



Child Labour and Informal Employment in India: The Political Economy of Exploitation, Social Protection and State Policy

Javed Iqbal Tramboo¹

¹ Associate Professor, Department of Economics, Govt. Degree College, Doda, Jammu and Kashmir, India

* Corresponding Author:

Javed Iqbal Tramboo
javediqbaltramboo123@gmail.com

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ABSTRACT

India is home to the largest number of working children and informal workers of any country in the world, and the two phenomena are deeply intertwined. This paper examines the condition of 'invisible workers' children and informally employed adults whose labour sustains large parts of the Indian economy while remaining largely outside the reach of labour law, social protection, and public accounting. Drawing on Census of India data, the Periodic Labour Force Survey (PLFS) of the Ministry of Statistics and Programme Implementation (MoSPI), reports of the International Labour Organization (ILO), UNICEF, and the U.S. Department of Labor, together with peer-reviewed literature published up to 2024, the study maps the magnitude, sectoral concentration, and state-wise distribution of child labour and informal employment in India. It further analyses the structural drivers of economic exploitation poverty, caste and gender disadvantage, seasonal migration, debt bondage, and the fragmentation of production into small, unregulated units and evaluates the legal and policy architecture built to address them, including the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 (amended 2016), the Right of Children to Free and Compulsory Education Act, 2009, and the Code on Social Security, 2020. The paper presents original tables and charts summarising national and state-level data, and concludes with a set of policy recommendations centred on universal social security registration, stronger enforcement at the last mile, and the formalisation of informal enterprises without displacing the livelihoods that depend on them.



INTRODUCTION

Behind the visible engines of the Indian economy its farms, factories, construction sites, garment workshops, and city streets works a much larger, largely uncouneted 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

Bourdillon and colleagues, along with later Indian scholars, examined trends and measurement issues in child labour in India, while a study published in Child Indicators Research estimated around 13.2 million child labourers aged 5–17 using combined NSS Employment-Unemployment Survey and India Human Development Survey data. UNICEF Innocenti (2024), using recent survey evidence including the India Time Use Survey, further examined the changing measurement and nature of child labour. Research on informal employment has drawn on the Arjun Sengupta Committee and subsequent PLFS-based studies, while a 2025 study in Discover Global Society examined the determinants of informal employment using PLFS data and identified education, caste, gender and sector as important factors. Studies on bonded labour have also shown how debt and informal employment can draw entire families, including children, into exploitative work. This study brings these strands together to examine child labour and informal employment in relation to the state, society and social protection in India

3. Conceptual Framework

The study conceptualises “invisible workers” as children and adults whose labour remains largely outside formal systems of recognition, regulation and social protection. It considers child labour in accordance with Indian law and the ILO distinction between child work and exploitative child labour, while defining informal employment as work lacking formal employment protections such as written contracts and social security. The framework understands economic exploitation through low or unpaid wages, excessive working

hours, hazardous conditions, debt bondage and forced labour. It therefore examines child labour and informal employment as interconnected forms of vulnerability shaped by weak regulation, insecure livelihoods and inadequate social protection.

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.

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, India has the largest absolute number of child labourers globally, regardless of the methodology used. Second, child labour has generally declined since the early 2000s, with Census-based estimates for children aged 5–14 falling by about 20% between 2001 and 2011. This decline is associated with measures such as the Right to Education Act, Mid-Day Meal Scheme, MGNREGA and government and NGO rehabilitation efforts. However, the 2019 Time Use Survey indicates that children, particularly girls, continue to undertake substantial unpaid domestic work alongside schooling, which is not fully captured by conventional Census-based measures.

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.

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.

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

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

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

Child labour and informal employment are closely connected through household enterprises, informal employers and seasonal migration. Children often work in family farms, workshops, shops and eateries, where the law permits certain forms of family assistance but where the boundary between legitimate help and exploitative labour can be difficult to identify. Children are also employed in informal activities such as brick-kilns, small workshops, domestic service and roadside businesses, where weak registration and inspection make exploitation harder to detect. Seasonal migration further increases vulnerability, as migrant families may lose access to schools and welfare services, while debt advances and weak bargaining power can expose both adults and children to wage exploitation and bonded labour.

9. Determinants of Child Labour and Informal Work

Child labour and informal employment result from overlapping economic, social, educational and structural factors. Poverty and irregular household income can make children's earnings necessary for immediate survival, while child labour itself reduces schooling and future earning opportunities. Caste and tribal disadvantage, particularly the higher incidence among Scheduled Tribes, reflects wider economic and geographical inequalities, while gender affects the visibility of child labour through girls' unpaid domestic and care work. Limited school access, poor infrastructure and education-related costs can also encourage children to enter work. At the same time, India's large number of small and informal enterprises creates conditions



where labour regulation is difficult to enforce. Migration, debt and dependence on wage advances further expose poor households to exploitative work, particularly in sectors such as brick-kilns and stone quarries.

10. Forms of Economic Exploitation

Economic exploitation of invisible workers in India takes several forms, including low or delayed wages, excessive working hours, hazardous working conditions, debt bondage, trafficking, denial of social security and exploitative domestic work. Informal workers often lack written contracts and effective mechanisms to enforce minimum wages, while children continue to face hazardous work in sectors such as brick-kilns, stone quarries, garment and leather production. Debt bondage can tie workers and their families to employers through advances and accumulated debt, despite its prohibition under the Bonded Labour System (Abolition) Act, 1976. Children and migrant workers are also vulnerable to trafficking for forced labour and domestic servitude. At the broader level, limited access to health insurance, accident compensation, maternity benefits and pensions leaves a large section of informal workers economically insecure, although the Code on Social Security, 2020 and e-Shram seek to extend social-security protection to unorganised, gig and platform workers.

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. 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

The Indian government has introduced several programmes to address child labour and informal employment, including the National Child Labour Project (NCLP) for identification, withdrawal and rehabilitation of child labourers; the PENCiL Portal for reporting and enforcement; Samagra Shiksha and PM-POSHAN to improve school enrolment and retention; MGNREGA to support household income; e-Shram to facilitate social-security delivery to unorganised workers; PM SVANidhi to provide credit to street vendors; Pradhan Mantri Shram Yogi Maan-dhan for pensions; and Ayushman Bharat-PM-JAY for health insurance. Institutional responsibility is shared among state labour departments, District Child Protection Units, the National Commission for Protection of Child Rights (NCPCR), and various central and state welfare bodies. However, fragmented responsibilities and the ongoing transition to the social-security framework under the 2020 Labour Codes continue to create challenges in coordinated implementation.

13. Role of Civil Society and NGOs

Civil society organisations and NGOs have supported child-labour reduction through rescue, rehabilitation, education and grassroots advocacy. The Kailash Satyarthi Children's Foundation/Bachpan Bachao Andolan has played an important role in child rescue and rehabilitation, while Save the Children (Bal Raksha Bharat) has worked to reduce child labour in agriculture and facilitate children's entry into formal schooling. Regional organisations have also worked with brick-kiln, quarry and migrant communities to identify child and bonded labour and connect families with rehabilitation schemes. For informal workers, SEWA has promoted collective organisation among women workers and improved access to credit, social security and markets, while trade unions and worker collectives have advocated sector-specific welfare measures and minimum-wage protection.

14. Implementation Challenges

The implementation of child-labour and informal-employment policies faces several challenges, including limited labour-inspection capacity, gaps and inconsistencies in data, fragmented institutional responsibility, difficulties in distinguishing family-based work from exploitative child labour, and migration-related gaps in access to education and welfare. The slow conversion of e-Shram registration into actual social-security benefits also remains a concern. Most importantly, because many poor households depend on child and



informal labour for immediate income, enforcement without alternative livelihood and income support may push vulnerable families towards more hidden and precarious forms of work.

15. Regional Case Illustrations

India's regional patterns of child labour reflect differences in population, poverty, migration, industrial structure and access to education. Uttar Pradesh has the largest absolute number of child labourers, with major concentrations in informal industries such as carpet weaving in Bhadohi-Mirzapur, brassware in Moradabad and glass bangle production in Firozabad. Bihar faces child labour linked to agrarian poverty, recurrent flooding and migration, with children often accompanying families to brick-kilns and construction sites. In Rajasthan and Madhya Pradesh, mining, quarrying and limited educational access in tribal and forest-dependent areas contribute to child labour, particularly in hazardous occupations. Maharashtra shows that economic development does not eliminate child labour, with children found in urban informal settlements and cotton-growing areas, including labour-intensive cotton seed production. Across urban India, child labour increasingly appears in domestic work, street vending, waste-picking and small workshops, creating new challenges for identification and enforcement.

16. Recommendations

Based on the evidence reviewed, the study recommends a coordinated approach centred on prevention, protection, formalisation and improved data. Household income support should be strengthened and linked with school attendance in high-incidence districts, alongside better school access and quality in tribal, migrant-source and vulnerable districts. Portable education and welfare entitlements should protect migrant children from disruption in schooling. Labour inspection should be strengthened with greater involvement of panchayats and urban local bodies, while e-Shram registration should be converted into effective access to health, accident and pension benefits. Victim identification, rehabilitation and compensation under the Bonded Labour System (Abolition) Act should be improved, with stronger coordination among police, the Railway Protection Force and Child Welfare Committees. At the same time, informal enterprises should be offered gradual and affordable pathways towards registration, formal credit and markets, while minimum wage protection should be extended to home-based and platform workers. Collective organisations such as SEWA can strengthen workers' bargaining power and access to social protection. Finally, updated and more detailed data on child labour should be collected, and child labour measurement should be standardised across the Census, PLFS and Time Use Survey to support reliable comparison and policy-making.

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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