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## **A Brief Survey of Literature on Child Labour**

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### **ABSTRACT**

*Working of children in these poor countries, in general, are subject to a process of implacable exploitation, characterized by low wages, long hours of work, unhealthy and unsafe working conditions and more importantly deprivation from education, which hamper their intellectual development. Apart from its short-term ill effects on health and welfare, child labour impedes children's human capital accumulation and prevents them from becoming productive adults. Lower human capital levels are likely to affect fixture economic development adversely, which in turn, reinforce the child labour problem itself. It is commonly believed that child labour is fundamentally a by-product of abject poverty; and therefore polices should focus on economic development and increasing income. A good deal of research has already focused on the inextricable connection between poverty and child labour. Unitary models of parental decision making (Becker 1964) usually based, on the assumption that parents are moved by purely altruistic motivations (Becker-Barro Approach). Those who maintain that poverty is the main driving force behind child labour and children are the family's only means of survival, start with the assumption of parental altruism*

Keywords: Child Labour, Development, Economic, Income, Poverty. Education, Human Capital.

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### **I. Introduction**

Child labour is a phenomenon pervasive mainly in the transitional societies of the developing countries. Working of children in these poor countries, in general, are subject to a process of implacable exploitation, characterized by low wages, long hours of work, unhealthy and unsafe working conditions and more importantly deprivation from education, which hamper their intellectual development. Apart from its short-term ill effects on health and welfare, child labour impedes children's human capital accumulation and prevents them from becoming productive adults. Lower human capital levels are likely to affect fixture economic development adversely, which in turn, reinforce the child labour problem itself. Trapped within a vicious circle of underdevelopment, child labour reproduces generations of less educated and less skilled workers. .

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### **II. Historical Perspective**

Though the awareness about and concern for working children has increased recently, the problem itself is not new. It has been in existence from time immemorial. It existed in earlier ages in agricultural societies<sup>1</sup>, but during the Industrial Revolution of the 18th century in Great Britain it was especially conspicuous and began to be opposed.<sup>2</sup> In the pre-industrialisation period, children primarily worked alongside their parents, learning to gather food, bunt, collect fire wood, tend the cattle, cultivate crops -planting seeds, pulling weeds, picking the ripe crop, and helping in the household. The incidence of child labour was significantly widespread, though the children did not work in factories at that time. Since the experience of working in farms, alongside their parents, is less harmful than working in factories, according to some researchers, child labour did not appear as an issue before industrialization.

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### **III. Data on Child Labour**

Child labour reemerged as an issue of public concern during the last two decades with increasing integration of the world economy. It has assumed central importance in the social policy discussions and statutory provisions and efforts have been concerted towards its prevention and eradication. Child labour is a sensitive subject and numbers on its magnitude play an important role in global policy-making and advocacy efforts. Unfortunately, an accurate measure of working children is difficult to obtain since there is no single, clear-cut definition of child labour under international law.<sup>5</sup> Countries not only have different minimum age work restrictions, but also have varying regulations based on the type of labour. The ILO's Convention No. 138 (Minimum Age Convention, 1973) specifies fifteen years as the minimum age for admission to any type of employment or work in normal circumstances.<sup>6</sup> Taking a chie from here, usually most of the empirical surveys classify children under 15 years of age, who work on a regular basis for which they are paid or that results in output destined for the market, as 'child labour'. Clearly, household works performed in parental homes are not counted as child labour

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#### IV. A Brief Review of Literature

The growing awareness about and concern for child labour in recent years has led to an enormous literature on the issue.<sup>8</sup> Researchers and policy makers are trying to identify the root causes and suggest appropriate remedial measures. In the conventional literature, it is believed that the root cause behind the widespread existence of child labour in the developing world is abject poverty, which compels people to have large families and children to go out in the job market and earn to support the family. However, there are also some who believe that poverty in itself is not a sufficient explanation for child labour. In the literature, the supply of child labour has also been attributed to factors such as binding credit constraints, failure of the educational system, the objectives of households to maximize present income, a dualistic economy characteristic of developing countries with the co-existence of formal and informal sectors, etc.

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#### V. Poverty

It is commonly believed that child labour is fundamentally a by-product of abject poverty; and therefore policies should focus on economic development and increasing income. A good deal of research has already focused on the inextricable connection between poverty and child labour. Unitary models of parental decision making (Becker 1964) usually based, on the assumption that parents are moved by purely altruistic motivations (Becker-Barro Approach). Those who maintain that poverty is the main driving force behind child labour and children are the family's only means of survival, start with the assumption of parental altruism. A distinctive paper in this regard is that of Basu and Van (1998). They have shown that if child labour and adult labour are substitutes (substitution axiom) and if child leisure is a luxury commodity to the poor households (luxury axiom), unfavourable adult labour markets, responsible for low adult wage rate, is the driving force behind the incidence of child labour. Credit market failure and quality of education. Some researchers focussed on poor quality of education and capital market failure behind child labour. Ranjan (1999, 2001), Baland and Robinson (2000), and Jafarey and Lahiri (2002) emphasize the importance of capital-market imperfection as a contributing factor to inefficient child labour.

If the present discounted value of return from education is greater than the current value of a child's labour, it is clearly optimal for a family to borrow against the child's future income to finance the child's education. To be more specific, it is in the interest of the child to make any requisite contribution to household income by borrowing against future income, thus freeing the child to attend school rather than work. However, the explanation of child labour incidence in terms of credit market imperfections crucially hinge on the presupposition that returns to education are sufficiently high, which in turn, assumes that the quality of schools is also satisfactory.

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#### VI. Fertility Decision and Child Labour

Another strand of literature focuses on fertility decision and its implication for child labour incidence.<sup>13</sup> As the number of children in the household determines the potential supply of child workers, one can expect that children from larger households are more likely to work. Becker and Lewis (1973) argue that in the quality-quantity trade-off, parents with large number of children are less likely to invest in schooling.<sup>14</sup> Parents may also choose to have large families to diversify income risk. Lloyd (1994) reviews empirical evidences from developing countries to analyse fertility decision and their implications for investment in young people. Lloyd's review finds that larger household size reduces children's educational participation and increases the probability that a child will work. Knodel and Wongsith (1991) and Knodel et al. (1990) show that family size exerts a significant negative impact on child schooling in Thailand. Analyzing Peru Living Standards Survey (PLSS) data, Patrions and Psacharopoulos (1997) have shown that household size reduces children's educational participation and increases the probability that a child will work. Social Norms Cultural factors and social norms do affect decisions like fertility and child's activity.

The connection between social influence and child labour has been discussed extensively by Rodgers and Standing (1981). Social historians believe that the main force behind elimination of child labour from today's developed world was the rise of the domestic ideology, which transformed children from valuable wage earners to emotionally invaluable objects (Zelizer 1985). Basu and Van (1998) also recognized the importance of social norms behind parental decision regarding child labour and analyzed its policy implications. They have argued that social norms in certain societies are such that child labour is considered natural and nothing to protest about. In certain other societies, the acquired morality may lead to aversion to child labour.

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#### VII. Intra Household Bargaining

Another strand of literature focuses on intra-household heterogeneity of preference and its implication on decisions regarding household consumption, fertility, schooling and child labour. Normally, household models characterize the household as a single unit of decision-making (unitary model) and intra household heterogeneity of preferences are ignored. But one can argue that household behavior is an outcome of internal bargains and not determined by any single representative unit (collective model).<sup>16</sup> Browning et al. (1994) argue that one cannot treat many-person households as a single decision-maker. Factors such as the relative incomes of the household members may affect the final allocation decisions made by the household. Using survey data from Brazil, Thomas (1990) shows that unearned income in the hands of a mother has a bigger effect on her family's health than income under the control of a father, for child survival probabilities the effect is almost twenty times bigger.

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#### VIII. Human Capital Formation and Poverty Trap

This is axiomatic, indeed, that working of a child affects his/her moral well-being and social development. The consequences are far reaching. On one hand, working lowers schooling<sup>18</sup> and hurts human capital accumulation and so, future earning ability as an. In rural Colombia one additional year of

schooling by each parent lowers the probability of their child's full time work by 2 percentage points (Cartwright (1999)). Grootert (1999) also found something similar for Cote d'Ivoire. Each year of father's education lowers the probability of a child's dropout by 1.8 percent and one additional year of education of mother reduces the dropout probability by 3.5 percentage point. Canagarajah and Coulombe (1997) also find that father's education has a significant negative effect on child labour. Wahba (2000) finds that, in Egypt, parents who were child labourers themselves are more likely to send their child to work. Using household survey data from Brazil, Emerson and Souza (2003) also find that children are more likely to be labourers if their parents were as well.

**The Policy Debate** The unprecedented media and public concern for child labour, in recent years, has brought a broad consensus on the need to eliminate the blemish from the society. However, there is wide disagreement on the best way to achieve that, and on whether legislative interventions are likely to be effective in eradicating this phenomenon. Basu (1999) has distinguished legislative interventions in terms of intra-national, extranational and supranational interventions. Intra-national interventions may take the form of national policy of banning child labour or policies like compulsory education and many other different types of instruments.

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## XI. Conclusion

The family supply function of child labour has been derived from the in extemporal utility maximizing behaviour of the working households which send some of their children for consumption smoothing owing to non-existence of a market for loans against future earnings. Then the aggregate child labour function is derived and a three-sector general equilibrium model has been developed for the purpose of analysis. The interesting result is that inflows of foreign capital might exert a downward pressure on the child labour incidence by raising the return on education (premium on skill) and the initial non-child incomes of the working families and by lowering the child wage i.e. the opportunity cost of schooling.<sup>16</sup> Hence the child labour incidence may improve even if non-child incomes of the families do not increase. There are enough other forces brought about by economic reforms that can overcompensate for decreased parental incomes. H

## X. Reference

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