

Child Labour and MNCs in Cottonseed Production in India



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OVER VIEW OF COTTON PRODUCTION- INDIA

- India has the distinction of having largest area under cotton cultivation and largest number of cotton farmers in the world.
- With about 22 million acres of land under cotton crop, India accounts for 22 % of world's total cotton area and 13% of global cotton production.
- One third of world's cotton farmers live and work in India
- Cotton accounts for 5% of the total cropped area in India



Child labour in cottonseed production

- Use of hybrid varieties in cotton is a Asia specific phenomenon
- About 75% of total cotton area in India is currently covered with hybrid varieties. BT cotton hybrids account for 40% total cotton area
- Children are used in both commercial cotton and hybrid cottonseed production.
- There is a very limited Information available on the magnitude of child labour in cotton production but extensive use of child labour is reported in hybrid cotton seed production activities



Child labour- hybrid cottonseed production

children are
exploited

and

Adults are
unemployed

in Hybrid Cottonseed
Production in India



Magnitude of the problem

- In India nearly 250.000 children are employed in hybrid cottonseed production
- 85.000 are from Kurnool and Mahabubnagar districts of Andhra Pradesh
- Children constitute about 60% total workforce and about 70% of them are girls.
- No other industry in India has such a high proportion child labour in its workforce



Magnitude of the problem

- **Girls exploitation in this sector is linked to larger market forces (national and International capital)**
- **Organised attempts are made by the employers to woo the children into this sector**
- **Adult women are deliberately kept off from cottonseed work.**
- **In seed production areas the rates of unemployment among adult women and out migration of them is high**



- **AP accounts for 40% of hybrid cottonseed production in the country**
95% production in AP is concentrated in two districts- Kurnool and Mahaboobnagar



Emasculation



Pollination



- **Emasculation and pollination work is done manually which alone requires 90% of total labour days and 45% of capital investment**
- **Children, particularly girls, are mostly employed for this activity**

Terms & conditions of employment

- **Long-term contracts & Debt bondage**
- **Low wages**
- **Long working hours**
- **Inducements to extract more work**



Reasons for preferring female child labour

- Girls' wages are much lower than adult wages
- They work longer hours
- They are willing to work more intensively
- They are generally easier to control



Impact on Education & Health

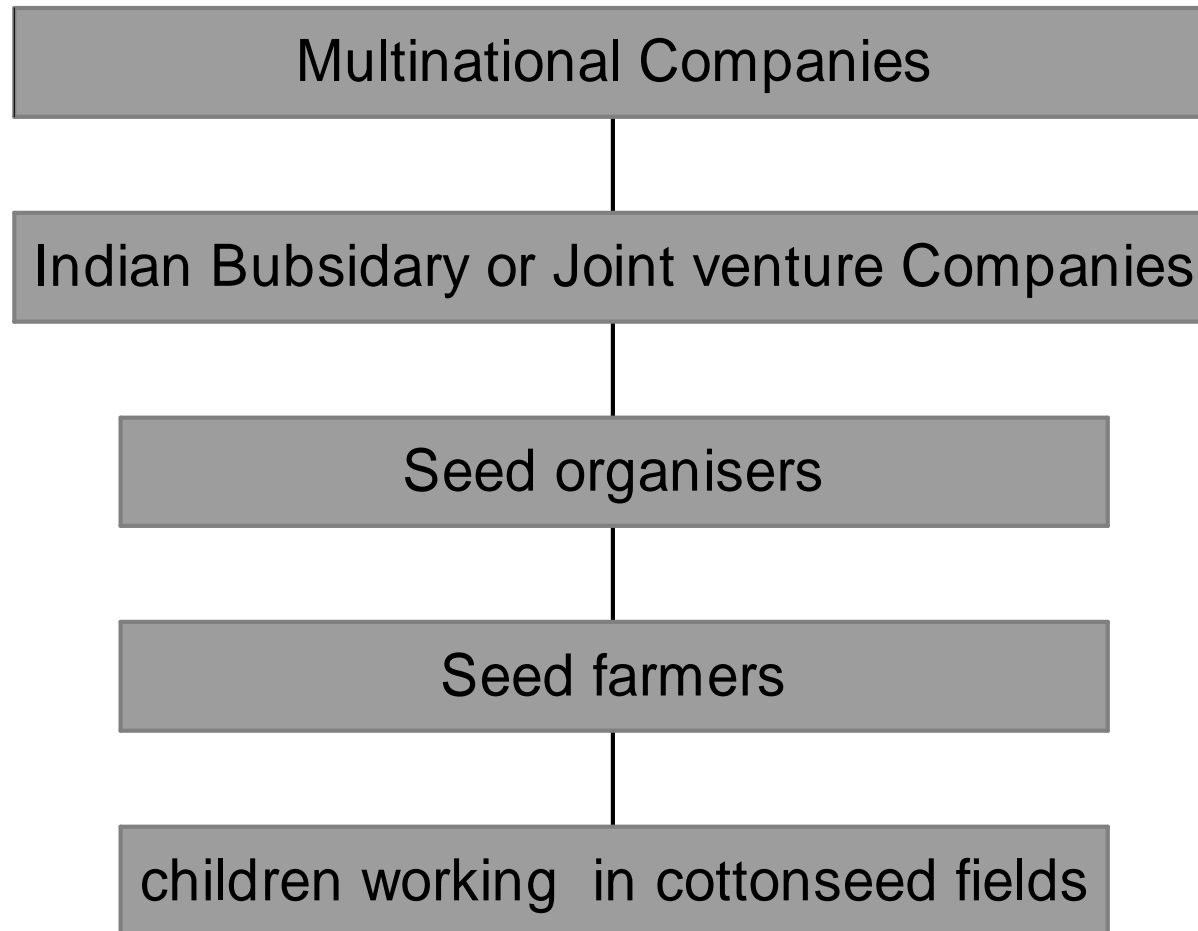
- **More than 85% children working in cottonseed fields are not attending school.**
- **Children are directly exposed to high quantities of pesticides used in cottonseed production.**
- **The general health problems reported by children include -severe headaches, weakness, convulsions and respiratory depression**
- **Few cases of deaths due to pesticide exposures are also reported**



Role of Seed companies

- Seed companies including MNCs like Monsanto, Bayer, Delta and Pine Land)till recently Syngenta, Unilever and Advanta) are indirectly involved in perpetuating the problem of child labour.
- Currently Monsanto has direct control of 8% and indirect control (through its joint ventures and sub licensees) of 35% and Bayer 2% cottonseed business in India. The control of MNCs is rapidly increasing in recent years
- Companies make buy back arrangements with seed farmers who actually employ child labour

MNCs & child labour



Child labour issue-Initial response

- Problem brought to the notice of seed companies in 2001 by local NGOs in India.
- Seed companies first denied the problem. They did not show any interest to discuss the problem with local NGOs

Pressure from International NGOs and social Investor groups

- In 2003 a new report was published which was translated into several languages. This report received wide publicity in news papers and TV channels in Germany, Netherlands and Swizerland.
- NGOs and social investor groups in Germany and Netherland started putting pressures on MNCs.
- German Watch, Global March Against child labour, DWHH, Coalition against Bayer dangers and one word net work NRW are actively involved in campaign against Bayer in Germany. In US ILRF took the issue with Monsanto
- Because of pressure MNCs started discussions with local NGOs in India in 2003.

Discussions with MNCs since 2003- progress to date

- Due to pressure from NGOs and social investor groups Bayer, Monsanto and Syngenta initiated dialogue with MV Foundation a leading child rights NGO in Andhra Pradesh in 2003.
- A joint committee with representatives of seed companies and local NGOs was established to prepare and implement an action plan to eliminate child labour from cottonseed fields.
- Though they promised several measures they were very slow in implementing them. Till 2004 September not much was happened. Indian and Northern NGOs were unhappy with the slow response from seed companies.
- To increase the pressure on Bayer German NGOs lodged a complain against Bayer with German national contact point under OECD guide lines in October 2004. .

Discussions MNCs -progress to date

- In 2005 January MNCs again initiated a dialogue with local NGOs. Several meetings were held between MNCs and local NGOs.
- A detailed action plan was finalised. According to this action plan Bayer will share all the necessary information with local NGOs, accepted for Joint monitoring of fields, impose penalties against farmers who is child labour, pay 5% extra price as a incentive to farmers who do not employ children, special schools for mainstreaming child labour into formal schools.
- Some progress was made but several new problems cropped up while implementing the action plan at ground level. The field level company staff and suppliers were not properly motivated to cooperate with local NGOs and implement the action plan.
- This created problems for local NGOs to continue cooperation with seed companies because they felt real improvement is not taking place. They also felt that companies are talking more and doing little. MV Foundation withdrawn from joint monitoring and stated that they will do independent monitoring and send the information to companies for necessary action.
- Despite MVF withdrawal seed companies continued their joint filed inspections and implementation of action plan agreed.

Current situation

- The concerted pressure from local and international NGOs, Social investor groups, rating agencies put MNCs under great pressure to initiate steps to address the problem.
- The initiatives undertaken by MNCs to address the problem of child labour had some positive impact. Compared to previous years the magnitude of child labour has come down but the numbers still indicates that the problem is still significant.
- If companies have a clear policy on child labour the implementation has to be done irrespective of production locations and types of operations. Currently this not happening. companies are responding where-ever there is pressure and whenever problems are publicly pointed out.
- Presently MNCs are showing interest, albeit under public scrutiny, to address the child labour problem in cottonseed operations. This is shown by the fact that a similar interest is lacking by these companies to implement the same other seed operations.
- Nunhems and Seminis both subsidiaries of Monsanto and Bayer exclusively involved in vegetable seed production. The problem of child labour was also reported in vegetable seed production. Both Nunhems and Seminis have not yet begun to implement a no child labour policy in their production farms