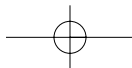





Forbes

FEBRUARY 25, 2008





That garden stone,
handmade
carpet or
embroidered
T shirt you just
bought was
probably
made by

Child Labor

By Megha Bahree

PRASHANTH VISHWANATHAN / GETTY IMAGES FOR FORBES

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YOTHI RAMULLA NAGA IS 4 FEET TALL. From sunup to sundown she is hunched over in the fields of a cottonseed farm in southern India, earning 20 cents an hour. Farmers in the Uyyalawada region process high-tech cottonseeds genetically engineered to contain a natural pesticide, on behalf of U.S. agriculture giant Monsanto. To get the seeds to breed true the farmers have to cross-pollinate the plants, a laborious task that keeps a peak of a dozen workers busy for several months on just one acre. And to make a profit the farmers have to use cheap labor. That means using kids like Jyothi, who says she's 15 but looks no older than 12. (Monsanto points to papers indicating she is 15.) To harvest the bolls three months later, the farmers use cheap labor again, not the machinery that is used to pick cotton in the U.S.

At the edge of where Jyothi is working, a rusting sign proclaims, "Monsanto India Limited Child Labour Free Fields." Jyothi says she has been working in these fields for the past five years, since her father, a cotton farmer, committed suicide after incurring huge debts. On a recent December morning there were teens picking cotton in nearly all of a half-dozen Monsanto farms in Uyyalawada, 250 miles south of India's high-tech hub Hyderabad. Last year 420,000 laborers under the age of 18 were employed in cottonseed farms in four states across India, estimates Glocal Research, a consultancy in Hyderabad that monitors agricultural labor conditions. Of that total 54% were under the age of 14 and illegally employed.

The law prohibits children under 14 from working in factories, slaughterhouses or other dangerous locations. There are some exceptions for farmwork—if the hours are limited, the kids are in school and there are no machines to be operated. But children like Jyothi put in ten-hour days in the field and miss school. Teenagers 14 to 18 years old can work during the day in factories but no more than 36 hours a week. Employer penalties include fines and imprisonment. But enforcement of the law is lax.

Even as India gallops toward First World status—with its booming economy, roaring stock market and rapid progress in autos and steel—it is still a giant back-yard sweatshop to the world, staffed by underage boys and



Thousands of teenagers like Jyothi Ramulla Naga, 15, ply the fields of southern India on behalf of farmers who work for multinational giants. She earns 20 cents an hour. Monsanto insists it does not use child labor, defined as kids under the age of 14. Jyothi says she has been working in these fields for five years. Monsanto explains it introduced its human rights policy in April 2006 and relies on spot checks by field inspectors for enforcement.





girls. The government itself, in its most recent account (from a 2001 census), estimates that 12.6 million children under the age of 14 are at work in India. NGOs that make a career of exposing excesses put the number much higher—50 million.

Child labor is as old as the earliest settlements in the Indus Valley thousands of years ago. It is, for that matter, not unknown in the U.S. As recently as 2001 Nebraska's legislature was debating whether to outlaw the use of 12- and 13-year-olds in seed corn fields, where youngsters of this age accounted for 25% or more of detasseling labor. (This job is like Jyothi's, except that in hybrid seed corn production the game is to prevent self-pollination.) The difference is that the teenagers in the Midwest get \$7 an hour so they can spend it at the mall. Their Indian counterparts are getting 20 cents an hour to buy food.

Every time you buy an imported handmade carpet, an embroidered pair of jeans, a beaded purse, a decorated box or a soccer ball there's a good chance you're acquiring something fashioned by a child. Such goods are available in places like GapKids, Macy's, ABC Carpet & Home, Ikea, Lowe's and Home Depot. These retailers say they are aware of child-labor problems, have strict policies against selling products made by underage kids and abide by the laws of the countries from which they import. But there are many links in a supply chain, and even a well-intentioned importer can't police them all.

"There are many, many household items that are produced with forced labor and not just child labor," says Bama Athreya, executive director of the International Labor Rights Forum in Washington, D.C. It's a fact of a

global economy, and will continue to be, as long as Americans (and Europeans) demand cheap goods—and incomes in emerging economies remain low. If a child is enslaved, it's because his parents are desperately poor.

The UN International Labor Organization guesses that there are 218 million child laborers worldwide, 7 in 10 of them in agriculture, followed by service businesses (22%) and industry (9%). Asia-Pacific claims the greatest share of underage workers (122 million), then sub-Saharan Africa (49 million). Noteworthy offenders: Cambodia, Mali, Burkina Faso, Bolivia and Guatemala (*see chart*). A decade ago India ratified the UN convention on children's rights but refused to sign one key clause that set the standard for child labor—14 and under. "This already waters down their obligations under international law, which of course remains a voluntary matter," says Coen Kompier at the ILO's New Delhi bureau.

Cottonseed farmer Talari Babu is a slim, wiry man dressed, when a reporter visited him, in black for a Hindu fast. "Children have small fingers, and so they can remove the buds very quickly," he says, while insisting that he no longer employs the underage. "They worked fast, much faster than the adults, and put in longer hours and didn't demand long breaks. Plus, I could shout at them and beat or threaten them if need be to get more work out of them." He could also tempt them with candy and cookies and movies at night. Babu says that pressure from Monsanto and the MV Foundation, an NGO in Andhra Pradesh backed by the Dutch nonprofit Hivos, forced him to quit using child labor. But minutes after a visitor arrives at his field, he receives a call on his cell phone asking him if a

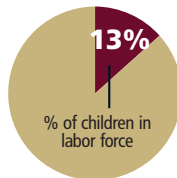


MEGHNA BAHRE

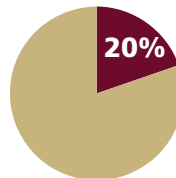
Big Numbers From Small Hands

Child labor is a global phenomenon. Still, some of the poorest regions of the world—and certain countries in particular—stand out for their reliance on work done by the underaged.

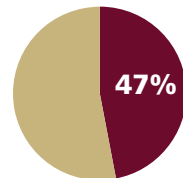
BANGLADESH
34,082,174



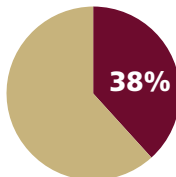
BOLIVIA
1,783,061



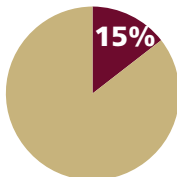
BURKINA FASO
3,462,184



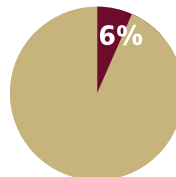
CAMBODIA
3,386,743



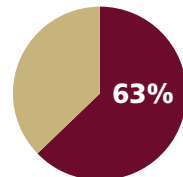
GUATEMALA
3,225,382



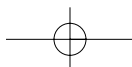
INDIA
199,791,198



MALI
3,664,237



Figures are for the total number of children 5 to 14 years old, except Bolivia and India, 7 to 14 years old. Sources: ILO; UNICEF; World Bank Group.



raid was being carried out on his farm. In 2006, he says, Monsanto paid him a \$360 bonus for not using child laborers. The bonus, though, doesn't make up for the higher wages that adults command. Says Babu: "Had I used children, I would've earned more."

Monsanto's competitors, the Swiss Syngenta and the German Bayer, also contract with farmers in India to produce seed. For all three the arrangement is like the one that governs chicken production in the U.S., with a giant corporation supplying inputs to a small farmer and then picking up the output at harvest time.

A typical Monsanto farmer owns only 1 to 4 acres of intensely cultivated cotton plants and keeps up to a dozen workers busy for the better part of a year tending to the plot. Often the farmer is from a higher caste (Brahmin), the laborers from a landless lower caste (Dalit). The pay, typically \$38 to \$76 a month, goes directly to the parents of the workers. Sometimes the farmer pays for the labor in advance, or offers a loan, charging the parents interest of 1.5% to 2% a month. There may be deductions from the pay envelope for food. Boarding for migrant laborers is usually free—often a spot on the farmer's veranda or in a shed with fertilizers or on a rooftop, next to the drying cotton.

The season starts with the sowing of seed, staggered over a three-month period that begins in April. Two months after a row is planted the bushes are in bloom and the real work begins. Pollen from male plants must be dusted by hand onto the flowers of female plants. The pollination work lasts for 70 to 100 days and is followed by cotton-picking staggered over several months. Children's hands are ideal for the delicate work with stamens and pistils. Their bodies are no better at withstanding the poisons. At least once a week, says Davuluri Venkateshwarlu, head of Glocal, farmers spray the fields with pesticides like Nuvacron, banned by the U.S. Environmental Protection Agency, and endosulfan, methomyl and Metasystox, considered by the EPA to be highly toxic. Venkateshwarlu ticks off the effects of over-exposure: diarrhea, nausea, difficulty in breathing, convulsions, headaches and depression.



Santosh, 7 years old, spent her first week on the job at a quarry in the state of Rajasthan. She gets paid by the cobble. At a nearby quarry, Raju, 15, has been at it four years, a veteran of the piles of sandstone waste.

The farmers buy the starter seed from Monsanto at a cost that comes to the equivalent of \$30 an acre. That acre will produce something like 900 pounds of cottonseed, to be sold back to Monsanto at \$3.80 a pound, or \$3,400 an acre. The cotton fiber is sold separately by a middleman.

In a magnanimous gesture that accomplished nothing, the Indian government cracked down on the seed companies by putting a ceiling on the cost of the starter seed (it used to be \$64 an acre) but did nothing to change the price paid for the product seed, left to the seed companies. The product price has remained essentially flat in rupee terms over the past six years, despite 4.7% average annual inflation in India.

Farmers say their cost squeeze forces them to use child labor. "That allegation is not true," says Monsanto spokesperson Lee Quarles. "Indian cottonseed producers actually realize almost seven times the financial benefits growing cottonseed for local seed companies

than if they were to sell that same yield at farm gate prices”—using their land, that is, primarily to produce cotton rather than seed.

In the neighboring states of Karnataka, Maharashtra and Gujarat, you find children producing genetically modified seeds for such vegetables as okra, tomatoes, chilies and eggplant, in the service of Syngenta, says Venkateshwarlu. The tomato and chili flowers are even smaller and more delicate than the cotton buds. The pesticides are more frequently applied, Venkateshwarlu says, and the pay is less, 5 to 10 cents an hour, even



though the mandated minimum wage is 17 cents. Not so, Syngenta insists. “Our contracts require payment of minimum wage,” says Anne Burt, a spokesperson, adding that Syngenta has a strict policy against child labor. The seeds are sold to U.S. farmers, the tomatoes and eggplant to U.S. consumers.

Monsanto, Syngenta and Bayer, all working under the glare of labor monitors like Glocal, are grappling with ways to prevent the abuse of children. They have, in fact, a symbiotic relationship with these outside groups, sometimes paying them to keep watch over the fields or scold parents into sending their children to school. Monsanto says if it finds a farmer employing children, it cans him. But in interviews farmers say that happens only after a third offense. “The problem,” says Mohammad Raheemuddin of the MV Foundation in Hyderabad, “is that too few people have been assigned to monitor a vast area.”

“One reason [monitoring groups] are so important in India is because the government has been an utter failure in implementing the law,” says Zama Coursen-Neff, deputy director at Human Rights Watch in New York City. “But in any situation where there’s funding available there is room for corruption and abuse” (see box).

PHOTOGRAPHS BY PRASHANTH VISHWANATHAN / GETTY IMAGES FOR FORBES

Caveat Donor

India has 46 billionaires, and it has 300 million people living on less than \$1 a day. As the nation’s experiment with socialism collapsed, a swarm of do-gooder organizations moved in, offering services traditionally provided by government—or, at least, pretending to do so. Their backers include newly affluent Indians, Westerners and the World Bank. At last count, according to the Indian government, 32,100 NGOs were registered to receive money from abroad and 18,600 were doing so.

Is the money well spent? Says Dipankar Gupta, a professor of social sciences at Jawaharlal Nehru University, “95% of the NGOs are giving the remaining 5% a bad name.” The World Bank would agree: Last month, for the second time since 2006, it alleged fraud, bribery and fake documents among bogus health care charities.

Many Indian nonprofits have done good works with slender means. Pratham, a group in Mumbai, has helped hundreds of kids get a decent education. CanSupport, in New Delhi, provides free care for terminally ill cancer patients. Sanjay Bapat, founder of IndianNGOs.com, says NGOs played an important role in the passage of the Right to Information Act, which lets citizens find out how members of parliament are spending taxpayer funds, among other things. Other groups have forced American and European corporations to come to terms with child labor problems.

But with little accountability come opportunities for skulduggery. Local groups may register with their charity commissions; those seeking funds from non-Indians, with the Ministry of Home Affairs. Both must file financial reports, Bapat says. But release of those reports to the public is optional, and no agency oversees or audits the work of charities. Professor Gupta says a lot of folks running nonprofits are retired government officials who exploit their political connections for money, often putting their families on the payroll. Some of the larger groups, he says, devote 70% of their budgets to administrative costs, like air conditioners and chauffeurs. “There’s an expression,” says IndianNGOs.com’s Bapat, “More people are living off AIDS than dying from it.”

Even some legitimate groups play loose with the truth in order to garner publicity and money. A recent visitor to the Carpet Belt in northern India was invited by Bachpan Bachao Andolan, the group that busted the subcontractor supplying goods to GapKids, to witness child labor. At the purported site, two boys, 6 years old or so, sat before a loom. When asked to show their weaving skills, they didn’t have a clue what was expected of them.

Plenty of desperate problems go begging for want of media attention. Among them: domestic abuse, child prostitution and pollution of drinking water.

How to tell a good charity from a rotten one? GiveIndia.org and AidIndia.org research charities and say they can ensure that 90% to 96% of a contribution to a charity that passes muster goes to the intended cause.

—Megha Bahree and Emily Stewart

At the very least, the watchdogs have learned to exploit the media. Sometimes they tip off journalists before persuading the police to raid a sweatshop. In October 2007 the New Delhi group Global March Against Child Labor informed the *Observer*, the British daily, that 14 kids, some as young as 10, were spending 16 hours a day at a subcontractor embroidering blouses for GapKids. Gap, which has placed that vendor on probation and cut its orders, recently met with suppliers to underscore its zero-tolerance policy and created a \$200,000 grant to improve workshop conditions.

The labor organizations can't agree on how to ameliorate the situation. Some say that children of poor families have to work in order to make ends meet and that the government should offer them night classes to prepare them for better jobs. Others want to end child labor by finding jobs for parents, thereby eliminating the necessity for kids to work. "There is obviously a demand for labor," says labor economist Ashok Khandelwal, who works with unions. "But if a child is working that [usually] means the parents aren't."

Seven-year-old Santosh hadn't been in her new job a week yet in Dabbi, in the western desert state of Rajasthan, when a reporter visited. Chiseling quarry waste into blocks, she hurt her thumb and several fingers while figuring out how to hold a piece of sandstone in place with her foot in order to shape it to the desired



size. India is the third-largest exporter of decorative stone—marble, granite, slate, sandstone—after Italy and China, with \$1.2 billion in export revenue in fiscal 2006. Her work will likely end up in the garden and patio shops of American retail chains.

"We mandate an age of 16 or older," says Karen Cobb, speaking for Lowe's. "Our inspections cover quarries and have found that our vendors are in compliance with our standards."

Laborers get paid by the cobble—a penny for a piece of 8 square inches, 7 cents for one of 66 square inches. Children are ideal because of their flexible hands and gentle pressure on the chisel and the hammer, says Rana Sengupta with the Mine Labor Protection Campaign

Rakil Momeen, 14, dropped out of school and trekked half way across the country to start working at a loom in the northern state of Uttar Pradesh. Like many other carpetmakers, he works from 6 a.m. until 11 p.m. and earns \$25 a month.



(Trust) in Rajasthan. Hammer bruises are as common as cuts from flying pieces of the stone or slices from the chisel. So, too, says Sengupta, is silicosis, tuberculosis and bronchitis from inhaling dust particles.

Leela, 10, has been at this work for two years now. In a nine-hour workday she can turn out 50 pieces and earn \$1.26. She takes two days off a month. At another Rajasthan quarry, 15-year-old Raju has spent his adolescence among the piles of sandstone waste. He dropped out of school four years ago to make cobbles. He's become something of a veteran. "I used to get hit by these broken pieces in my shins all the time," Raju says. "But with practice I finally got it right." Occasionally a piece of the chisel breaks and flies off like shrapnel. Raju points to a worker who has such a wound, just under his ribs. "It doesn't hurt," he assures.

Further north, in the state of Uttar Pradesh, hand-knotted carpets are made and sent to showrooms in the U.S. You'll find such goods, says Washington D.C. NGO Rugmark, at Bloomingdale's, ABC Carpet & Home and Ikea. The chains insist they do not tolerate child labor. In Mirzapur most looms are inside people's homes or in communal sheds. Workers live and sleep in the same low-slung sheds, stepping down into 3-foot-deep trenches dug into the earthen floors to house the looms. Two or three people sit at a loom. The pits get damp, especially during the monsoons, and after the daylight fades, weavers must rely on a single naked lightbulb.



DANIEL PEPPER / GETTY IMAGES FOR FORBES



For the past year 14-year-old Rakil Momeen has been working at a loom in a shack in Mirzapur. A fourth-grade dropout, he left his parents in West Bengal and trekked halfway across the country. In his new life he works from 6 a.m. to 11 p.m. and earns \$25 a month. After every knot the threads must be cut precisely with a sharp, curved blade. Rakil complains, not about nicks in fingers, but about homesickness. His face lights up as he remembers his childhood in the Malda district. "I used to hang out with my friends and my parents all the time," he says. "I really miss that." A cricket fan, he keeps his worn-out cricket bat next to him at the loom; occasionally he gets to play a game on Sundays.

India is full of painful incongruities. In the capital, on Asaf Ali Road, just across from the Delhi Stock Exchange and behind a wall of tiny storefronts, is a maze of alleyways 2 feet wide, with exposed rooms on both sides. In some places rickety metal ladders go three floors high to the rooftop. Crammed into rooms no bigger than a king-size bed, six to eight young boys, some as young as 5 years old, are hard at work. They're decorating photo frames, diaries, shoe heels and such with sequins and pieces of glass. You can find similar items at stores like Pier 1 and Target, says Athreya of Labor Rights Forum. The companies insist that their vendors

not employ underage children.

In one such room, where the only piece of furniture is a low workbench, 10-year-old Akbar sits on the floor and mixes two powders into a doughy adhesive, his fingers blackened by the chemicals. Another boy spreads a thin layer of the mixture on a photo frame and a third, seated on his haunches, starts pasting tiny pieces of mirrors and sequins along the border. He sways back and forth, a habit most kids have developed to keep the blood flowing through their limbs as they sit for several hours. Decorating one 5-by-5-inch frame consumes six child-hours. The boys, who all live in the room and cook their own food here, typically work from 9 a.m. to 1 a.m. for \$76 a month. Many have teeth stained from cigarettes they smoke and tobacco they chew to relieve the tedium.

Sometime within the next few months Gap intends to convene a global forum to consider "industrywide solutions" to child labor. Good luck. Since October Gap has cut in half its orders from a contractor in New Delhi it claims had subcontracted embroidery work out to an unofficial vendor without the company's knowledge. But in the wake of the bust, middlemen have found new ways to duck responsibility by removing labels that identify the origin of apparel. Says Bhuwan Ribhu, whose organization, Bachpan Bacho Andolan, helped bust the contractor, "Now it's even harder to trace who the shipment is for and to hold the companies accountable." **F**

