelihood strategies of the poor Indian labouring classes. The central and eastern regions of India and other pockets of poverty serve as reservoirs of seasonal migrant labour for the rest of the economy (Lerche, 2010: 68). In the Delhi garments industry, it is estimated that some 90 percent of factory workers are male internal migrant workers from the poor states of Bihar and Uttar Pradesh (Mezzadri, 2008: 609). The expansion of the household segment has equally come to define the Delhi garments sector, as companies serving both the global and the domestic markets extend the reach of outsourcing to units and workers of the most invisible kind in order to lower costs and evade regulation. It is estimated that more than half the women working in the informal, unorganised sector in India are home-based workers (around 80 million women in total). Of

these the vast majority (some 79 percent) work on a piece-rate basis, characterised by an irregular and precarious pattern of employment and various forms of manipulation and exploitation by contractors or agents (AIDWA, 2009: 4).

The key point about both labour migration and home-based work for our purposes is their connection with child labour. It was noted earlier that aggressive efforts have been made since the 1990s to eliminate the visible use of child labour in factories, to the extent that the various factory areas in which we conducted our research can advertise themselves as 'child labour-free' zones with reasonable accuracy. Lead firms within GPNs have been prominent in this move in relation to their first-tier supplying factories. But the picture changes as we move up the value chain and into the non-factory segment. Child labour is not commonly found in Type 3 firms as, while they are apt to outsource a considerable amount of embellishment/embroidery work, there remain requirements for both skilled craftsmanship and social compliance. Yet child labour is concentrated – and prevalent – in Type 5 units, as well as some Type 4 enterprises, and the incentives for the use of child workers are heightened by the commercial dynamics of GPNs.

This displacement of child labour as a result of the proliferation of home-based work is well recognised, including by the Indian government (see Mehta and Sherry, 2009: 653). Our own household survey indicated that, of the 201 'home-based' households sampled, 68.82 percent reported some form of child labour. Moreover, of the total of 370 children aged between five and 14 years in these households, fully 83 percent were reported to be engaged in some form of income-generating activity, whether they were paid directly or otherwise, and whether full-time or part-time (see Table 2).

In both Type 4 workshops and Type 5 household enterprises, furthermore, child workers are often migrants. In our survey all the workers in the 19 household units we sampled were migrants from the states of Bihar (Begusarai and Araria districts) and West Bengal (Nadia, Hooghly and 24 Parganas districts). Twenty-five percent of the total workers in these household units belonged to the 5–14 age category, primarily in the 12–14 group. These household enterprises were mostly concentrated in a single area, Shahpur Jat, which was mentioned earlier in connection with a scandal involving child labour in 2007.⁶ Shahpur Jat accounted for 50 percent of the household units and 50 percent of the child workers in the 5–14 age bracket identified in our survey. The children working in household units are brought by a relative from their village, often in groups of four or five, most frequently with the consent and support of their parents (see Dutta and Rustagi, 2010). The children's earnings are initially used to pay back the advance given to their parents, and subsequently are entrusted to the owner or supervisor for transfer back to the parents, after deductions for the children's expenses. Notably boys outnumber girls among child workers, and indeed in the sample households generally – a situation explained in part by the alarmingly skewed gender ratio in Delhi, and in part by the fact that migrant child workers in the Delhi garments sector are always male.

⁶ Significantly, Shahpur Jat is within the vicinity of many Indian designers' showrooms and workshops, meaning that the units here receive direct orders from designers and exporters.

Table 2: Incidence of child labour among sampled households (%)

	5–11 years			12–14 years			5–14 years		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Not child workers	69.39	30.61	24.50	60.00	40.00	8.24	67.19	32.81	17.02
Part-time child workers	59.18	40.82	71.50	53.85	46.15	76.57	56.68	43.32	73.89
Full-time child workers	62.50	37.50	3.92	61.54	38.46	15.30	61.76	38.24	9.19
Total	61.76	38.24	100.0	55.56	44.44	100.0	58.93	41.07	100.0

The extent of work performed by the children in the sampled households, and therefore its economic and social significance, are considerable, equivalent on average to some three hours per day for 5–11 year-old children, and 4.5 hours per day for those in the 12–14 age group (see Table 3). These figures nevertheless conceal variation. In the 5–11 age group the survey indicated that more than half work only for one or two hours a day, 26 percent work for three to four hours and nearly 16 percent for more than seven hours. This latter group thus classifies as full-time workers, even though they may well also go to school. In the 12–14 age group, the majority of the children worked for more than three hours a day, and over 17 percent for more than eight hours. These patterns are in clear violation of norms stipulated by the International Labour Organization (ILO) of no work at all for children aged 5–11 and two hours a day for children aged 12–14.

Table 3: Child labour – hours of work

Age (in years)	Average hours of work per week		
	Male	Female	Total
5–11	20.37	20.34	20.35
12–14	33.59	29.38	31.58
15–17	35.12	35.22	35.18

The increasing labour of older children is also evident in patterns of work (Table 4). In the 5–11 age group around two-thirds are engaged in seasonal or occasional work. Conversely, over a third of workers in the 12–14 age group are working regularly for at least 180 days a year (essentially full-time work), with only a fifth engaged in seasonal work. Table 4 also indicates that more girls than boys in the 5–11 age group are regular workers, and they also work a greater number of days. The inverse prevails in the 12–14 age group, where the boys are more likely to be full-time workers in household units. However, girls who are not attending school are often involved in household chores alongside their work related to garments production, which means that they are likely to be working the equivalent of full-time hours.

Table 5 provides detail on the location of work, demonstrating the removal of child labour from the factory segments of the garments sector and its concentration in non-factory units. There is also a significant gender difference in this respect, inasmuch as girls are much more likely to work in home-based contexts and boys in household enterprises. Notably, no

instances of children working at a 'common place in the neighbourhood' were recorded, which is likely to be the result of concealment of their existence in order to evade inspection.

Tables 6 and 7 illustrate the profile of activity among child workers, demonstrating their heavy concentration in the garments sector and, within it, activities associated with embroidery and embellishment. The activity profile shows that young children are mainly associated with embroidery (including embellishment) work and thread cutting, while in the 12–14 age group children are involved in more skilled activities.

Table 4: Patterns of work (% of total child workers)

	5–11 years			12–14 years			15–17 years		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Regular, year-round, >180 days	10.0	25.0	17.7	40.5	33.8	37.3	61.5	49.1	53.1
Regular, year-round, <180 days	30.0	25.0	27.4	40.5	44.1	42.3	23.1	32.7	29.6
Seasonal	36.7	40.6	38.7	17.6	20.6	19.0	11.5	18.2	16.0
Erratic	23.3	9.4	16.1	1.4	1.5	1.4	3.8	0.0	1.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 5: Location of child labour (%)

	5–11 years			12–14 years			15–17 years		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
At home	90.00	100.00	95.16	82.43	95.59	88.73	76.92	100.00	92.59
At factory/unit in the industrial area	0.00	0.00	0.00	0.00	0.00	0.00	3.85	0.00	1.23
At unit in the neighbourhood	10.00	0.00	4.84	16.22	4.41	10.56	19.23	0.00	6.17
At common place in the neighbourhood	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	1.35	0.00	0.70	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Table 6: Main and secondary activities of child workers (%)

	Main activity			Secondary activity		
	5–11 years	12–14 years	Total	5–11 years	12–14 years	Total
Self employed	0.00	1.41	0.98	2.00	2.30	2.19
Worker/helper in household enterprise (garments)	6.45	28.17	21.57	96.00	78.16	84.67
Construction	0.00	1.41	0.98	0.00	0.00	0.00
Restaurants/retail trade	0.00	2.11	1.47	0.00	0.00	0.00
Others	3.23	15.49	11.76	0.00	2.30	1.46
Only domestic work	3.23	3.52	3.43	2.00	16.09	10.95
School pupil	83.87	47.89	58.82	0.00	1.15	0.73
Not relevant	3.23	0.00	0.98	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00

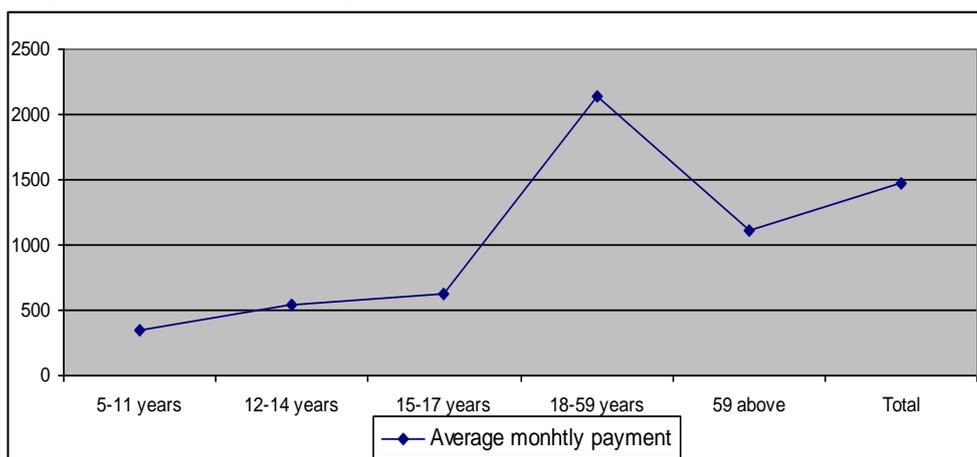
Table 7: Activity profile of child workers in garments (%)

	5–11 years	12–14 years	15–17 years
Tailoring	0.00	6.34	8.64
Tailoring and thread cutting	0.00	1.41	4.94
Tailoring, embroidery	0.00	5.63	8.64
Tailoring, button/collar/label stitching	1.61	2.82	4.94
Thread cutting	32.26	21.13	12.35
Washing, ironing, dyeing	4.84	0.70	1.23
Embroidery	43.55	47.18	35.80
Embroidery, thread cutting	3.23	6.34	14.81
Embroidery, button stitching	6.45	2.11	2.47
Button stitching	4.84	2.11	2.47
Button, cuff/collar stitching	3.23	4.23	3.70
Total	100.00	100.00	100.00

The exploitation inherent in the child labour documented above is reflected, in the most straightforward sense, in the manner in which the arrangement rests either on unpaid labour or on a process of unequal exchange, where workers are excluded from the full value contributed through their labour. Table 8 indicates that, in the case of young children (5–11 years), about 45 percent do not receive any specific payment. Their labour is integrated into payments to the family or to the adult worker(s). This is itself a means by which employers can evade regulation, inasmuch as they can claim to be paying adult workers for their labour and to be unaware of any involvement of children (Mehta and Sherry, 2007: 3). In the higher age group the percentage of unpaid workers declines and child workers are paid largely on a piece-rate basis, but there remains an appreciable incidence of child labour without any specific remuneration. Looking at the average monthly income of various age groups in Figure 1, it is also evident that, as a working child's income and his/her working day is considerably extended, the hourly rate of pay falls. Calculated against the data presented in Tables 3 and 4 the rate per hour falls from Rs. 5 for the 5-11 age group to Rs 4 for the 12–14 age group. Equally, the hourly income of adult workers is double the income of children, including older children who may well be functioning as full-time workers.

Table 8: Patterns of payment to child workers (%)

	5–11 years	12–14 years	Total
Piece rate	51.61	67.61	62.75
Time rate	1.61	0.00	0.49
Monthly salary	1.61	3.52	2.94
No specific payment	45.16	28.87	33.82
Total	100.00	100.00	100.00

Figure 1: Age distribution of average monthly income

We have presented these data at some length as they offer a fine-grained perspective on the accumulation model in the garments sector and the associated mode of labour utilisation and exploitation. The process of informalisation is of central importance, as regulatory structures, both private and public, are designed in the main to cover registered workers employed in registered enterprises, who represent only a tiny part of the workforce. The layers of outsourcing thus enable employers and producers to disclaim obligations to workers, and specifically to evade responsibility for child labour. As one small-scale producer put it very simply in our interviews, 'when we give work, we do not bother to check who does what'. The type of contract between the exporter and outsourced unit is also critical. These range from a full written contract, containing conditions referring to quality norms or the non-involvement of child labour, to purely verbal 'agreements', which are prevalent when working with unregistered units, including household and home-based workers. Such arrangements further enable employers to manipulate working conditions (including pay), evade responsibility to workers and escape forms of regulation such as auditing and labour inspections. In a nutshell, the outsourcing model, combined with large-scale informalisation, is designed to rupture the obligations of capital to labour.

The other key mechanism by which these obligations are weakened relates to labour recruitment. The use of labour contractors is recognised as increasingly prevalent in GPNs in general (see Barrientos, 2011), and in the Indian garments sector as a whole it is estimated that some 40–50 percent of the total workforce is recruited by labour contractors (*thekedaars*). The consequences in terms of exploitation, and specifically the forms of hyper-

exploitation we are discussing here, are various. Workers recruited by contractors are usually tied to a particular employer and brought in for a specific job. The possibilities for migrant workers, in particular, of opting out of the circulation loop, by changing employers or settling in the destination, are thereby severely constrained (Breman, 2010: 4). Workers are sometimes employed directly by the labour contractor rather than the firm for which they work, such that firms are able to evade not only obligations to their workers, but also the requirements of social compliance imposed by transnational lead firms or first- and second-tier suppliers. Perhaps most significantly recruitment of this kind usually involves the payment of advance wages, which are then owed as debts by the worker. In India it is suggested that around half of the country's estimated 30 million migrant workers are recruited through labour contractors, and that many, if not the majority, work subsequently (and consequently) in some form of debt bondage (Lerche, 2010: 73). In the case of children, as we have seen, advances are paid to the parents which are then, in principle, cleared over time through the child's earnings. The contractor thus functions both as intermediary and point of rupture in the employment relationship, and as a key facilitating mechanism for the process of accumulation by (hyper-)exploitation. The additional vulnerabilities of child workers, including and in some ways especially migrant child workers, exacerbate the possibilities for exploitation and the inaccessibility of their labour and human rights.

3 Inequality, marginalisation and 'social categorisation'

We have thus far identified the principal characteristics of GPNs in the garments sector which are designed to favour the creation of a particular kind of workforce and a particular mode of its utilisation. Yet this does not yet tell us enough about the social foundations of this process of adverse incorporation. Here we return to the twin issues of the social relations of chronic poverty and vulnerability and the social foundations of GPNs. Specifically our research illustrates clearly how chronic poverty and vulnerability are harnessed to the cause of accumulation through the enactment of various forms of social power, which produce and reproduce what Tilly (1998) conceives as processes of social categorisation (see also Mosse, 2010). In his theorisation, the 'inequality-generating mechanisms' of categorisation relate to such markers as gender, age, race, ethnicity, caste, religion, and so on, which are deployed by those who possess social power in order to control access to 'value-producing resources' and to preserve their own monopoly in this respect (Tilly, 1998: 7–8). In this sense the dynamics of adverse incorporation coexist and intersect with parallel dynamics of exclusion (see Hickey and du Toit, 2007): the adverse terms of incorporation are both conditioned and enabled by structures of social exclusion that arise from processes of categorisation. These social processes do not derive from economic processes, as Mosse highlights in a modification of traditional Marxian premises, but rather provide the social context in which exploitation can both become embedded and be reproduced (Mosse, 2010: 1157).

Our household survey revealed clearly the various mechanisms by which these processes of social categorisation enabled the harnessing of poverty and vulnerability to the cause of accumulation in GPNs. We indicated earlier that child labour cannot be understood in isolation from the household economy, inasmuch as it emerges directly from and is embedded within this context, reflecting in turn the embeddedness of GPNs themselves. Let us therefore turn first to establish the socioeconomic character of the households – and by extension social groups – with which we are concerned, and then to explore how processes of social categorisation intervene to facilitate their adverse incorporation into productive activity in the garments sector.

At a basic level there is a clear association between household dependence on the garments industry, household poverty and child labour. The majority of the sampled households were heavily dependent on work in textiles and garments, but the figure was higher (67 percent) for households with child labour than without (50 percent) (see Table 9). Households without child labour therefore have more diversified sources of income and hence ostensibly a reduced level of vulnerability, particularly as wages in the garments sector tend to be lower in comparison with those for work in other sectors. The disparity is compounded by the fact that home-based workers' piece-rate income is considerably lower than the minimum wage for Delhi – on average around 23 percent of the minimum wage – and the precarious availability of work means that they are likely to work for only half of

every month (AIDWA, 2009: 5). The conditions of economic need, in which child labour flourishes, are therefore in ample evidence. Our data revealed that households with child labour have a per capita income which is on average 25 percent below the \$2/day poverty line, while households without child labour have a per capita income about 50 percent above this poverty line.⁷

Table 9: Distribution of employment of all household members (%)

Type of employment	Principal employment		Secondary employment	
	Without child labour	With child labour	Without child labour	With child labour
Self-employed	22.65	19.27	9.17	5.59
Helper/part-time worker in household enterprise	10.50	20.77	40.37	54.24
Casual labour in non-agriculture	9.94	10.64	0.00	0.00
Micro-enterprise/vending	1.38	0.75	1.83	0.00
Micro-enterprises – household units	0.55	0.75	0.00	0.00
Worker in household enterprise	1.10	8.63	0.00	0.59
Factory worker	0.83	2.00	0.00	0.00
Retired or disabled	4.14	1.25	0.00	0.00
Only domestic work	14.64	7.63	48.62	38.00
School pupil	22.93	23.41	0.00	1.58
Other	11.33	4.88	0.00	0.00
Total	100.00	100.00	100.00	100.00

Additional insight into the place of child labour in the household economy emerged in survey questions relating to the reasons for the involvement of children in the work process and their non-attendance at school (Tables 10 and 11). Consistent with findings in other studies (e.g. Leiten and Rustagi, 2006; Degraff and Levison, 2009), the use of child labour is attributed primarily (by 61 percent of households) to the need to supplement the household income. Nearly 85 percent of the child workers identified fell into this category, even though the contribution of child workers to household income in our study was calculated at only about 10 percent. In 17 percent of cases children were obliged to abandon schooling in order to work, and fully 40 percent of young children in the 5–11 bracket gave caring for siblings as the reason for their non-attendance. These children would be most likely to work later in household units.

⁷ This is in line with findings in other studies of child labour, such as that of Basu and Van (1998) on Vietnam and Degraff and Levison (2009) on Brazil.

Table 10: Reasons for child labour – household perspective (%)

Reasons	Household child labour status		Head of household		Total for all households
	Without child labour	With child labour	Male-headed	Female-headed	
No child labour	100.00	0.00	44.26	24.29	30.35
To pass time after school	0.00	2.86	4.92	0.71	1.99
Training during off-school time	0.00	5.00	4.92	2.86	3.48
To meet deadlines	0.00	6.43	1.64	5.71	4.48
To complete additional work in order to earn subsistence wage	0.00	60.71	26.23	49.29	42.29
Left school to earn money	0.00	25.00	18.03	17.14	17.41
Total	100.00	100.00	100.00	100.00	100.00

Table 11: Reasons for non-attendance at school – responses from children

	5–11 years			12–14 years			15–17 years		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
School too far away	19.05	15.38	17.65	4.08	0.00	2.38	0.00	11.11	5.88
Did not gain admission to school	23.81	15.38	20.59	8.16	14.29	10.71	12.50	0.00	5.88
Has to take care of siblings while parents work	0.00	7.69	2.94	2.04	17.14	8.33	0.00	0.00	0.00
Safety issues	23.81	23.08	23.53	10.20	17.14	13.10	0.00	11.11	5.88
Has to support the family by working	23.81	38.46	29.41	53.06	37.14	46.43	87.50	77.78	82.35
No response	9.52	0.00	5.88	22.45	14.29	19.05	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

The tight connections between women's work and child labour are well recognised (Degraff and Levison, 2009) and indeed corroborated in our research, notably in the strong association of home-based work with women workers, and the considerably greater incidence of child labour in female-headed households than in male-headed households. Some 73 percent of female-headed households in our sample reportedly engaged the labour of children, compared with 59 percent of male-headed households. (Of the sampled households, 23 percent were female-headed.) These patterns correspond with the persistence of higher levels of poverty among female-headed households (globally, as well

as in India), with the greater numbers of women living in poverty, and with the 'feminisation' of responsibility for poverty within households (Chant, 2008). Table 12 indicates these gender-based disparities in our survey. The per capita income of male-headed households is 1.5 times higher than that of female-headed households; equally, the income of households without child labour is more than double that of those with child labour. It is significant in this respect that wages in the factory sector, and therefore for men, are considerably higher than in the non-factory household sector, where women predominate. There thus emerges a clear interconnection between the lower per capita income of households, the female-headed status of households and dependence on garment work in shaping the incidence and nature of child labour.

Table 12: Monthly per capita income of households with and without child labour (Rs)

	Household child labour status		Head of household	
	Without child labour	With child labour	Female-headed households	Male-headed households
From garment work	2123	962	957	2254
From other sources	1724	781	761	1830
Total per capita household income	3658	1748	1703	4096

The question that now presents itself relates to the mechanisms which enable these gendered inequalities, which we have here conceived in terms of processes of social categorisation. The earning *capacity* of women – again, globally, but also in India and specifically in the context of Delhi garments – is markedly lower than that of men. Our research substantiated accepted insights that women's access to work is more restricted, and that they lack the power effectively to negotiate with contractors and employers to improve their conditions of work, their wages and their access to rights. Especially where the woman does not have a male partner, the level of abuse and exploitation are often pronounced. This in turn is strongly associated with the restricted mobility of women workers as a result of social pressures to remain confined to the home (often cast as concerns for women's safety outside it). A woman's wage-earning potential is consequently constrained by the inaccessibility of higher-paid work in the factory sector, as are her possibilities for forming social networks of the sort that might be associated with greater empowerment in employment relationships. The disempowering nature of social norms, facilitating high levels of exploitation by contractors and employers, is thus evident.

Gender-based social inequalities are strongly associated with those relating to education, which again correspond with the social organisation of categorical distinctions. Our research corroborates the connections between illiteracy or low levels of educational attainment and the worst forms of exploitation, including child labour. In one sense, as shown in Table 13, this relates to the child workers themselves, whose balance (or otherwise) between work and schooling we have already explored. In another, prior, sense, as shown in Table 14, it

relates to overall levels of education at the household level, which were low across the areas in which our surveys were conducted, but substantially lower in households with child labour.

Table 13: Educational level of children, 5–14 years (%)

	All children			Garment sector child workers		
	5–11 years	12–14 years	Total	5–11 years	12–14 years	Total
Illiterate	3.72	4.05	5.60	6.45	13.38	11.27
Literate without formal education	13.49	6.49	19.95	4.84	7.04	6.37
Literate, below primary	1.86	6.22	2.19	25.81	7.75	13.25
Primary	35.81	12.70	21.17	50.00	29.58	35.78
Middle school	45.12	47.20	45.50	12.90	38.03	30.39
Secondary	0.00	23.24	5.60	0.00	4.23	2.94
Total	100.00	100.00	100.00	100.00	100.00	100.00

Table 14: Highest educational level of the household (%)

	Without child labour	With child labour	Overall
Illiterate	2.50	8.01	4.22
Primary and below primary	42.54	49.69	47.46
Middle and secondary	20.47	24.27	22.57
Higher Secondary	34.49	18.03	25.75
Total	100.00	100.00	100.00

Inequalities based on caste and class also stand out in the social profile of households and child workers. The survey showed that both households involved in garments production and households with child labour belong primarily to the 'general community' category, followed by that of other backward castes (OBCs). A significant proportion of the total households with child labour (some 24 percent) belong to the Scheduled Caste (SC) community, also known as *Dalits*. Together, households classified as OBC and SC constituted 60 percent of households with child labour, providing an indication of the concentration of child labour in the most socially marginalised sections of the population.

Tilly is clear in his theorisation of inequality that, taken in isolation or distinction, markers such as gender, caste, age or levels of education 'only appear to differentiate in separate ways': they 'form through similar social processes and are to an important degree organizationally interchangeable' (Tilly, 1998: 9). While the details of his approach could be challenged (see Mosse, 2010: 1163–1164), they nevertheless point to the centrality of how social categories are organised, through social and political processes, over and above the basic *fact* of gender, age, and so on. The key point is that effects of these categorical distinctions, as Mosse observes, are most powerful among the poorest and are pronounced in the organisation of labour markets: 'it is among poorer, illiterate and unskilled labour that identity effects operate most forcefully through referral-based recruitment used by employers ... as the means to guarantee trust and incentivize loyalty' (Mosse, 2010: 1163). The system of labour supply through contractors, which, as noted earlier, is increasingly central to GPNs,

is thus deeply rooted in mechanisms of social categorisation which mark out particular groups as available for incorporation into productive activity on adverse terms – that is, on terms which perpetuate, rather than alleviate, their chronic poverty and vulnerability. The same argument can be made in relation to the informalisation of the economy and its heavy reliance on categorisation by gender or level of education, while bearing in mind Tilly's insistence that it is the intersections between these markers, and the ways in which the resulting categories are organised and enforced, that are of prime importance. The circular relationship between processes of accumulation by hyper-exploitation in GPNs and processes of social categorisation thus constitutes the foundation of adverse incorporation, institutionalising 'authoritatively organized categorical differences' across the gamut of actual performance, rewards for performance (particularly in wages) and the acquisition of capacities for performance (Tilly, 1998: 14). Child labour emerges precisely within these circular dynamics, both as an outcome but also, moreover, as in itself a key mechanism by which they are perpetuated and institutionalised. It is this latter point that we elaborate, briefly, in the final step of our argument.

4 The 'durability' of adverse incorporation

Child labour needs to be understood as central to the processes through which the social relations which sustain poverty and vulnerability become 'durable' or, in different language, chronic. We introduced Tilly's notion of opportunity hoarding as a means of understanding these processes. In Tilly's formula, noted above, the key relates to the limits thereby placed on 'capacities' for performance, which could equally be conceived with reference to the influential notion of 'capabilities' as the foundation of human development (Sen, 1999; Nussbaum, 2000).

Let us again turn to our household survey data for illumination. Unsurprisingly the interlinked issues that emerge as most salient are education and gender. Since the 1980s school attendance in India has improved significantly and literacy rates have increased, even though overall levels of education remain low, especially among the poor and among women, and real expenditure on education as a proportion of GDP has steadily declined (Drèze and Sen, 2002). Child labour, while still prevalent, more often than not occurs in combination with some schooling, at least for younger children who are less valuable in labour markets (Table 6). Yet in our survey 20 percent of children aged 12–14 were 'drop-outs' from school, rising to 42 percent in the 15–17 age group, suggesting that child labour at an early age is strongly connected with premature suspension of education. This finding disputes the common argument (e.g. Ghose, 2004) that child labour during off-school time does not jeopardise the future earning capacity of the child worker. Table 14 above indicated that the illiteracy rate among working children was nearly double the level for all the children in the sample, and that the drop-out rate was considerably higher among working children.

This picture has an important gender dimension (see Table 15 below and Table 11 above). On the one hand, in the 5–11 age group a greater percentage of girls than boys dropped out after enrolling and attended school less regularly. In the 12–14 group more boys were reported never to have enrolled in school, which is likely to be a result of the large numbers of migrant male child workers. On the other hand, as we saw earlier, gender differences emerge clearly in the reasons for which children do not attend school, as girls are more likely to leave school to attend to younger siblings and support the family by working, and older girls are additionally likely to leave school for 'safety' reasons. Echoing our earlier discussion, this restriction of the mobility of girls and women is an important outcome of the social categorisation by which various forms of poverty and vulnerability to exploitation are entrenched and socially sanctioned. At the same time, older boys are expected to shoulder economic responsibility and hence are likely to opt for work rather than school, such that the low level of educational attainment is characteristic across the population of child workers.

Table 15: School attendance among child workers (%)

	5–11 years			12–14 years			15–17 years		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Never enrolled	6.7	6.3	6.5	13.5	2.9	8.5	0.0	0.0	0.0
Enrolled, dropped out	3.3	12.5	8.1	37.8	35.3	36.6	54.5	54.5	54.5
Enrolled, irregular attendance	0.0	3.1	1.6	2.7	2.9	2.8	0.0	0.0	0.0
Attend informal school	10.0	15.6	12.9	2.7	2.9	2.8	0.0	0.0	0.0
Enrolled, regular attendance	80.0	62.5	71.0	43.2	55.9	49.3	54.5	54.5	54.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Child labour thus emerges, in Tilly's language, as an inequality-generating mechanism which reproduces and institutionalises the dynamics of adverse incorporation, and constitutes a key mechanism for the intergenerational transmission of poverty. The future labour of child workers is locked into the lowest-earning rungs of garment work or other similar activities, as a result of these workers' concentration in unskilled and routine work tasks which offer few possibilities for 'upgrading' to more skilled and better remunerated work (Mehta and Sherry, 2009: 651). Child labour is equally associated with the perpetuation of gendered forms of social inequality and economic exploitation. It is for this reason of its *social* embeddedness that the incidence of child labour does not correlate in any straightforward or predictable sense with patterns of growth, levels of GDP, or the effectiveness or otherwise of anti-poverty programmes based on income measures.⁸

This is not to say that these processes are in some sense preordained and immutable. It is well recognised, and corroborated in our field research, that a degree of upward social mobility is possible and does occur (see de Neve, 2005). In our context child workers may move upwards to become supervisors, managers or owners of workshops. At the same time the need to highlight the importance of such upward movement should not obscure the fact that mobility is remarkably limited between different sectors of the informal economy, and extremely rare from the informal to the formal economy. Moreover, it occurs alongside widespread downward mobility and in spite of generalised barriers, such as highly precarious forms of work, very low wages and piece-rate systems of payment, low levels of collective action, widespread forms of labour bondage, and so on (de Neve, 2005; Breman, 2010). In a nutshell, social mobility is impeded by the twin dynamics of, on the one hand, well-entrenched and extensively organised systems of social categorisation and, on the other, a mode of accumulation in GPNs which rests on the exploitation and disarticulation of huge swathes of the poor labour force.

⁸ A full discussion is beyond the scope of this paper, but see Bachman (2000), Chakrabarty and Grote (2009) and Degraff and Levison (2009) for observations in this respect.

5 Conclusion

Our aim here has been to provide theoretical and empirical perspectives on the dynamics of adverse incorporation in GPNs, taking the problem of child labour in the Delhi garments industry as our focal point. We have contended that processes of economic accumulation by hyper-exploitation interact with processes of social categorisation and opportunity hoarding to perpetuate and institutionalise the circular dynamics of adverse incorporation in GPNs. Moreover, we have argued that child labour is simultaneously an outcome of these processes of adverse incorporation and itself a key mechanism through which they can be produced and reproduced. The prioritisation of short-term survival and subsistence, by means of the incorporation of children substantially into the work process, acts frequently to deprive them of control over their longer-term prospects for accumulation, security and human 'development', and indeed to contribute to the intergenerational character of poverty.

A conjunction of factors acts severely to constrain possibilities for collective action among workers to achieve greater protection of their labour (and human) rights and thus to mitigate the structural dynamics of adverse incorporation. We have seen that the informalisation of the labour force constitutes a political strategy of disarticulation, with home-based work representing the most pronounced manifestation of that disarticulation. Social mechanisms of categorisation act to produce and reproduce inequalities which divert possibilities for the development of social networks capable of generating political organisation and mobilisation. The restriction of women's physical movement and mobility within the labour market, low levels of education and literacy, and forms of marginalisation associated with caste are all central obstacles to the articulation of class interests and collective action. Equally, particular characteristics of the insertion of poor workers into the labour markets associated with GPNs – the need to be spatially mobile, to be available for employment in different branches of an industry, or to accept precarious modes of casual employment and daily or piece-rate wage systems – combine with these kinds of social relations to hinder the possibilities for organisation and action, including through trade union structures (Breman, 2010: 45).

The political forces that militate in this direction are also associated with labour law and regulation. We have seen how production networks have purposefully been organised and reorganised in order to move a large part of economic activity beyond the reach of governance and regulation. Government policy and legal frameworks have been tailored in ways which support these processes, particularly in the deregulation of the private sector and in mechanisms to impose greater discipline on labour in that context. The limitations of private regulation are compounded by the nature of national laws on child labour, which, as noted, explicitly exclude the household setting. This legislative gap enables the displacement of child labour from the factory to the household, as a result of which child labour law

becomes either non-applicable or extremely difficult to enforce.⁹ The conjunction of the limitations of private and public regulation has thus put in place a system characterised by what Anne Posthuma (2010) calls 'regulatory enclaves', which exclude the vast majority of workers in the Delhi garments sector, and essentially all child workers. Public authorities are also poorly equipped, or perhaps simply politically unwilling, to deal with the 'mobile poor' (Mosse, 2010: 1161; see also Breman, 2010) – and, we should add, the increasingly complex and ubiquitous system of labour contractors which organises and controls them. Inasmuch as the ability to achieve political inclusion and representation is central to human development, these mechanisms of political exclusion are clearly pivotal to the entrenchment of chronic poverty through the dynamics of adverse incorporation in GPNs, and to the perpetuation of child labour.

⁹ See Kanbur (2009) for an instructive typology of regulatory coverage.

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