



Child Labour in India: Historical Trends, Socio-Economic Conditions and Contemporary Challenges

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ABSTRACT

Child labour and informal employment have remained persistent features of India's socio-economic history, reflecting changing patterns of production, household livelihood strategies, labour relations, and economic inequality. This study examines the changing nature of child labour, informal employment, and economic exploitation in India from a historical and socio-economic perspective. It traces the continuity and transformation of labour practices across different periods, with particular attention to the persistence of child and informal labour within agriculture, household industries, small-scale manufacturing, construction, brick kilns, mining, domestic work, and other forms of unorganised employment. The study also examines the historical development of state intervention and labour protection through constitutional provisions, legislation, welfare measures, and institutional mechanisms relating to child labour, bonded labour, education, wages, and social security. Drawing upon Census of India data, Periodic Labour Force Survey (PLFS) reports, the India Time Use Survey, reports of the International Labour Organization (ILO), UNICEF and other relevant sources, the study analyses trends and patterns of child labour and informal employment, with particular attention to regional variations and socio-economic factors such as poverty, caste, gender, migration, indebtedness, and the fragmentation of production. The study argues that although the nature and institutional regulation of labour have changed over time, several forms of economic vulnerability and labour exploitation have persisted, particularly among marginalised communities. The historical perspective therefore helps to understand contemporary child labour and informal employment not merely as present-day economic problems, but as outcomes of longer processes of social, economic, institutional, and legislative change.

INTRODUCTION

Behind the visible engines of the Indian economy its farms, factories, construction sites, garment workshops, and city streets works a much larger, largely uncounted workforce. Domestic helpers, home-based piece-rate workers, street vendors, brick-kiln labourers, and millions of children who mind younger siblings, herd livestock, roll incense sticks, or work alongside parents in family enterprises together form what this paper calls India's 'invisible workers.' Their labour is indispensable to household survival and to the wider economy, yet it rarely appears in national accounts, is seldom protected by labour law, and is often exchanged for wages far below its worth. Invisibility, in this sense, is not simply a statistical gap; it is also a condition of vulnerability that permits underpayment, unsafe conditions, and the loss of childhood and educational opportunity. Two overlapping phenomena sit at the centre of this invisibility: child labour and informal employment. According to the ILO's 2024 fact sheet on child labour in India, of the 259.6 million children aged 5 to 14 recorded in the 2011 Census, roughly 10.1 million were classified as working, and more than 42.7 million children were out of school altogether a pool from which future child labour is drawn. At the same time, India's adult workforce is overwhelmingly informal: the Periodic Labour Force Survey (PLFS) Annual Report for July 2023 to June 2024 shows that only about 21.7 per cent of workers held regular wage or salaried jobs, while the remaining share was self-employed or engaged in casual labour, much of it unregistered, undocumented, and unprotected by statutory benefits. Historically, national estimates have placed the informal or unorganised sector's share of total employment at over 80 per cent of the workforce.

Child labour and informal employment are not parallel tracks; they are structurally linked. The same household economics that push adults into casual and self-employed work in agriculture, construction, domestic service, and small-scale manufacturing also push children into paid or unpaid labour, whether inside the household enterprise, in hazardous informal industries such as brick-making and stone quarrying, or in urban informal services such as rag-picking and street vending. Because informal enterprises fall largely outside labour inspection, and because child labour is itself concentrated in unregistered household industries and agriculture, the exploitation of children and the exploitation of informally employed adults reinforce one another within the same low-visibility segments of the economy. This paper undertakes an India-level study of these dynamics. It synthesises government data — principally the Census of India, the PLFS series published by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation (MoSPI), and reports of the Ministry of Labour and Employment — together with assessments by the ILO, UNICEF, the U.S. Department of Labor, and peer-reviewed academic research published up to 2024. It aims to present, in an accessible and visually organised form, the scale of the problem, its structural causes, the exploitation that results, and the policy and institutional responses that India has built, and still needs to strengthen, to protect its invisible workers.

2. Review of Literature

A substantial body of research, spanning economics, sociology, and labour studies, has examined child labour and informal employment in India, though the two literatures have historically developed somewhat separately.

2.1 Studies on Child Labour

Early empirical work on Indian child labour relied heavily on decennial Census figures and National Sample Survey Office (NSSO) rounds. Using Census data, researchers have long noted that child labour in India declined substantially between 1991 and 2011, even as the absolute numbers remained the largest in the world. Bourdillon and colleagues, along with later Indian scholars, cautioned that Census and survey estimates differ considerably depending on the definition of 'work' used and the age band considered (commonly 5–14 years or the wider 5–17 years used by the ILO and UNICEF). A widely cited combined-data study published in the journal *Child Indicators Research* used Bayesian methods to reconcile the National Sample Survey Employment-Unemployment Survey (2011–12) with the India Human Development Survey (2011–12), arriving at an estimate of about 13.2 million child labourers aged 5 to 17, moderately higher than the Census 2011 count of 11.8 million 'main worker' children in the same age band. More recent work commissioned by UNICEF Innocenti (2024) reviewed

successive survey rounds, including the 2019 India Time Use Survey, and found that approximately 7 per cent of children aged 6 to 17 were engaged in child labour when household chores beyond threshold hours were included, underscoring how the choice of measurement instrument materially changes the headline number.

State-level and sociological studies consistently identify Uttar Pradesh, Bihar, Rajasthan, Madhya Pradesh, and Maharashtra as the states with the largest absolute numbers of child workers, together accounting for roughly half of India's child labour force. Scholars attribute this concentration to a combination of high population, entrenched poverty, agrarian dependence, and, in the case of Rajasthan and Madhya Pradesh, tribal and mining-belt livelihoods. Research using the 2022 U.S. Department of Labor Findings on the Worst Forms of Child Labor situates India as having achieved only 'moderate advancement,' noting continued use of children in hazardous processes such as garment finishing, stone quarrying, and brick-making, alongside evidence of trafficking for domestic servitude and commercial sexual exploitation.

2.2 Studies on Informal Employment

Research on India's informal economy traces back to the Arjun Sengupta Committee (National Commission for Enterprises in the Unorganised Sector), which estimated that close to 92 per cent of India's workforce operated in the unorganised sector and lived on very low and irregular earnings. Subsequent PLFS-based studies confirm the persistence of this pattern: national estimates place the informal sector's share of the workforce at over 80 per cent, with the 2023–24 PLFS Annual Report recording that 58.4 per cent of workers were self-employed, 19.8 per cent were casual labourers, and only 21.7 per cent held regular wage or salaried positions, a share that itself includes many workers without written contracts or social security coverage.

A 2025 study published in *Discover Global Society*, using PLFS unit-level data from 2017 to 2023, examined the determinants of informal employment through a multinomial logit model and found that education, caste, gender, and sector of activity strongly predict the likelihood of informal engagement, with agriculture remaining an almost entirely informal sector and non-agricultural informality persisting around three-quarters of that workforce. Other researchers have highlighted the phenomenon of 'jobless growth,' in which GDP expansion has not translated into a proportionate rise in secure, formal employment, pushing a growing share of new entrants into self-employment and unpaid family work rather than salaried jobs.

2.3 Economic Exploitation and the Missing Link

A smaller strand of literature explicitly connects child labour to the informal economy, arguing that both are symptoms of the same structural incompleteness in India's labour market: the inability of the formal economy to absorb the growing workforce, which pushes households toward informal, low-productivity activity in which children's labour becomes an economic necessity rather than a choice. Scholars working on bonded labour and debt bondage, a form of extreme economic exploitation recognised under the Bonded Labour System (Abolition) Act, 1976, have shown that inter-generational debt in sectors such as brick-kilns, agriculture, and stone quarries frequently draws children into work alongside indebted parents. This paper builds on this literature by presenting an integrated, India-level account of child labour and informal employment as twin manifestations of economic invisibility.

3. Conceptual Framework

3.1 Defining 'Invisible Workers'

For the purposes of this study, 'invisible workers' are defined as persons whose economic contribution is real and often substantial but who remain largely outside the formal systems of recognition, regulation, and protection that govern standard employment. This includes: (a) children engaged in economic work, whether paid or unpaid, inside or outside the household; (b) adults engaged in informal employment, whether as casual wage labourers, unregistered self-employed workers, or unprotected employees of informal enterprises; and (c) workers subject to disguised or forced forms of

labour, including bonded and trafficked labour, that further obscure the true nature of the employment relationship.

3.2 Child Labour

Under Indian law, the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, as amended in 2016, defines a 'child' as any person who has not completed fourteen years of age and prohibits the employment of children in any occupation or process, subject to a narrow exception for family enterprises and audio-visual entertainment outside school hours. 'Adolescents' (14 to 18 years) may not be employed in a list of designated hazardous occupations and processes. The ILO distinguishes 'child labour' from the broader category of 'child work': not all work performed by children constitutes child labour in the internationally recognised sense; light, age-appropriate tasks that do not interfere with schooling, health, or development are generally excluded, whereas work that is hazardous, exploitative, or performed below the legal minimum age is considered child labour.

3.3 Informal Employment

Informal employment, as conceptualised by the ILO and adopted by Indian labour statisticians, includes both employment in the 'unorganised sector' (enterprises employing fewer than ten workers and not registered under specific labour statutes) and 'informal employment' within otherwise formal or organised enterprises for example, contract or casual workers in a registered factory who lack a written contract, paid leave, or social security coverage. This dual definition matters because a meaningful share of workers counted as employed in the 'organised' sector in fact hold informal jobs without the protections associated with formal employment.

3.4 Economic Exploitation

Economic exploitation, as used here, refers to the appropriation of a worker's labour on terms that are involuntary, coercive, or grossly disproportionate to the value produced, including: wages below statutory minimums; excessive working hours without commensurate pay; hazardous conditions without safety measures or compensation; withholding of wages; debt bondage in which labour is used to repay a loan under conditions that deny the worker the freedom to leave; and human trafficking for forced labour, domestic servitude, or commercial sexual exploitation. Child labour, by definition, is treated in this framework as a category of economic exploitation, since children lack the legal capacity to consent to employment on adult terms.

4. Research Objectives and Methodology

4.1 Objectives

1. To examine the magnitude, trends, and sectoral and state-wise distribution of child labour in India.
2. To assess the scale and structure of informal employment in India using recent PLFS data.
3. To analyse the structural and socio-economic determinants that link child labour to informal employment.
4. To identify the principal forms of economic exploitation faced by invisible workers in India.
5. To review the legal, policy, and institutional framework addressing child labour and informal employment in India.
6. To offer evidence-based recommendations for strengthening protection for invisible workers.

4.2 Data Sources and Method

This study adopts a descriptive and analytical research design based entirely on secondary data. Quantitative data are drawn from the Census of India (2001 and 2011), the Periodic Labour Force Survey Annual Reports (2017–18 through 2023–24) published by the National Statistical Office, MoSPI, the India Time Use Survey (2019), and thematic reports of the ILO, UNICEF Innocenti, and the U.S. Department of Labor's Bureau of International Labor Affairs. Academic literature published in

peer-reviewed journals up to 2024 has been reviewed to contextualise the statistical findings. All figures presented in the tables and charts of this paper are compiled and, where necessary, computed by the author from these primary and secondary government and international sources; where estimates diverge across sources due to differing definitions or survey years, this is noted explicitly in the text.

4.3 Scope and Limitations

The study is confined to India and does not attempt cross-country comparison beyond limited contextual references. Because the most recent Census with disaggregated child labour data remains the 2011 Census, several figures for child labour necessarily rely on that round supplemented by more recent survey-based estimates (PLFS, Time Use Survey 2019, and modelled ILO/UNICEF projections for 2024); this is a well-recognised data gap in Indian labour statistics, given that Census 2021 was postponed. Informal employment estimates, by contrast, draw on the more frequently updated PLFS series.

5. Magnitude and Trends of Child Labour in India

Measuring child labour in India is complicated by differences in the age band used (5–14 years under the Census and the CLPR Act versus the wider 5–17 years used by the ILO and UNICEF) and by differences in what counts as ‘work’ (paid employment only, or paid employment plus unpaid household chores beyond a threshold number of hours). Table 5.1 summarises the principal estimates available for India, drawn from different sources and methodologies, to make these distinctions transparent rather than presenting a single, spuriously precise number.

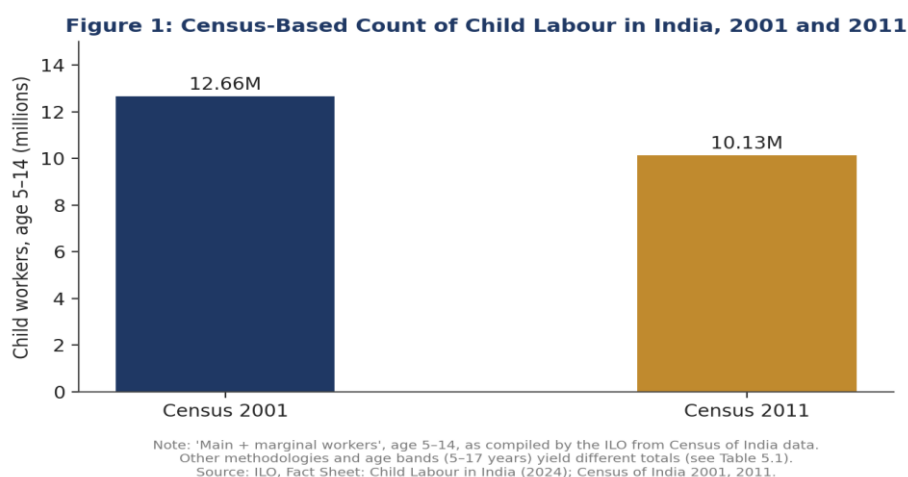


Figure 1: Census-based count of child workers (age 5–14), 2001 and 2011

Table 5.1: Alternative Estimates of Child Labour in India

Source / Method	Reference Period	Age Band	Estimate
Census of India	2001	5–14 years	12.66 million child workers
Census of India (ILO compilation, main + marginal workers)	2011	5–14 years	10.13 million (3.9% of child population)
Census of India (Ministry of Labour, main workers only)	2011	5–14 years	4.35 million
NSS Employment-Unemployment Survey + India Human Development Survey (combined Bayesian estimate)	2011–12	5–17 years	13.2 million (range 11.4–15.2 million)

India Time Use Survey (chores + economic work)	2019	6–17 years	≈ 7% of children in this age group
Global ILO/UNICEF modelled estimate for India (implied share of 138 million global total, 2024)	2024	5–17 years	India retains the largest national total globally

Two broad conclusions can be drawn from Table 5.1. First, regardless of the precise figure adopted, India accounts for the largest absolute number of child labourers of any country in the world a position it has held since comparable international data became available. Second, the direction of change across every consistent methodology has been downward since the early 2000s: Census-based counts (age 5–14) fell by roughly 20 per cent between 2001 and 2011, a decline that researchers attribute to the expansion of the Right to Education Act, the Mid-Day Meal Scheme, MGNREGA-linked household income support, and sustained NGO and government rescue-and-rehabilitation efforts. At the same time, more recent survey instruments that also capture unpaid household chores, such as the 2019 Time Use Survey, suggest that a meaningful share of children, particularly girls, continue to combine domestic responsibilities with schooling in ways that Census categories do not fully capture.

5.1 Out-of-School Children: The Reservoir of Future Child Labour

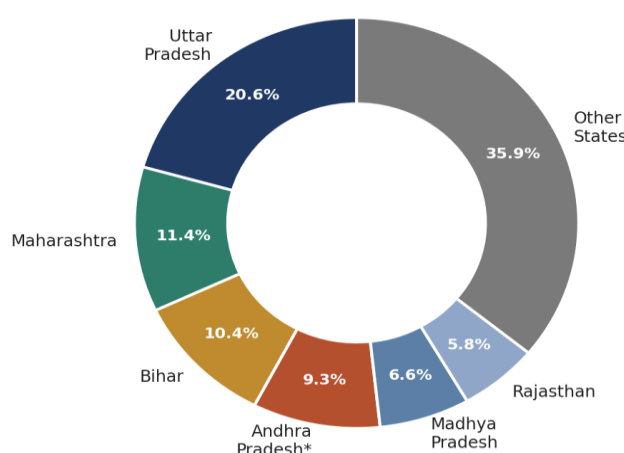
More than 42.7 million Indian children were out of school as of the most recent nationally representative estimates compiled by the ILO. Being out of school is both a cause and a consequence of child labour: children who drop out or never enrol are far more likely to enter the workforce, while children already working are far less likely to attend or remain in school. The persistence of a large out-of-school population, concentrated in the same states that report the highest child labour incidence, indicates that education access and child labour reduction remain two sides of the same policy problem in India.

6. Sectoral and State-wise Distribution of Child Labour

6.1 State-wise Concentration

Child labour in India is not evenly distributed. As per Census 2011, five states — Uttar Pradesh, Bihar, Rajasthan, Madhya Pradesh, and Maharashtra — together account for close to 55 per cent of the country's total child labour force, even though their combined share of India's total population is considerably lower. Uttar Pradesh alone accounts for over one-fifth of all child labourers nationally, a share that has risen steadily across successive Census rounds, from 12.3 per cent in 1991 to 15.2 per cent in 2001 and 20.6 per cent in 2011.

Figure 2: State-wise Share of Child Labour in India (Census 2011)



*Undivided Andhra Pradesh (includes present-day Telangana). Source: Census of India 2011; ILO (2024) Fact Sheet on Child Labour in India.

Figure 2: State-wise share of child labour in India, Census 2011

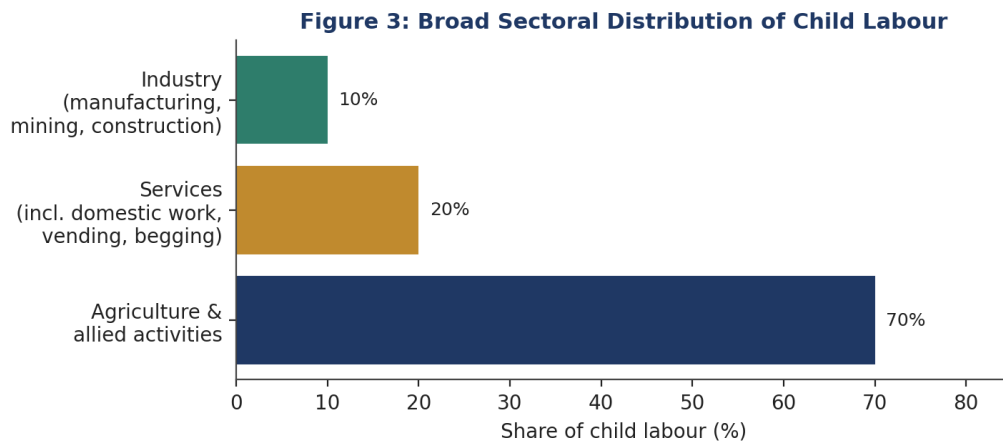
Table 6.1: Leading States by Number of Child Workers (Census 2011)

State	Share of National Total (%)	Approx. Number of Child Workers
Uttar Pradesh	20.6	2.18 million
Maharashtra	11.4	0.73 million
Bihar	10.4	1.09 million
Andhra Pradesh (undivided)	9.3	0.85 million
Madhya Pradesh	6.6	0.70 million
Rajasthan	5.8	0.85 million

Notably, when measured by incidence (the proportion of children who work, rather than the absolute number), a different set of states emerges. Smaller and hill states, including Nagaland and Himachal Pradesh, have historically shown among the highest proportions of working children relative to their child population, even though their absolute numbers are small – a reminder that policy responses calibrated only to absolute numbers can overlook regions where the problem is proportionally most severe.

6.2 Sectoral Distribution

Agriculture and allied activities remain, by a wide margin, the largest employer of child labour in India, consistent with the pattern observed globally. Children in rural India work as agricultural labourers on family land or as hired labour on others' farms, and are also engaged in allied activities such as cotton-seed cultivation, livestock herding, and fishing. Non-agricultural child labour is concentrated in household industries (such as bidi-rolling, carpet-weaving, and incense-stick making), informal manufacturing units (garment finishing, bangle-making, brassware), construction, brick-kilns and stone quarries, and urban informal services such as domestic work, street vending, rag-picking, and, in the worst cases, begging and commercial sexual exploitation.



Note: ILO global sectoral distribution of child labour, widely cited as broadly representative of India, which accounts for the largest single share of the world's child labourers. India-specific sectoral data from Census 2011 and DOL (2022/2023) confirm agriculture as the dominant employer of child workers. Source: ILO; U.S. Department of Labor, Findings on the Worst Forms of Child Labor: India (2022/2023).

Figure 3: Broad sectoral distribution of child labour

The U.S. Department of Labor's 2022/2023 assessment of the worst forms of child labour in India documents children performing hazardous tasks in garment production, stone quarrying, and brick-making, and notes continued vulnerability to trafficking for domestic servitude and commercial sexual exploitation, despite government interventions such as Railway Protection Force anti-trafficking

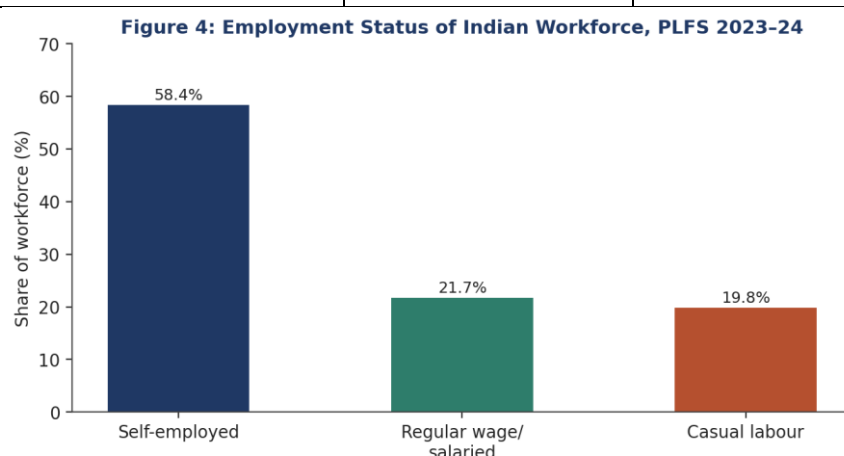
operations and state-level rescue drives. Because these activities occur almost entirely within informal, unregistered enterprises, the sectoral pattern of child labour closely mirrors the sectoral pattern of informal adult employment discussed in the following section.

7. Informal Employment in India: Scale and Structure

India's labour market is characterised by the near-universal presence of informal employment, whether measured by enterprise type (the unorganised sector) or by the nature of the employment relationship (informal jobs within organised enterprises). Historical estimates from the National Commission for Enterprises in the Unorganised Sector placed the informal sector's share of total employment above 90 per cent in the mid-2000s; more recent PLFS-based analysis places the figure at over 80 per cent of the workforce, with informality highest in agriculture (close to universal) and still substantial — around three-quarters — in the non-agricultural workforce.

Table 7.1: Employment Status of India's Workforce, PLFS 2023–24

Employment Category	Share of Workforce (%)	Typical Social Security Coverage
Self-employed (own-account & family workers)	58.4	Largely absent
Regular wage / salaried employees	21.7	Partial many lack written contracts
Casual labourers	19.8	Minimal to none



Source: Periodic Labour Force Survey (PLFS) Annual Report, July 2023–June 2024, MoSPI, Government of India.

Figure 4: Employment status of the Indian workforce, PLFS 2023–24

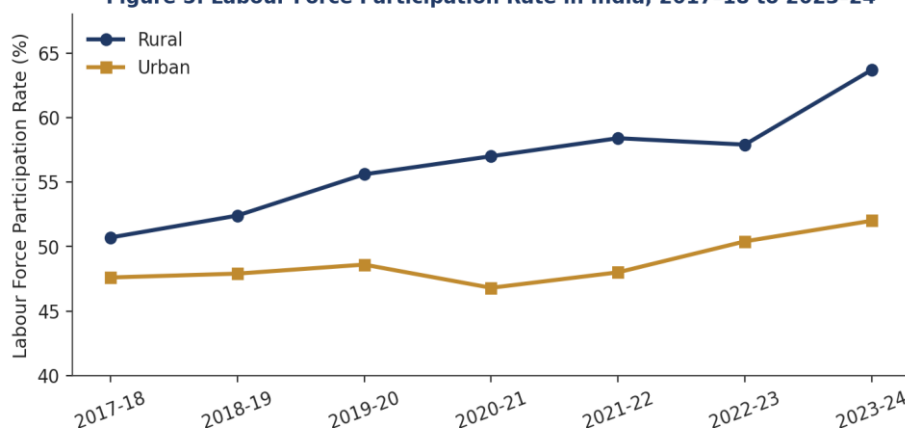
The PLFS series also shows a marked rise in overall labour force participation between 2017–18 and 2023–24, driven substantially by rural areas and by increased female participation. Table 7.2 and Figure 5 present this trend. While rising participation is often read as a positive labour market signal, researchers caution that much of the increase, especially among women, has occurred in unpaid family work and self-employment rather than in secure, salaried jobs — a pattern consistent with continuing informalisation rather than formal job creation.

Table 7.2: Labour Force Participation Rate (LFPR), India, 2017–18 to 2023–24 (%)

Year	Rural LFPR	Urban LFPR	Male LFPR (National)	Female LFPR (National)
2017–18	50.7	47.6	75.8	23.3

2019–20	55.6	48.6	76.4	30.0
2021–22	58.4	48.0	77.2	32.8
2022–23	57.9	50.4	78.0	37.0
2023–24	63.7	52.0	78.8	41.7

Figure 5: Labour Force Participation Rate in India, 2017–18 to 2023–24



Source: PLFS Annual Reports, MoSPI, Government of India (2018–2024).

Figure 5: Rural and urban labour force participation rate, India, 2017–18 to 2023–24

The National Statistical Office's own commentary on the 2023–24 round observes that the national unemployment rate remained unchanged at 3.2 per cent between 2022–23 and 2023–24 — the first year since PLFS began in which unemployment did not decline — even as participation rose sharply, which analysts read as evidence that the economy continues to struggle to generate enough formal, decent jobs to match the growing labour supply, reinforcing dependence on informal and self-employment.

8. Intersections: Children in the Informal Economy

The structural link between child labour and informal employment operates through the household enterprise and the informal labour market simultaneously. Because roughly nine in ten non-agricultural workers in the unorganised sector operate in units too small to fall within the scope of most labour statutes, and because agriculture itself is almost entirely informal, the same low-regulation environment that allows adult informality to persist also allows child labour to persist largely undetected by labour inspectors.

8.1 The Household Enterprise Pathway

A large share of India's working children are not employed by unrelated third parties but work within family enterprises — the family farm, the household workshop, the family-run shop or eatery. Because the CLPR Act permits children to help in family enterprises outside school hours, provided the enterprise does not fall in a hazardous category, this pathway occupies a legally ambiguous space: it can represent legitimate skill transmission and family cooperation, or it can shade into exploitative full-time labour that displaces schooling, depending on intensity and conditions that are difficult for external authorities to observe or regulate.

8.2 The Informal Labour Market Pathway

A second pathway runs through direct engagement of children by informal employers — in brick-kilns, small workshops, domestic service, roadside eateries, and urban informal services. Because these employers themselves typically operate outside registration and inspection regimes, and because much of this workforce is drawn from migrant and seasonal labour, monitoring is difficult, and wages for children in these settings are frequently a fraction of adult informal wages, compounding the economic exploitation already faced by the adult informal workforce.

8.3 Migration and Seasonal Vulnerability

Seasonal and circular labour migration, a defining feature of India's informal economy particularly in brick-kilns, construction, and sugarcane and cotton harvesting frequently involves entire families moving together, with children accompanying migrating parents. Away from home communities, local schools, and familiar social protection systems, migrant children face heightened risk of being drawn into work, and migrant informal workers of all ages face heightened risk of wage theft and bondage, since employer-worker power asymmetries are magnified by distance, debt advances, and lack of local documentation.

9. Determinants of Child Labour and Informal Work

The persistence of child labour and informal employment in India is best understood not as the product of a single cause but as the outcome of overlapping structural, social, and economic conditions.

9.1 Poverty and Household Income Insecurity

Poverty remains the most consistently identified driver of child labour across the Indian literature. Households living close to subsistence often rely on the marginal income or in-kind contribution of a working child to meet basic needs, particularly where adult earnings from casual and informal work are irregular. This dynamic is self-reinforcing: because child labour depresses school attendance and skill acquisition, it lowers the child's future earning potential, perpetuating the same low-income, informal-employment trajectory into the next generation.

9.2 Social Stratification: Caste, Tribe, and Religion

Research using Census and NSSO data finds that child labour incidence, while broadly similar across most caste categories (around 2.8 per cent, close to the national average of 2.74 per cent in some estimates), is markedly higher among Scheduled Tribe populations, at close to 3.8 per cent, reflecting the concentration of tribal communities in remote, agriculture- and forest-dependent regions with limited school infrastructure. Religion-based disparities have also been documented in specific survey rounds, with some NSSO-based estimates showing higher child labour incidence among Muslim households relative to the national average, a pattern researchers link to intersecting economic marginalisation rather than religion itself.

9.3 Gender

Gender shapes both the form and the visibility of child labour and informal work. Girls are disproportionately engaged in unpaid domestic chores and caregiving within their own households — work that is frequently excluded from standard 'economic activity' definitions and therefore undercounted in Census-based child labour statistics, even though time-use data suggest it can be as time-intensive as paid work. Among adult workers, PLFS data show that rural women have a far higher share of self-employment (over 73 per cent) relative to regular wage employment than rural men, indicating that women's informal work is concentrated in the least secure, lowest-earning segments of the labour market.

9.4 Educational Access and Quality

Despite near-universal enrolment gains following the Right to Education Act, 2009, retention beyond the elementary level and the quality of schooling in high-child-labour districts remain weak, and out-of-pocket costs for supplies, transport, and informal tuition continue to push some low-income households toward work as a more immediate and certain return than continued schooling. Studies also note that school infrastructure gaps are especially severe in remote and tribal areas, precisely where child labour incidence is already elevated.

9.5 Structure of Production and Enterprise Informality

India's enterprise structure remains dominated by very small units: PLFS-linked analysis shows that non-agricultural enterprises employing fewer than twenty workers account for a substantial share — over 40 per cent — of the total workforce, and only a small fraction of workers are employed in larger firms with the capital intensity and regulatory visibility associated with formal-sector jobs. This

fragmentation of production into small, low-visibility units is the single most important structural condition permitting both adult informality and child labour to persist, since labour inspection systems in India are neither resourced nor legally empowered to systematically cover establishments below defined size thresholds.

9.6 Migration and Debt

Distress-driven and debt-linked migration, particularly among landless and marginal agricultural households in eastern and central India, channels both adult and child labour into some of the most exploitative segments of the informal economy, including brick-kilns and stone quarries where wage advances can evolve into bonded labour arrangements that bind entire families, including children, to a single employer for extended periods.

10. Forms of Economic Exploitation

Economic exploitation of invisible workers in India manifests across a spectrum, from routine underpayment to the most severe forms of forced and bonded labour.

Table 10.1: Principal Forms of Economic Exploitation Affecting Invisible Workers in India

Form of Exploitation	Description	Most-Affected Groups
Sub-minimum and delayed wages	Payment below statutory minimum wage or withheld/delayed payment	Casual labourers, migrant workers, domestic workers
Excessive working hours	Hours beyond statutory limits without overtime compensation	Home-based workers, informal manufacturing, domestic workers
Hazardous working conditions	Exposure to unsafe machinery, toxic substances, or physically dangerous tasks without protective measures	Child workers in brick-kilns, quarries, and garment units; construction labour
Debt bondage	Labour extracted to repay a loan or advance, under conditions restricting the worker's freedom to leave	Brick-kiln, agricultural, and quarry workers, including entire families
Human trafficking for labour or sexual exploitation	Recruitment or transport of persons, often children, through deception or coercion for forced labour or commercial sexual exploitation	Migrant children and women, particularly from tribal and border regions
Denial of social security	Absence of provident fund, health insurance, maternity benefit, or accident compensation	The large majority of self-employed and casual informal workers
Unsafe or exploitative domestic work	Long hours, restricted movement, and low or unpaid wages in live-in domestic employment	Child and adult domestic workers, disproportionately girls and women

10.1 Wage-Related Exploitation

Because the large majority of informal workers lack written contracts, they have little practical recourse when employers pay below the statutory minimum wage, delay payment, or make arbitrary deductions. Casual and self-employed workers, who together made up close to 80 per cent of the workforce in 2023–24 according to PLFS, are especially exposed, since minimum wage enforcement in India relies heavily on labour inspection systems that are thinly staffed relative to the size of the informal workforce.

10.2 Hazardous Work and Occupational Risk

Child labour in hazardous occupations explicitly prohibited for children and restricted for adolescents under the CLPR Act continues to be documented in stone quarrying, brick-kilns, and parts of garment and leather production. Because these activities are concentrated in the informal sector, occupational safety regulation, where it exists on paper, is rarely enforced in practice, and injury or long-term health damage frequently goes uncompensated.

10.3 Debt Bondage

Debt bondage remains one of the most severe forms of economic exploitation documented in India, particularly in brick-kilns, agriculture, and stone quarries in states such as Bihar, Uttar Pradesh, Odisha, and Tamil Nadu. Under bondage arrangements, an initial cash advance is used to bind a worker, and often their family, to continued labour at below-market wages until a debt which can be extended indefinitely through interest and additional advances is repaid. The Bonded Labour System (Abolition) Act, 1976, formally abolishes such arrangements and provides for identification, release, and rehabilitation of bonded labourers, but implementation gaps mean that identification rates remain far below credible estimates of the practice's actual prevalence.

10.4 Trafficking and the Worst Forms of Child Labour

India's 2022/2023 assessment under the U.S. Department of Labor's review of the worst forms of child labour documents continued vulnerability of children to trafficking for domestic servitude and commercial sexual exploitation, alongside government countermeasures such as Railway Protection Force interceptions of children from trafficking networks operating through railway stations and trains, and state-level anti-human-trafficking unit operations, including reunification of trafficked children with their families in states such as Haryana.

10.5 Absence of Social Security

Perhaps the most pervasive, if least visible, form of exploitation is structural: the near-total absence of social security coverage provident fund, health insurance, maternity benefit, accident compensation, and old-age pension for the overwhelming majority of India's informal workforce. The Code on Social Security, 2020, seeks to extend at least a baseline of protection to unorganised, gig, and platform workers through a proposed national database (the e-Shram portal) and social security fund, but as of the data available up to 2024, registration and benefit delivery under this framework remained at an early stage relative to the scale of the informal workforce it is intended to cover.

11. Legal and Policy Framework in India

India has built a layered legal architecture addressing child labour and informal employment, developed over several decades and substantially updated in the 2016–2020 period.

Table 11.1: Key Legislative and Constitutional Provisions

Instrument	Year	Core Provision
Constitution of India, Articles 21A, 23, 24, 39(e)-(f)	1950 (as amended)	Prohibits trafficking and forced labour (Art. 23); bars employment of children under 14 in hazardous work (Art. 24); guarantees free and compulsory education (Art. 21A); directs the State to protect children from exploitation (Art. 39)
Bonded Labour System (Abolition) Act	1976	Abolishes bonded labour; provides for identification, release, and rehabilitation of bonded labourers
Child Labour (Prohibition and Regulation) Act	1986	Prohibits employment of children below 14 in specified hazardous occupations and processes; regulates conditions in non-hazardous work

Right of Children to Free and Compulsory Education Act	2009	Guarantees free and compulsory education for children aged 6–14
Child and Adolescent Labour (Prohibition and Regulation) Amendment Act	2016	Extends the prohibition to all occupations for children under 14 (with a limited family-enterprise exception); restricts adolescent (14–18) employment in hazardous occupations
Juvenile Justice (Care and Protection of Children) Act	2015	Provides for the protection, rescue, and rehabilitation of children in need of care, including child labour and trafficking victims
Code on Wages	2019	Consolidates minimum wage law and extends statutory minimum wage coverage to all employments, including informal workers
Code on Social Security	2020	Seeks to extend social security — including to gig, platform, and unorganised workers — via a national registration database and social security funds
Occupational Safety, Health and Working Conditions Code	2020	Consolidates and extends occupational safety regulation, including provisions applicable to migrant and contract workers
ILO Conventions 138 and 182 (ratified by India)	2017	Commit India to a minimum age for employment and to eliminating the worst forms of child labour

This framework reflects genuine legislative progress, particularly the 2016 amendment closing earlier loopholes in the definition of hazardous work, and the 2019–2020 Labour Codes' attempt to extend minimum wage and social security coverage explicitly to informal and gig workers for the first time in a single consolidated framework. However, as discussed in Section 14, the gap between statutory coverage and effective enforcement remains the central challenge.

12. Government Schemes and Institutional Response

Table 12.1: Selected Government Schemes Addressing Child Labour and Informal Work

Scheme / Programme	Nodal Ministry	Core Focus
National Child Labour Project (NCLP) Scheme	Ministry of Labour and Employment	Identification, withdrawal, and rehabilitation of child labourers through bridge schools and vocational training; rehabilitated 13,271 children between April 2021 and March 2022 alone, according to government data
PENCiL Portal (Platform for Effective Enforcement for No Child Labour)	Ministry of Labour and Employment	Online platform for reporting child labour and coordinating enforcement across Centre, states, and districts
Samagra Shiksha Abhiyan	Ministry of Education	Integrated scheme for school education, aimed at improving enrolment and retention, indirectly reducing child labour risk

Mid-Day Meal Scheme (PM-POSHAN)	Ministry of Education	School meal programme shown to improve enrolment and attendance, reducing the opportunity cost of schooling relative to work
MGNREGA	Ministry of Rural Development	Rural employment guarantee that supplements household income, reducing reliance on child earnings
e-Shram Portal	Ministry of Labour and Employment	National database for registration of unorganised workers to enable targeted social security delivery
PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi)	Ministry of Housing and Urban Affairs	Collateral-free working capital loans for urban street vendors in the informal economy
Pradhan Mantri Shram Yogi Maan-dhan	Ministry of Labour and Employment	Voluntary pension scheme for unorganised sector workers
Ayushman Bharat – PM-JAY	Ministry of Health and Family Welfare	Health insurance coverage extending to economically vulnerable informal-sector households

Institutionally, enforcement responsibility for child labour and bonded labour rests primarily with state labour departments, supported by District Child Protection Units and the National Commission for Protection of Child Rights (NCPCR) at the apex level, while informal-worker welfare falls under a patchwork of central and state welfare boards, several of which pre-date the 2020 Labour Codes and are in the process of being subsumed into the newer social security architecture.

13. Role of Civil Society and NGOs

Non-governmental organisations have played a substantial role in India's child labour reduction over the past three decades, complementing state enforcement with rescue operations, rehabilitation, and grassroots advocacy. The Kailash Satyarthi Childrens Foundation (Bachpan Bachao Andolan) has been central to child rescue and rehabilitation efforts and to India's ratification of ILO Conventions 138 and 182. Save the Children (Bal Raksha Bharat) has documented and worked to reduce child labour in agriculture, including cotton-growing regions of Maharashtra, through mainstreaming working children into formal schooling. Numerous smaller, regionally focused organisations work with brick-kiln, quarry, and migrant communities to identify bonded and child labour and to link affected families to statutory rehabilitation and compensation.

For informal adult workers, organisations such as the Self-Employed Women's Association (SEWA) have pioneered models of collective organisation among self-employed and informal women workers, securing improved access to credit, social security enrolment, and market linkages, and have influenced national policy discourse on extending social security to the unorganised sector. Trade union federations and worker collectives in sectors such as domestic work, construction, and street vending have similarly pushed for sector-specific welfare boards and minimum wage enforcement.

4. Implementation Challenges

- Enforcement capacity: The ratio of labour inspectors to registered and unregistered establishments remains far too low to credibly monitor compliance across India's tens of millions of informal enterprises, particularly household units exempted from routine inspection.
- Definitional and data gaps: The continued reliance on Census 2011 as the most recent source of granular child labour data, given the postponement of Census 2021, leaves policymakers working with data that may understate current, post-pandemic conditions in some regions.

- Fragmented institutional responsibility: Child labour enforcement, education policy, social security registration, and anti-trafficking operations are spread across multiple central ministries and state departments with limited real-time data sharing, complicating coordinated response.
- Family-enterprise exception: The CLPR Act's exception for children helping in family enterprises, while intended to accommodate legitimate household participation, is difficult to distinguish in practice from exploitative full-time labour and creates an enforcement grey zone.
- Migration and jurisdictional gaps: Seasonal and inter-state migrant workers and their children frequently fall outside the reach of both origin- and destination-state welfare and education systems, despite portability provisions introduced under recent labour codes.
- Slow rollout of social security registration: Although the e-Shram portal has registered a large number of informal workers since its 2021 launch, converting registration into actual delivery of health, accident, and pension benefits has proceeded more slowly than registration itself.
- Economic trade-offs at the household level: Because child and informal adult labour are often the only available means of meeting immediate household needs, enforcement-only approaches that remove income without providing an adequate substitute can, in the absence of complementary income support, push affected families toward even more precarious or hidden forms of work.

15. Regional Case Illustrations

15.1 Uttar Pradesh: Scale and the Carpet Belt

Uttar Pradesh's position as the state with the largest absolute number of child labourers reflects both its status as India's most populous state and the concentration of informal, labour-intensive industries such as carpet weaving (notably in the Bhadohi-Mirzapur belt), brassware manufacturing (Moradabad), and glass bangle making (Firozabad), sectors long associated with home-based and workshop child labour. Sustained rehabilitation and rescue operations, combined with expanded school infrastructure, have contributed to measured declines since the early 2000s, though the state continues to account for roughly one-fifth of the national total.

15.2 Bihar: Agriculture, Flooding, and Migration

Bihar's high child labour incidence is closely tied to agrarian poverty, recurrent flooding that disrupts rural livelihoods, and high rates of out-migration of adult male workers, which increases the likelihood that remaining household members, including children, take on additional economic activity. Bihar is also a significant source state for child and adult migrant labour into brick-kilns and construction sites in neighbouring and distant states, exposing migrant children to the risks described in Section 8.3.

15.3 Rajasthan and Madhya Pradesh: Mining and Tribal Livelihoods

In Rajasthan and Madhya Pradesh, child labour is closely associated with mining and quarrying activity and with tribal livelihoods in forest-dependent regions with limited school access. Sandstone and marble quarrying in Rajasthan has been specifically documented as a hazardous occupation employing child labour, while tribal belts of Madhya Pradesh show child labour incidence well above the national average, consistent with the broader finding that Scheduled Tribe populations face disproportionately high rates of child labour nationally.

15.4 Maharashtra: Urban Informality and Cotton Cultivation

Maharashtra illustrates that economic prosperity at the state level does not eliminate child labour: despite being among India's wealthiest states, Maharashtra records a substantial child labour population concentrated in urban informal settlements and in cotton-growing districts, where children, particularly girls, have historically been engaged in cotton pollination and hybrid seed production — labour-intensive tasks requiring fine motor skills for which employers have specifically sought child workers, a pattern that NGO-led interventions have targeted directly.

15.5 Urban India: The Growth of City-based Informal and Child Labour

Across India more broadly, child labour has shown a documented shift from a predominantly rural phenomenon toward growing urban incidence, with some estimates cited by UNICEF pointing to a substantial rise in urban child labour among children aged 5 to 14 as cities offer more diverse, if often more hazardous and less visible, informal work opportunities, including domestic service, street vending, waste-picking, and small workshop labour. This urbanisation of child labour parallels the broader urbanisation of India's informal workforce and presents distinct enforcement challenges relative to rural, agriculture-based child labour.

16. Recommendations

Based on the evidence reviewed, the following recommendations are proposed, organised around prevention, protection, and formalisation.

16.1 Strengthening Prevention

7. Expand targeted household income support (building on MGNREGA and direct benefit transfer platforms) specifically linked to school attendance in the highest-incidence districts identified in this study, so that income support directly offsets the economic incentive for child labour.
8. Invest in school quality and last-mile access in tribal, migrant-source, and flood-prone districts of Uttar Pradesh, Bihar, Rajasthan, and Madhya Pradesh, where both out-of-school rates and child labour incidence remain highest.
9. Develop portable, inter-state education and welfare entitlements for migrant children, so that seasonal movement with parents does not result in a complete break from schooling.

16.2 Strengthening Protection and Enforcement

10. Increase the number and resourcing of labour inspectors and empower local self-government bodies (panchayats and urban local bodies) with a formal, trained role in identifying child labour and bonded labour, given the impossibility of covering India's informal enterprises through central inspection alone.
11. Accelerate the conversion of e-Shram registration into actual delivery of health, accident, and pension benefits, treating registration as a means rather than an end.
12. Strengthen victim identification and fast-track rehabilitation and compensation under the Bonded Labour System (Abolition) Act, with dedicated funding for immediate release and resettlement support.
13. Expand anti-trafficking coordination between state police, the Railway Protection Force, and Child Welfare Committees, building on demonstrated successes in intercepting trafficking through railway networks.

16.3 Supporting Formalisation Without Displacing Livelihoods

14. Provide graduated, low-cost pathways for micro and small informal enterprises to register and access formal credit and market linkages, recognising that abrupt formalisation mandates without transition support can push the smallest enterprises further underground rather than formalising them.
15. Extend statutory minimum wage enforcement mechanisms specifically to home-based and platform/gig work, sectors where the traditional employer-employee relationship is diffuse but economic dependency is real.
16. Support collective organisation models, such as SEWA's cooperative and union structures, that have demonstrated success in improving informal workers' bargaining power and access to social protection.

16.4 Improving the Evidence Base

17. Prioritise the collection of updated, granular Census or Census-equivalent data on child labour, given that Census 2011 remains the most recent source for several indicators used in this and other studies.
18. Standardise child labour measurement across national surveys (Census, PLFS, and Time Use Survey) to reduce the definitional divergence documented in Table 5.1, enabling more reliable trend analysis over time.

CONCLUSION

India's invisible workers – the millions of children engaged in labour and the still larger population of informally employed adults – sit at the foundation of the country's economy while remaining largely outside its formal systems of measurement, regulation, and protection. This study has shown that child labour and informal employment in India are not separate problems but structurally linked expressions of the same underlying condition: an economy in which a very large share of production continues to occur in small, low-visibility units that fall outside the effective reach of labour law. Census and survey data reviewed in this paper confirm that while child labour has declined substantially since the early 1990s, India continues to account for the largest number of child labourers of any country, concentrated in a handful of populous, agrarian states, and drawn disproportionately from tribal and economically marginalised communities. Simultaneously, PLFS data confirm that the overwhelming majority of India's adult workforce remains informally employed, with self-employment and casual labour together accounting for close to four-fifths of all workers as of 2023–24, the large majority of whom lack meaningful access to social security. India's legal and policy framework – from the constitutional prohibition on child labour and forced labour to the 2016 amendment of the CLPR Act and the 2019–2020 Labour Codes' attempt to extend wage and social security protection to informal workers – reflects genuine and sustained institutional commitment. The central challenge going forward is not the absence of law but the gap between statutory entitlement and effective, last-mile delivery, a gap rooted in enforcement capacity, data currency, and the sheer scale and dispersion of India's informal economy. Closing this gap will require sustained investment in education and household income security to prevent child labour at its source, strengthened and better-resourced enforcement to protect those already at risk, and a deliberate, non-punitive strategy for extending formal protections to informal enterprises and workers without displacing the livelihoods that millions of Indian households depend upon. Only through this combined approach can India's invisible workers move from the margins of statistical recognition to the centre of its labour policy.

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