

# *Breaking the child Labor: Poverty trap*

## *Economics 3240 lecture notes, Spring 2014*



UNICEF/89-0052/ Vaudier

*In cottage industries throughout the world, all family members contribute. In Honduras, a young boy sleeps at the work table where he stitches softballs in his home.*

Left: photos from Chapter 2 of UNICEF's 1997 [State of the World's Children](#)— a very good report on the issues discussed in these notes. See also the ILO [2011 slide show](#) on Hazardous work

# UNICEF 1997: 4 Child Labor Myths:

- **Myth 1: Child labor is uniquely a problem of LDCs:**
- **Myth 2: Child labor cannot be eliminated until poverty disappears** ILO & NGO programs do work—example the MOU with the BGMEA.
- **Myth 3: Most child workers work in sweatshops exporting goods to rich countries** (less than 8% of all workers work in these sectors).
- **Myth 4: The only way to make progress is through trade sanctions and boycotts** as proposed under the Harkin Bill for example.. “such measures are blunt instruments with consequences that can actually harm rather than help the children involved.”

# UNICEF 1997: Seven steps to end child labor

1. **Immediate elimination of hazardous child labor**
2. **Provision of free and compulsory education**
3. Wider **legal protection in the informal sector** of the economy, including work on the streets and farms, domestic work or work within the child's own household.
4. **Birth registration** of all children All children should be registered at birth (article 7 of the Convention).
5. Data and monitoring with special attention to the **forgotten or 'invisible' areas of child labor**, such as within the home, on the family farm or in domestic service..
6. **Charters: codes of conduct and procurement policies**  
Procurement policies must be developed to take into account the best interests of the child and include measures to protect those interests.

## Children under 14 working full or part-time: a distressing symptom of severe poverty

- *The demographic transition leads to surge in the number of children— some of whom are put to work by their own families (Chai Feng, Kabeer, casual or tag along child workers, as long as truancy laws enforced, OK).*
- ***Ban hazardous work:*** *child labor can be hazardous, especially domestic work and in agriculture: child development adversely affected: reduces education, work injuries, increased morbidity...*
- ***Child labor poverty trap:*** *working children ameliorate poverty in the short-term by raising family income, but can perpetuate poverty in the long term if children sacrifice education for work.*
- ***Child labor bans and boycotts*** *may make both poor families and child workers worse off (BGMEA MOU example). Answer: replace child earnings food for work, hammers and homework, CCTs in Brazil and Latin America.*

Child labor is illegal, everywhere, can and should such bans be enforced?

**Welfarist or pragmatic approach:** only laws that make children better off should be enforced (example: 1993 Harkin Bill despite the BGMEA MOU: 50,000 young workers fired, only 8-10,000 end up in school, despite MOU and ILO/UNICEF-BRAC intervention)

**Absolutist or human rights view—** child labor laws must be enforced at any cost, to any one, even if in the short term children and families are worse off.

# Emerging consensus:

- ***Enforce child labor bans for hazardous occupations*** e.g., mining, prostitution, sugar cane, etc. about 8 million children are in these occupations.
- ***Compensated mandatory school attendance*** enforce truancy. Best with free tuition, and CCTs subsidies tied to school attendance – Mexico's [Oportunidades](#) or [Brazil's Bolsa familia](#).
- ***New Laws regulating domestics*** children who work in the homes of others (see SOWC 1997) India passed new law (Hong Kong, Singapore).

# Emerging consensus:

- In poor countries children work matters for household income (boys do farm work, girls work in the home or do child care).
- CCTs are the perfect solution (see also BGMEA-MOU) parents are paid to send kids to school (as with [Laila](#))
- [the ILO](#) and [U.S. DOL](#) also identify many Creative community based Solutions



# Child Labor: readings

- The view from Bangladesh, see Naila Kabeer, *The Power to Choose: Bangladeshi Women's Labor Market Decisions in London and Dhaka*, [Chapter 11](#), Verso Press, London. Especially pages 367-87
- [Bangladesh Human Rights Network](#), “Harkin Bill and child workers in Bangladesh” ([pdf version](#) in case internet is down in BGD)
- UNICEF, [An Agreement with Bangladesh](#), [Ending Child labor](#), [Myths about Child labor](#), 1997.
- The view from the U.S. A week in the [Chai Feng sweatshop](#), Brooklyn, [1995 New York Times](#), Jane Lii and
- Kristof and WuDunn, 2000, [Two Cheers for Sweatshops](#), New York Times Magazine.
- Carla Power, 2008, [Manufacturing: the burden of good intentions](#) [Time Magazine June 11<sup>th</sup> 2008](#)
- Christopher Undry, [2006, Child Labor](#) (first 2 pages, last two pages)
- Child labor in India, Terry Friel, 2004” At 5 [Rina already has a back-breaking job....](#) [Child Labor Case study page](#), just parts I & case studies 1-8



## Globalization & exports has little to do with Child Labor (see UNICEF Myths 3&4)

- **Some child labor is hazardous and/or abusive—bonded slavery, mining, prostitution, etc.** *this sort of child labor is and should be banned—its is illegal but bans need to be enforced.*
- **Less than 10% of all child labor takes place in export oriented manufacturing** *and mining or agriculture industries— most children work in domestic services and local food production and child care— often in the home.*
- **Attempts to reduce child labor with trade sanctions have unintended negative consequences—e.g.,** *proposed Harkin Bill in 1995 which provoked a reaction from Bangladesh Garment factory owners even though it was never passed by Congress....*

## UNICEF Six part Child Labor program:

1. **Ban hazardous and exploitive child labor:** bonded labor, commercial sexploitation and work that hampers physical, social and cognitive development of the child.
2. **Free and compulsory education**—all children should be required to attend primary school with adequate(??) support from government aid budgets.
3. **Add legal protections for children working at home and informally.**
4. **Register all births**— as this is the key to enforcing all child rights and protections.
5. **Data collection and monitoring:** find out where and how children work.
6. **Codes of conduct and procurement policies** to enforce above provisions.



# Striking a balance: the view from Chile

*“adolescents who want to work should be able to...”*

***Camila Merino, Labor Minister in Chile, 2010,***

See [ILO IPEC 2011, Growing up protected: a handbook.](#)

“I believe that adolescents who want to work should be able to, not only because it gives them a chance to earn their own money, but also because they can help their families and gradually save money to pay for their higher education in the future. Working during adolescence also helps them develop. It requires discipline and a sense of responsibility, steering them away from bad habits such as drug use and alcohol consumption”

***Provided all work is*** “in compliance with current law regulating adolescent work in Chile” our “Regulation on Hazardous Labor” lists “jobs and work-related activities that should not be undertaken by adolescents to prevent harm to their morals, physical or psychological health.” and “Fulfillment of adolescents’ school obligations must be confirmed.... Employers “must ask for their enrolment or regular student certificate... It is essential to “strictly monitor compliance with safe work.”

Source: ILO (2011) *Growing up Protected: a handbook for the protection of adolescent workers* , IPEC [http://ww3.achs.cl/segurito/GACREPORTE/manual/en/images/growing\\_up\\_protected.pdf](http://ww3.achs.cl/segurito/GACREPORTE/manual/en/images/growing_up_protected.pdf)

# Child Labor: Facts and Issues 2

Table 1: Estimates of various forms of children's work, 2004 and 2008

	Total children ('000)	Children in employment		Child labour		Hazardous work	
		('000)	%	('000)	%	('000)	%
<b>World</b>							
2004	1,566,300	322,729	20.6	222,294	14.2	128,381	8.2
2008	1,586,288	305,669	19.3	215,269	13.6	115,314	7.3
<b>Boys</b>							
2004	804,000	171,150	21.3	119,575	14.9	74,414	9.3
2008	819,891	175,777	21.4	127,761	15.6	74,019	9.0
<b>Girls</b>							
2004	762,300	151,579	19.9	102,720	13.5	53,966	7.1
2008	766,397	129,892	16.9	87,508	11.4	41,296	5.4
<b>5-14 years</b>							
2004	1,206,500	196,047	16.2	170,383	14.1	76,470	6.3
2008	1,216,854	176,452	14.5	152,850	12.6	52,896	4.3
<b>15-17 years</b>							
2004	359,800	126,682	35.2	51,911	14.4	51,911	14.4
2008	369,433	129,217	35.0	62,419	16.9	62,419	16.9

The number of children in hazardous work declined by 13 million, from 128 million in 2004 to 115 million in 2008. The decrease was significant among girls and particularly strong in the 5- to 14- year-old age cohort. However, there was only a slight decrease among boys, and a trend reversal in the case of adolescents 15-17 years old (Table 1). In the latter age cohort, the number increased by 10.5 million to reach 62 million and the incidence rose by 2.5 percentage points.

# Child Labor: facts from ILO-IPEC

- ILO estimates 153 million children 5-14 worked in 2008 worldwide, down from 211 million in 2000 and 250 million in 1995--about 1 in 5 children living developing ctys or 20% of this age group, down from 23% in 1995. *However, in every region of the world child labor force participation rates are declining (see Basu Figure 1 below, p1088).*
- Of 153 million about 1/3 (53m) work under “hazardous conditions” (construction or mining or work more than 43 hours per week) down from 76 million in 2000 and 2004.
- Most but not all of these children, 83% live in the poorest countries in Asia (60%) and Africa (23%) – 206 of the 211 million children are developing countries.
- *About 8 million children engage in the “unconditional worst forms” of child labor: forced or bonded labor, prostitution, drug dealing or child soldiers– everyone agrees these activities should be banned (many are illegal in anycase)*

**Source: all figures from ILO reports in 2001 and 2010 – see Tables and sources below.**

# Child Labor Trends (see ILO IPEC)

**Table 1: Estimates of various forms of children's work, 2004 and 2008**

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		( <b>'000</b> )	%	( <b>'000</b> )	%	( <b>'000</b> )	%
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# Child Labor: Facts and Issues 2

Table 1.1. Estimates of different categories of child work by age, 2000 and 2004

Age group (years)		Child population		Of which: economically active children		Of which: child labourers		Of which: children in hazardous work	
		2000	2004	2000	2004	2000	2004	2000	2004
5-17	Number (millions)	1 531.4	1 566.3	351.9	317.4	245.5	217.7	170.5	126.3
	Incidence (% of age group)	100.0	100.0	23.0	20.3	16.0	13.9	11.1	8.1
	% change from 2000 to 2004	-	<b>2.3</b>	-	<b>-9.8</b>	-	<b>-11.3</b>	-	<b>-25.9</b>
<u>5-14</u>	<u>Number (millions)</u>	1 199.4	1 206.5	211.0	190.7	<u>186.3</u>	<u>165.8</u>	<u>111.3</u>	<u>74.4</u>
	Incidence (% of age group)	100.0	100.0	17.6	15.8	15.5	13.7	9.3	6.2
	% change from 2000 to 2004	-	<b>0.6</b>	-	<b>-9.6</b>	-	<b>-11.0</b>	-	<b>-33.2</b>
15-17	Number (millions)	332.0	359.8	140.9	126.7	59.2	51.9	59.2	51.9
	Incidence (% of age group)	100.0	100.0	42.4	35.2	17.8	14.4	17.8	14.4
	% change from 2000 to 2004	-	<b>8.4</b>	-	<b>-10.1</b>	-	<b>-12.3</b>	-	<b>-12.3</b>

Source: Statistical Information and Monitoring Programme on Child Labour (SIMPOC)

# Other Policy Conundrums:

- 1. To reach children policy must work via parents, intervening in family decision making is very tricky— but supplanting or bypassing parents is almost impossible.**
- 2. Pushing children out of formal sector, into informal employment can make them and their families worse off (Bangladesh Harkin bill surveys but the ILO and UNICEF show this)**
- 3. A child fired from their job can send the wrong signals to parents—they may blame the child.**
- 4. Much if not most child labor takes place within the home, cottage industries (boys) and young girl's doing housework & childcare.**

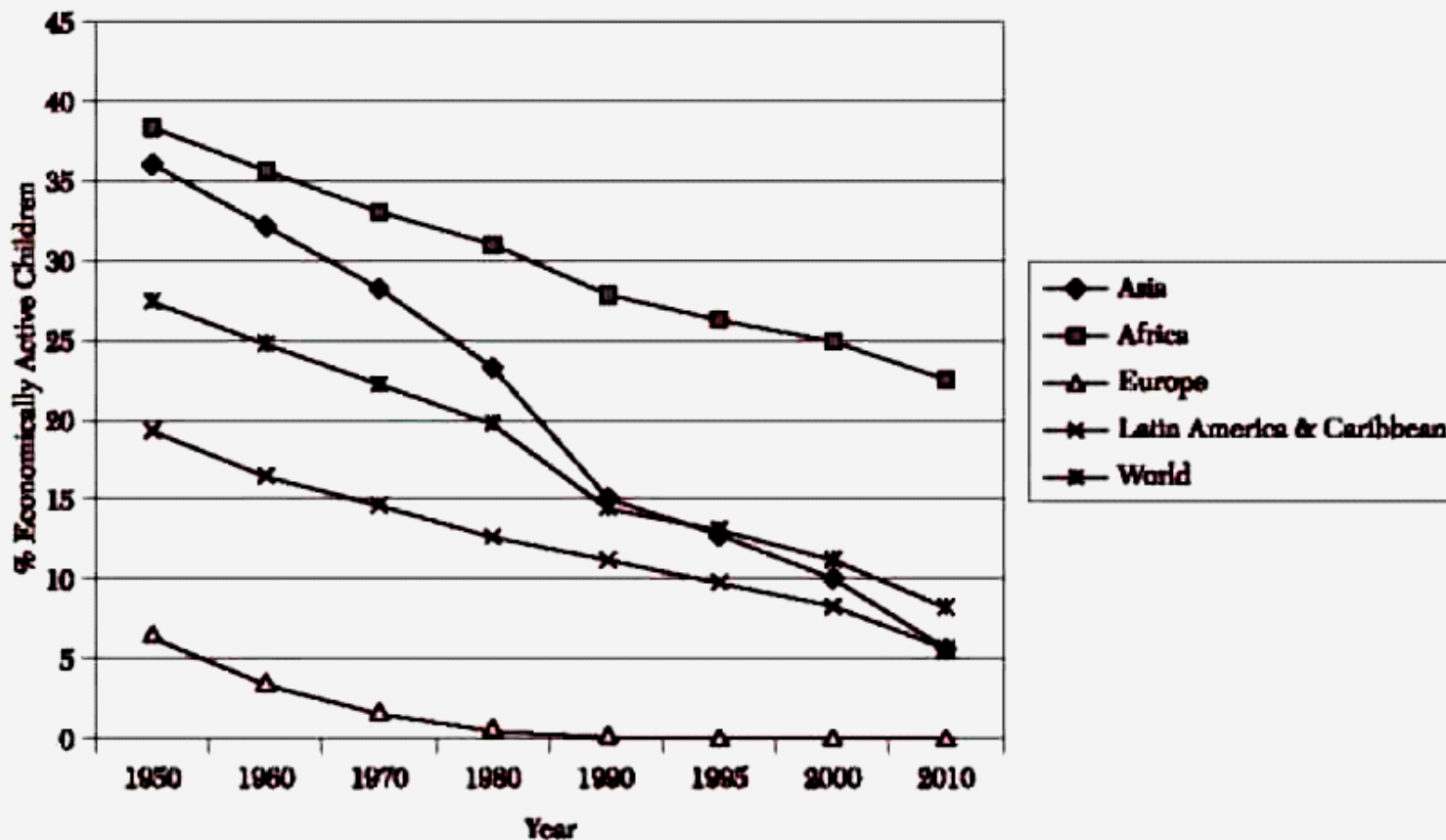


## Ending Poverty reduces Child Labor

- **Child labor force participation declines with income**, everywhere but child labor is not solely a problem of poverty—worse in some areas than others.
- **Most children under 14 both work and go to school**, but they go to school less may suffer from impaired performance.
- **Studies in Latin America suggest child workers may contribute 15-25% to household income**—including home labor (child-care, housework and unpaid labor in the family business or farm).
- **Most children work in rural areas, many girls are taken out of school to do housework or childcare.**

*% of Children working is declining, everywhere*  
*(Figure 1 from Basu (1999))*

1088 *Journal of Economic Literature* Vol. XXXVII (September 1999)



**Figure 1. Trends in the Participation Rates of Children 10-14 Years of Age.**

**Table II-1: Child Labor Data**

<i>Country</i>	<u>Total Population</u> <u>1996 d</u> <i>(millions)</i>	<i>Age Range</i>	<i># of Children in Age Range</i> <i>(millions)</i>	<i>Estimated Number of Child Workers in Age Range</i> <i>(thousands)</i>	<i>% of Children Working in Age Range</i>
Nepal a/	22	5 to 14	6.2	2,596	42
Kenya c/	27	10 to 14	3.8	1,558	41
Tanzania c/	30	10 to 14	3.9	1,523	40
Bangladesh a/	122	5 to 14	34.5	6,584	19
Mexico b/	93	12 to 14	6.6	1,137	17
Brazil b/	161	5 to 14	33.9	4,349	13
Thailand c/	60	6 to 14	5.6	1,495	13
Turkey a/	63	6 to 14	11.9	1,495	13
Egypt b/	59	6 to 14	10.9	1,309	12
Philippines a/	72	5 to 14	17.5	1,863	11
Nicaragua b/	5	10 to 14	0.6	60	10
Pakistan a/	134	5 to 14	40	3,313	8.0
India b/	945	5 to 14	210	11,285	5.4
South Africa b/	38	10 to 14	4.6	200	4.3
Guatemala b/	11	7 to 14	3.7	152	4.1
Peru b/	24	6 to 14	4.8	196	4.1
<b>Totals</b>	<b>1866</b>		<b>399</b>	<b>9.4%</b>	

**Source: U.S  
Department of  
Labor  
estimates.**

**World Day Against Child Labour**

**12 JUNE 2012**



International  
Labour  
Organization

**HUMAN RIGHTS  
AND SOCIAL JUSTICE**



**LET'S END  
CHILD LABOUR**



# Why poor children work:

- **Poor families have few assets**— unskilled labor is one— adding workers is one way to raise household income— Latin American surveys suggest children may earn 15-25% of family income.
- **Children lack bargaining power** both within the family and in the workplace— e.g., child worker sent back to family may be punished while earning income enhances their position within the family...
- **Governments must protect children from abuse**— but bans on child labor or trade sanctions may push children onto the streets and could well make the child and poor family worse off... enforcement is difficult (home or street businesses, no birth certificates...).

# ILO 2002 “Every Child Counts” Table 4

**Table 4. Children ages 5-14 at work in economic activity in the 1995 and the new 2000 estimates**

<b>Estimate benchmark year</b>	<b>Global number ('000s)</b>	<b>Work ratio (%)</b>
1995	250,000	24.7
2000	210,800 (205,900)*	17.6 (20.2)*

\*Figures in brackets exclude developed and transition economies

## **1.2 Child labour**

### **1.2.1 By age group**

Child labour is a narrower concept than “economically active children”. For the purpose of this study, and based on ILO Conventions Nos. 138 and 182, child labour was defined as comprising:

- in ages 5-11 = all children at work in economic activity;
- in ages 12-14 = all children at work in economic activity minus those in light work;
- in ages 15-17 = all children in hazardous work and other worst forms of child labour<sup>4</sup>.

# ILO 2002 “Every Child Counts” Table 2

Table 2. Regional estimates of economically active children ages 5-14 in 2000

Region	Number of children (in millions)	Work ratio (%)
Developed economies	2.5	2
Transition economies	2.4	4
Asia and the Pacific	127.3	19
Latin America & Caribbean	17.4	16
Sub-Saharan Africa	48.0	29
Middle East & North Africa	13.4	15
<b>Total</b>	<b>211</b>	<b>18</b>



# Children 5-14 working full or part-time: a distressing symptom of severe poverty

- *The demographic transition leads to surge in the number of children— some of whom are put to work for survival of the larger family.*
- *Child development is adversely affected: reduced education, work injuries, increased morbidity...*
- ***Child labor Policy Conundrum:*** *working children ameliorate poverty in the short-term by raising family income, but can perpetuate poverty in the long term if children sacrifice education for work.*
- *Banning child labor may reduce poverty long-term, but at the expense of poor families in the short-term.*



# Other Policy Conundrums:

- 1. To reach children policy must work via parents, intervening in family decision making is very tricky—but supplanting or bypassing parents is almost impossible.**
- 2. Pushing children out of formal sector (garment and shoe factories, for example) into informal employment “in the streets” can make them and their families worse off.**
- 3. Losing a job can send the wrong signals to parents and children—parents tend to blame the child.**
- 4. Most child labor takes place within the home or family business with boys in cottage industries and young girl’s doing housework & childcare.**

# Ending Poverty reduces Child Labor

- **Child labor force participation declines with income**, everywhere but child labor is not solely a problem of poverty—worse in some areas than others.
- **Most children under 14 both work and go to school**, but they go to school less may suffer from impaired performance.
- **Studies in Latin America suggest child workers may contribute 15-25% to household income**—not including hard services such as child-care, housework and unpaid labor in the family business or farm.
- **Most children work in rural areas, many girls are taken out of school to do housework or childcare.**

# **% of Children working is declining, everywhere**

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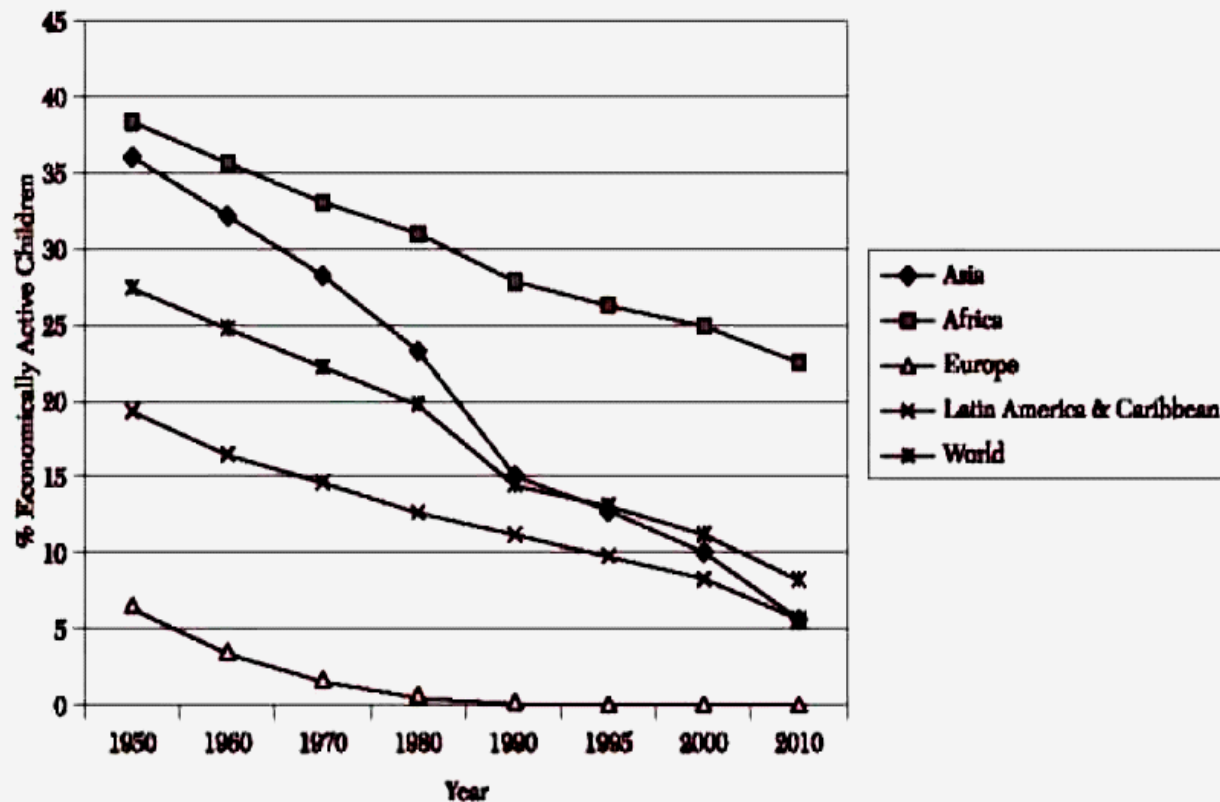


Figure 1. Trends in the Participation Rates of Children 10-14 Years of Age.

# Globalization has little to do with Child Labor (see UNICEF Myths 3&4)

- **Some child labor is hazardous and/or abusive—bonded slavery, mining, prostitution, etc.** this sort of child labor is and should be banned—its is illegal but bans need to be enforced.
- **Less than 10% of all child labor takes place in export oriented manufacturing** and mining or agriculture industries.
- **Attempts to reduce child labor with trade sanctions have unintended negative consequences—**e.g., proposed Harkin Bill in 1995 which provoked a reaction from Bangladesh Garment factory owners even though it was never passed by Congress....

# UNICEF: Child Labor Myths:

- **Myth 1: Child labor is uniquely a problem of LDCs:**
- **Myth 2: Child labor cannot be eliminated until poverty disappears** ILO & NGO programs do work—example the MOU with the BGMEA.
- **Myth 3: Most child workers work in sweatshops exporting goods to rich countries** (less than 8% of all workers work in these sectors).
- **Myth 4: The only way to make progress is through trade sanctions and boycotts** as proposed under the Harkin Bill for example.. “such measures are blunt instruments with consequences that can actually harm rather than help the children involved.”

# UNICEF SOWC 1997 Program to reduce Child Labor:

- **Ban hazardous and exploitive child labor:** bonded labor, commercial sexploitation and work that hampers physical, social and cognitive development of the child— 8.4 million children according to ILO estimates.
- **Provide free and compulsory education**—all children should be required to attend primary school with adequate(??) support from government aid budgets— compare with U.N. MDG for 2015.
- **Add legal protections for children working at home and informally— nice idea but hard to enforce.**
- **Register all births**— hard to implement, but key to enforcing all child rights and protections, right now most births in rural areas are not officially recorded.
- **Data collection and monitoring:** find out where and how children work— the ILO report “Every child Counts” is step in this direction— much better information today than in the past.
- **Codes of conduct and procurement policies** to enforce above provisions— no boycotts of good produced with child labor however, these are likely to do more harm than good.

# Child Labor: readings

- The view from Bangladesh, see Naila Kabeer, *The Power to Choose: Bangladeshi Women's Labor Market Decisions in London and Dhaka*, [Chapter 11](#), Verso Press, London. Especially pages 367-87
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# Sources, still further reading

- [ILO-Int Project to EC Many reports, 2008 data](#) Source: page 8, [ILO \(2010\) Global Child Labour Developments](#). **Case Study 3.4 *Child labor case study***:
- \*[Child Labor I Notes, 6 per page](#) [Child Labor Case Study](#) \*[Rina the Rock Breaker](#) [More rock breakers in India](#) [Child Labor lecture notes Part 2 \(smaller file\)](#) [Miserable Child Labor in Zambia NYT 8-2006](#)
- UNICEF web site \*[Girl's Education](#) \*[Child Labor: Four Myths](#) \*[Ending Child Labor](#) UNICEF SOWC 1997 ([full report](#))  
[Chapt2A](#) [Chapt2B](#) [BGMEA](#) \*[Domestics](#) [Girls](#) [IPEC](#) [Laws](#) \*[UNICEF Bangladesh](#) [Hard to Reach school program for working children](#) ILO (2010) [Accelerating Action to reduce Child Labor](#) ILO (2006) [End of Child Labor: within reach \(full report\)](#) [part I](#) [part II](#) ILO (2002) [Every Child Counts pp. 1-9](#), [pp. 9-22](#), [pp. 23-55](#)
- **Further reading:** World Bank (1998) [Child Labor: Issues and Directions](#), [World Bank: Child Labor](#) Gootaert, C. & R. Kanbur (1994) "[Child Labor: A Review](#)" see pages 19-33.
- Basu (1999) "Child Labor: Cause, Consequence, Cure" *JEL* [1083-95](#) & [1114-19](#)