Unraveling Child Labor and Labor Legislation

"The reality that forces poor families to defy child labor laws raises doubts about whether legislation can be enforced successfully."

MADIHA MURSHED

In 1993, social workers and human rights activists were stunned when approximately 70,000 youngsters were unceremoniously thrown out of the Bangladeshi garment industry, prompted by the threat of a US bill to ban imports of goods made by children.[1] Deprived of a regular income, many of the children were driven to the informal sector, which, though unregulated and poorly paid, protected them from the scrutiny of the international media.[2] Although ostensibly aimed at eliminating the exploitation of children worldwide, the potential passing of the US Child Labor Deterrence Act of 1992 (better known as the Harkin Bill after its sponsor, Senator Tom Harkin) caused thousands of already impoverished Bangladeshi children to be pushed further into poverty. In this case, an assertion of human rights legislation resulted in an even greater violation of the rights of the children involved. A comprehensive study

[1] A. Alam, "The Child Workers of Bangladesh," *Toronto Star* (9 January 1994) Section E. Though the connection between the introduction of the Harkin Bill and the laying off of the children has been contested, the effects of the redundancies on the children are still alarming. See S.L. Bachman, "New Economics of Child Labor: Searching for Answers Behind the Headlines," *Journal of International Affairs*, 53 (Spring 2000) pp. 545-575.

[2] S. Bissell and B. Sobhan, *Child Labour and Education Programming in the Garment Industry of Bangladesh: Experiences and Issues* (Dhaka: UNICEF, 1996).

Journal of International Affairs, Fall 2001, 55, no. 1.

conducted by UNICEF found that many of the children had been forced into dangerous jobs and that the girls had become more vulnerable to sexual abuse.[3]

The surprising consequences of such well-intentioned legislation calls into question the effectiveness of legislative bans as a weapon against child labor. The reality that forces poor families to defy child labor laws raises doubts about whether legislation can be enforced successfully. In fact, could it be counter-productive by leading to a worsening of poor children's welfare?

Proponents of banning child labor often equate child labor with slavery and claim that the employers of children are only interested in profits. Banning child labor, activists argue, is the most effective way to ensure that it is eliminated. Most case studies, however, show that the motivation for sending children to work in the first place is economic and cultural; if such pressures did not drive families, they would generally prefer not to place their children in exploitative situations. Child labor is linked (no matter how complex and intricate the linkage may be) to poverty and underdevelopment. The notion that simply banning child labor will force children to go to school is simplistic and dangerous. The fate of the child workers banned from Bangladesh's garment industry in 1993 is a case in point.

While this paper argues that legislative bans alone may be harmful to the child laborers, it does not argue for the dismantling of labor laws and minimum age legislation. On the contrary, what is necessary is an *increase* in the level of government intervention to solve the problem, using a set of policies that target the complex roots of child labor. In the first section, this paper attempts to define child labor and set out a typology to underscore the importance of understanding its various sources. The second section sets out the theory behind the demand and supply of child labor—factors which should be studied in detail before intervention is designed. The third section describes current child labor legislation and argues that it inadequately addresses many of the determinants of child labor.

[3] Bissell and Sobhan (1996).

The final section assesses public and international policy implications of the analysis.

LIFE IS LABOR—DEFINITIONS AND A TYPOLOGY

Given the scale and nature of the problem, it is surprising how little critical analysis of child labor has been conducted. In fact, this is a field of study where prescription has far outstripped analysis. This is partly due to the fact that data is hard to come by (most governments do not want to record high levels of an officially illegal activity), and what is available is often inaccurate and scanty.[4] Since child labor is an extremely complex phenomenon rooted in various economic, social and cultural characteristics of the society in which it exists, it is imperative to study these roots before policies are designed to eliminate child labor.

Consolidated global statistics on child labor are elusive, not only because of difficulties involved in designing and implementing surveys but also because of differing definitions and perceptions about what constitutes a child, a child worker, or child labor.[5] While the definition of childhood may vary significantly from society to society, this paper adopts the International Labor Organization's (ILO) cut-off for the acceptable minimum working age, which is 15 years. The ILO estimates that the number of children between the ages of 5 and

[4] Most of the economic studies conducted have been either theoretical or historical. The few contemporary empirical studies have focused on determinants without considering the implications for policy; these have largely consisted of econometric analyses at the micro level. Moreover, the few books written that study policy measures usually either focus on a single type of child labor, or a single country, or else do not back up their suggestions with empirical analysis.

[5] Hasnat points out that societies have different thresholds for defining childhood. Fulfillment of certain social rites and obligations, such as marriage, may be important in differentiating between adults and children in some societies. In others, the progression of children into adulthood may be gradual, making it virtually impossible to distinguish different life phases. In still others, biological characteristics such as puberty or the achievement of a certain threshold of strength may be the sign of the end of childhood. From B. Hasnat, "International Trade and Child Labor," *Journal of Economic Issues* (June 1995).

14 who are working in some kind of economic activity around the world is about 250 million.[6]

For the large number of children who are forced to work in situations that compromise their development, child labor is an abuse of their fundamental human rights. The principal reason why such work is seen as socially and morally unacceptable is that such work hinders "the harmonious physical and mental development of the child."[7] Of course, not all children work in exploitative conditions. This paper is concerned with the children who work in conditions that fit the criteria set out by the United Nations Children's Fund as being exploitative. The criteria include full-time work at too early an age; too many hours spent working; work that exerts undue physical, social or psychological stress and is detrimental to full social and psychological development; work that hampers access to education, undermines children's dignity and self-esteem, imposes too much responsibility, and/or is poorly paid.[8] The fact that most child labor is illegal exacerbates these problems. The laws make no provision for safeguarding the working conditions of children because they are a "labor force outside the law."[9] Child laborers do not enjoy the right to claim the social and legal benefits that should be due to them, making them particularly vulnerable to abuse, and largely incapable of protecting themselves.

There are very different kinds of child labor across the world. It is important to establish a broad typology so that policies can be designed to tackle the myriad determinants of the types of child labor. The most common activity for children to engage in, especially in rural areas, is farm work or household chores. Very often this kind of work can be done in conjunction with schooling and is not necessarily detrimental to the health

---

[6] K. Ashagri, *Statistics on Working Children and Hazardous Child Labour in Brief* (1997). Available at http://www.ilo.org/public/english/child/documentation/trends/stats.num (7 October 1998).

[7] Elias Mendelievich, ed., *Children at Work* (Geneva: International Labour Organization, 1979) p. 3.

[8] Mendelievich (1979).

[9] Mendelievich (1979), p. 7.

and well being of the child. In fact, helping out on the farm or in the house may be essential for children to learn from their parents. Although quantitative evidence is scarce, it is clear that children also make contributions to household production in non-agrarian environments. This productive work seems socially and morally acceptable, but it becomes problematic when it impedes mental and physical growth by forcing the child to work long hours at home.

Apprenticeship (or on-the-job training) is a much-debated type of child labor. Children often apprentice as a means of entering the labor market. Parents often see apprenticeship as a useful activity that will both earn income for the household and train the child in skills useful for future employment opportunities. Though it may be seen as an alternative to schooling, the training content in apprenticeships is often minimal; and, in some cases, the net effect is to tie child workers to a highly exploitative system for long periods of time. Mendelievich argues that many apprentices actually learn very little about the job for which they are ostensibly qualifying.[10] Apprentices often have no bargaining power and pitifully low wages.[11]

Waged labor, especially in labor-intensive industries and in the informal sector, is usually more exploitative than apprenticing. Such work may pay more than apprenticeships, but it is usually qualitatively different from activities realized within the domestic concern. Often, no attention is given to the children. The employer-employee structure makes children more vulnerable than in a household setting where they could benefit from parental protection; and employers often do not consider the child's greater susceptibility to physical harm in industrial environments.

Bonded labor is considered the most exploitative situation for children. Bonded labor is usually found in small undertakings in the informal or rural sectors. When the children are obligated to work for their employer as some part of the family's rent, they

[10] Mendelievich (1979).

[11] G. Rodgers and G. Standing, *Child Work, Poverty and Underdevelopment* (Geneva: ILO, 1981).

are less likely to be able to solicit protection from parents or authorities in case of abuse. This is especially true in cases where the children are pledged as workers in part-payment for a debt and seen as liabilities to the employer until they have worked off the debt.

The large range of activities performed by children under very different conditions complicates the approach of child labor policy. Since child workers may have different reasons for being employed, they may respond in different ways to broad-based policies aimed at eliminating child labor.

THE THEORY: DETERMINANTS OF CHILD LABOR

Having surveyed a typology of child labor, two questions arise in setting up an economic framework regarding the motivations behind child labor. First, what is the mechanism within households that induces families to send children to work? Second, why do employers demand child laborers?

SUPPLY

The theory underpinning most explanations of the supply of child labor is Becker's *A Theory of the Allocation of Time*, which presents a model for studying the household decision-making process. Becker argues that a child's time can be allocated between school, household chores, work, etc.; a household makes decisions on the number of children to have and how to allocate their time among various activities. Weighing these options, the time of household members is optimally allocated to serve the perceived needs of the household.[12]

Becker's model suggests that deciding the size of the household and whether children should work is based on the projected returns from family members engaged in various activities. Where there is a need for the household income to be supplemented, and the net return to working is sufficiently higher than any other activity, one would expect the household

[12] Gary Becker, "A Theory of the Allocation of Time," *The Economic Journal*, 75, No. 299 (Sep. 1965).

to decide to send the child to work. Many factors play into this decision.[13] This framework demonstrates that family resources and the ability to minimize the risk of interruption in the family's income could be important determinants. Both wages of children and adults contribute to family resources. [14] The ILO estimates that when they work, children commonly contribute around 20-25 percent of family income.[15] This income may be needed to minimize the potential impact of a job loss by another family member or a poor harvest.[16] Another issue that the family may consider in its calculus is the household's size and composition. This is not a simple relationship. More family members require a larger household income; but households may have big families so that children can be put to work and ensure the family's future in the face of uncertainty.[17] Related to this issue is the fact

[13] Is it plausible that poor families in developing countries are rational economic agents and make decisions the way Becker models? Basu and Van argue that families do respond to economic incentives, even if their decision-making is not as calculated as he suggests. (See K. Basu and P. Van, *The Economics of Child Labor* (Cornell University: Working Paper #444, 1996) . For example, it may be argued that the model does not account for the possibility that poor families will not have certain information available to them, such as the returns to education their children will receive. Also, they may be influenced by culture and tradition. Some argue that the established role of women in some cultures dictates that they will not receive an education. Thus, some families raise their daughters to take over the household work of their mother, and so encourage female child labor. Thus, since customary norms are followed even if alternative activities may yield greater returns to a family, households may violate Becker's predictions. In general, however, most studies agree that an economically rational decision is made by households.

[14] Child labor can increase unemployment among adults; yet, the employment of children can drive down average wages, forcing adults to put their children to work.

[15] International Labor Organization Bureau of Statistics, *Methodological Child Labour Surveys and Statistics* (4 October 1998). Available at http://www.ilo.org/public/english/ 120stat/actrep/childlab.htm (10 November 1998).

[16] For more on risk faced by families on the margin see M. Sumangala and B.S. Nagarajan, *Economics of Child-Labour and Fertility* (New Delhi: D.K. Publishers Distributors, Ltd., 1993).

[17] For more on the effects of household size and composition on child labor see M. Rosenzweig and R. Evenson, "Fertility, Schooling, and the Economic

that while the income entering a household may be sufficient to enable the children to go to school, the intra-household bargaining structure may mean that children are valued less than adults, females are discriminated against, or older siblings are given first preference.

Education also factors into these allocations since school is considered to be an alternative to work.[18] Descriptive studies suggest that poor families often do not send their children to school because they are perceived to teach useless skills. Parents may opt to place their children in the labor market if school attendance is seen to have no significant impact on future employment prospects. [19] Also, poverty may be too pressing to consider the long-term benefits of education. Conversely, children may work *to be able* to attend school. As Bequele and Myers note, schooling often entails significant costs that may be too high for impoverished families. [20] Children may therefore work either to raise the expenses for their own schooling, or for a sibling who could not go otherwise.

Cultural factors may also contribute to the observed child labor rates by influencing the costs and benefits, as perceived by the household, of putting children to work. Some argue that the roots of child labor "lie deep in poverty, in entrenched custom and tradition, and in attitudes that have prevailed over many

---

Contribution of Children in Rural India: An Econometric Analysis," *Econometrica* 45, No. 5 (1977) pp. 1065-1078.

[18] It is important to note here that sometimes the education of the parents is also considered to be a determinant of child labor. For example, Abdalla finds that school enrollment is strongly linked to the educational background of the parents in Egypt. Parent's schooling may also feed into family planning choices, incomes of parents, and the ability of parents to calculate risks, etc. For this article, see A. Bequele and J. Boyden, *Combating Child Labour* (Geneva: International Labour Organization, 1988). However, this argument is controversial. Gillis, Perkins, Roemer and Snodgrass argue that everyone is able to see the value of education regardless of educational background. See M. Gillis, D. Perkins, M. Roemer and D. Snodgrass, *Economics of Development* (New York: Norton & Company, 1996).

[19] Bequele and Boyden (1988).

[20] Bequele and Myers (1995).

years."[21] This is a controversial argument because it is rooted in relativist observations, even judgments, about a different culture's values. Nevertheless, many argue convincingly that society's attitude toward child labor may feed its proliferation if society is willing to tolerate it, as exemplified by the existence of bonded child laborers in South Asia. Jonathan Silvers writes that in Pakistan bonding is a common practice among the lower castes and that most children regard bonding as a rite of passage into adulthood.[22] In fact, Weiner argues that economic factors such as low incomes are not nearly as relevant in explaining child servitude in India as the belief system of the state bureaucracy, as well as educators, social activists, and members of the middle and lower classes, that there is a division between "the child who must be taught to 'work' and the child who must be taught to 'earn'."[23] This belief implies that the child members of the lower castes and untouchables should start training for their lot in life from an early age—in jobs using their hands rather than in classrooms using their minds. These are extreme statements arguing that many people accept bondage and child labor without concern, but they point toward the need to consider the significance of cultural variables.

It is still unclear how significant culture is in determining child labor, and more research into this question needs to be done. It can be argued that poverty is ultimately a more significant factor because many cultural "norms" can be, and often are, challenged by economic development and the reduction of poverty. In the case described by Jonathan Silvers in Pakistan, for example, the pressures of poverty on families in debt may lead them to use tradition as a self-justification for giving up their children to bondage. Hence, poverty may perpetuate cultural norms that would otherwise be considered

---

[21] W. Knight, *The World's Exploited Children: Growing Up Sadly* (Washington DC: Foreign Publications Group, 1980) p. 17.

[22] J. Silvers, "Child Labor in Pakistan," *Atlantic Monthly Magazine*, 277, No. 2, (February 1996) pp. 79-92.

[23] Myron Weiner, *The Child and the State in India: Child Labor and Education Policy in Comparative Perspective* (Princeton, NJ: Princeton University Press, 1991) p. 188.

unacceptable. If such is the case, poverty remains the primary determinant of child labor.

A set of more widely accepted arguments regarding culture looks at the effects of economic development and industrialization on more indirect issues like family planning and gender roles. For example, Cunningham and Viazzo argue that the need for children to work was partially reduced in European industrializing countries as women entered the work force due to the relaxing of societal pressure for the woman to stay at home. As a result, women took the place of the children in supplementing the household income.[24] Economic determinants like fertility are also related to cultural priorities (such as an emphasis on sons) or religious practices (especially in relation to taboos on contraception). [25] While it is out of the scope of this study to assess whether people adhere to traditions out of cultural imperative, political design or economic necessity, it is clear that traditions do have some relevance in determining the nature of child labor, whether directly in the practice of child labor or indirectly through the household decision-making process.[26]

DEMAND

Employers are usually said to demand child laborers because there are certain advantages to employing children. Explanations for hiring children often point out that children are less aware of

[24] H. Cunningham and P. Viazzo, *Child Labour in Historical Perspective* (Florence: UNICEF, 1996).

[25] It is important to note that the study of culture and religion as determinants of child labor does not suggest that it will be necessary to change attitudes. The analysis is meant to inform the policy implications of child labor so that the adopted measures consider the role that religious belief and tradition can play. Not taking them into consideration when designing policies could result in ineffectiveness, or clashes with religious authorities.

[26] Historical evidence reinforces the argument that economic and social factors affect the supply of child labor. Cunningham and Viazzo (1996) argue that the reasons for the decline in child labor in Britain include an increase in adult male wages, more sophisticated technology that reduced the need for children to work in the factories, compulsory schooling, and an increase of women in the workforce.

their rights, less troublesome, more willing to take orders and to do monotonous work without complaining.[27] Rodgers and Standing note that employers often seek out child workers because they offer certain advantages—they often work for lower wages and are not in a labor union because they work illegally.[28] On the other hand, Kanbur and Grootaert argue that the technological advancement of industries can have positive effects on their demand for child workers. Technological development replaces children doing repetitive tasks with machines that are more efficient and increases the relative demand for more highly skilled workers.[29] Industrialization encourages the adoption of increasingly capital-intensive, skill-requiring production methods for which child labor provides no advantage.[30]

International and political factors may also be important in affecting the demand for child labor. Increasing globalization and the dependency of many developing countries on access to industrialized markets may link the vulnerability of an economy to child labor. On the one hand, increasing globalization makes national actors more vulnerable to external pressure from international movements. On the other hand, the increasing necessity to compete on the global market may compel industries to employ more children in an effort to reduce labor costs and gain a competitive edge. Recently international pressure from human rights groups and the media have altered the policies of companies, governments and foreign markets toward child labor. For example, corporate codes of conduct and other business guidelines prohibiting the use of child labor are becoming more common as consumers as well as religious, labor and human rights groups start calling upon companies to take responsibility for the conditions under which their products are manufactured. [31] However, the percentage of children actually

[27] Bequele and Boyden (1988).
[28] Rodgers and Standing (1981).
[29] Kanbur and Grootaert (1995).
[30] Bequele and Myers (1995).
[31] D. Spar, "The Spotlight and the Bottom Line," *Foreign Affairs*, 77(2) (March/April 1998) pp. 7-13.

employed in the export sector is small, so only pressuring the export sector will not eliminate child labor nationally.

THE LIMITS OF LEGISLATION

Even though there is substantial historical and economic evidence suggesting that economic development and modernization are key factors in eliminating child labor, direct government intervention often centers on legislation. Laws specifying the minimum age of entry to employment, prohibiting child employment in certain occupations or activities, and regulating it where it is legally permitted, have been enacted in almost every country in the world (160 countries have some sort of child labor legislation). [32] The minimum age for working varies from 12 to 18 years depending on the definition of work in the country. Definitions of work, however, differ considerably between countries and have led to a haphazard pattern of national laws. A 1996 ILO report notes that many countries prescribe different minimum ages for different sectors of the economy, while totally excluding some sectors or activities from coverage. Yet, these are often the sectors where most child workers are found.[33]

In terms of international law, there have been a number of important conventions around child labor, including the UN Convention on the Rights of the Child (1989), the ILO Forced Labor Convention (1930, No. 29) and approximately 10 other conventions on the minimum age for working. The most comprehensive of these is the 1973 ILO Minimum Age Convention, No. 138, which obliges ratifying states to fix a minimum age for admission to employment and to pursue a national policy designed to ensure the effective abolition of child

[32] ILO, *Chart of Ratifications of ILO Conventions on Minimum Age and Forced Labor by Country* (1999). Available at http://www.ilo.org/public/english/standards/ipec/publ/law/ilc/ratify01031999/ (1 March 1999).

[33] ILO, *Child Labor: Targeting the Intolerable* (Geneva: ILO, 1996). Report submitted to the 86th Session (1998) of the International Labor Conference.

labor.[34] Most countries have signed one or another of these conventions, but very few have signed a significant number of them. Only 72 countries, for example, had ratified Convention No. 138 by March 1999.[35]

The adoption of such legislation has clear objectives. By making schooling compulsory, children are presumably deprived of the option to work, thus helping to eliminate child labor. The enforcement of the labor laws by government agencies is supposed to entail inspecting factories. Since enforcement of labor laws is a direct action that governments can take—ostensibly eliminating child labor—it is often seen as their main policy instrument. However, it is clear that the passing of national laws has not resulted in an eradication of child labor. Most countries do have laws making education compulsory and regulating the minimum age for work; yet, the incidence of child labor varies considerably across these countries, suggesting that such national laws do not correlate closely with child labor levels.

One obvious reason for this is that the enforcement of laws in many developing countries is grossly inadequate. While most countries have some form of labor inspection, and 118 countries have ratified the Labor Inspection Convention (1947), enforcement remains a serious problem.[36] An ILO report on Legislation and Enforcement notes that labor inspectorates in developing countries tend to be understaffed and overburdened with many functions beyond child labor law enforcement.[37] Many countries do not have labor inspectors trained in detecting

---

[34] The Convention sets 15 as the minimum acceptable working age for industrialized countries, and 14 for developing nations. It requires governments to take all necessary steps, including the application of penalties, to ensure effective enforcement of its provisions. The accompanying Recommendation, No. 146, sets out a policy framework and detailed guidance for the elimination of child labor.

[35] ILO (1999).

[36] This Convention dictates that one of the primary duties of inspectors be the enforcement of legal provisions relating to the employment of children. See ILO, "Legislation and Enforcement," *International Conference on Child Labor* (October 1997). Available at http://www.iol.org/public/english/child/meetings/oslo/leg-bg.htm#II (8 November 1998).

[37] ILO (1997).

child labor. Inspectors also lack transportation to take them to establishments outside the major cities. The very areas inspectors visit least—rural areas—have the largest number of working children and greatest exploitation. Other limitations to labor inspectors derive from inaccessible workplaces (such as domestic homes) and the large number of unregistered establishments that employ children.

Bequele and Myers argue that enforcement is further hindered by the fact that working children at high risk are often not readily visible. Children working in rural areas, in the informal sector and in domestic service, are out of the public eye; they garner no public attention, and remain uninspected by the authorities.[38] Furthermore, there is much debate over the ability of international agreements to enforce commitments and monitor employers. Critics argue that any retailer offering a blanket guarantee is being naive, at best, given the workload of inspectors. For example, one such international monitoring project, called Rugmark, has only 18 inspectors who are supposed to make surprise visits to 18,636 looms.[39]

Inspectors often operate in a particularly unfavorable environment when faced with public indifference, apathetic authorities, hostile businessmen who fear losing their profit margin and complicit children and their parents. In some countries, employers must be notified in advance that an inspection will be conducted, thus giving them time to conceal their child labor violations.[40] Finally, political pressure sometimes prevents them from intervening in certain establishments or entices them to turn a blind eye to illegal practices in others.[41]

Legislative means to eliminate child labor do not work as well as they should. But would they work if the political will were generated? While enforcement may be hindered by the inability or disinterest of governments, it also must counter the economic and social causes of child labor. A number of scholarly papers

[38] Bequele and Myers (1995).
[39] J. Iovine, "Must-Have Label," *New York Times* (16 October 1997) p. 10.
[40] Bequele and Myers (1995).
[41] ILO (1997).

argue that not only will legislation be difficult to enforce in the face of continuing poverty, but that it can be counter-productive. Within the context of limited opportunities in most developing countries, working children at least keep clear of delinquency, begging or participating in "the marginal subcultures of the street," especially in large cities.[42] Banning child labor may force children to work clandestinely in unregulated undertakings where they are impossible to either detect or protect.[43]

Psacharopoulos suggests that banning child labor may be ineffective if the underlying household incentives that keep children out of the labor market are not addressed.[44] In other words, the opportunity costs of going to school may be too high to make a labor ban viable. In fact, it is not entirely certain that education and employment are mutually exclusive. Even if children are forced to go to school, they may be sent to work afterwards if the need to earn is paramount. Children may actually have to pay school-related expenses or to pay for another sibling to attend school. Thus, going to school still does not ensure that children's working conditions are safe and secure; restricting employment may actually *reduce* school enrollment.[45]

Moreover, Basu and Van point out the difficulty of legislatively addressing the economic constraints that force parents to send their children to work in the first place. They expect that parents would not send their children to work if their own wages were sufficient or employment prospects more promising. They argue that in low-income countries, banning child labor only takes away the ability of a child to contribute to household income and does not significantly alter the wages of adult workers. In this case, a ban is actually counter-productive because it restricts the opportunity set of the households; it is

[42] Mendelievich (1979) p. 10.
[43] Bequele and Boyden (1988).
[44] G. Psacharopoulos, "Child Labor versus Educational Attainment," *Journal of Population Economics* 10 (1997) pp. 377-368.
[45] Bequele and Myers (1995).

more useful to attack child labor by focusing on adult wages and employment.[46]

The above is not an exhaustive analysis of legislative remedies, but it points to the need for a more comprehensive and sensitive strategy to combat child labor. Clearly legislation by itself will not solve the problem of the exploitation of children in developing countries. Not only is enforcement of existing legislation inadequate, but, even if it was improved it is not clear that it would improve the quality of life of working children. So, what are the policy implications of this analysis?

POLICY IMPLICATIONS: FIRST THINGS FIRST

In suggesting solutions to the problem of child labor, the ILO pushes for interventions that stop child labor from being accepted as an inescapable consequence of poverty.[47] This belief that the systematic exploitation of children is inescapable merits elaboration. Winner describes an argument sometimes propagated by extreme supporters of the free market. They suggest that the practice of employing children will vanish as poor countries achieve development and a standard of living that no longer requires children to work as wage-earning members of society.[48] Child labor, therefore, is a temporary problem (similar to the one faced by the current industrialized powers during the Industrial Revolution) and will be overcome as countries develop and modernize.[49] This seems to suggest that international

[46] Basu and Van (1996). Another study by Diamond and Fayed (1998) in Egypt agrees that the net results of reducing child labor on the labor market are much more complex than it would seem, and that simply banning it, without regard to studying the conditions prevalent in the country, may be detrimental to the well-being of the poor involved. See C. Diamond and T. Fayed, *The Journal of Development Studies*, 34, 3 (February 1998) pp. 62-70.

[47] International Labour Conference, *Child Labour: Targeting the Intolerable* (Geneva: International Labour Organization, 1998).

[48] L. Winner, "The Destruction of Childhood," *Technology Review*, 99, No. 8 (November/December 1996) p. 66.

[49] Another argument he describes is that children are the best capital families have in their quest for economic progression because their "nimble fingers" make them superior to adults for certain types of work, such as carpet making. Winner (1996) argues that there is no scientific evidence that proves that children are more dexterous in production than adults.

demands to enforce legislation are misplaced and do more harm than good. While grounded in evidence presented in this paper, namely the importance of poverty in determining child labor, the analysis does not support Winner's argument. Becker points out that developing economies are not going to be able to compete on the world market if they continue to rely on minimal amounts of human capital.[50] The use of child labor in the face of globalization and increasing international competition will become a detriment to developing countries that are planning to base their growth on exports. Poor working children must be replaced with a skilled and educated workforce for economic development. The analysis conducted in this paper suggests that simultaneous economic interventions will enable legislation to be more effective and help eliminate child labor. Thus, *greater* government intervention is prescribed, not less.

Furthermore, the moral dimension of child exploitation sets an imperative to step up intervention rather than allow the status quo to continue. The use of children in dangerous workplaces in industrialized countries at the turn of the century does not justify exploitation of children today. Some societies that have a low GDP per capita have successfully reduced child labor through alternative approaches, such as Kerala in India.[51]

The multitude of possible determinants described in this paper emphasizes the need for a multi-pronged approach. The strongest implication of the analysis is that child labor should be reduced by targeting adult incomes and poverty and by weakening the incentives pushing parents to send their children to work. It is clear that the influences on child labor and household decision-making are numerous and complex. Not only is more data required at the aggregate level to strengthen this analysis, but more studies need to be conducted on the micro-level, on a country-by-country basis. Policies that are designed must take local conditions and localized types of child labor into account if they are going to be effective.

---

[50] G. Becker, "Is There Any way to Stop Child Labor Abuses?" *Business Week* (12 May 1997) p. 22.

[51] Ahmed Iftikhar, *Getting Rid of Child Labor*, ILO/IPEC Working Paper (Geneva: ILO, 2000) p. 26.

The priority in education policy should be to increase the quantity of and access to schooling, especially for the poor. However, a blanket compulsory schooling law that is not accompanied by economic incentives enabling compliance will only increase problems by restricting the opportunity set of poor households who depend on child labor to survive.[52] Also, given the fear that "formal education" may not be of as much use to the poor as non-formal education, governments should reconsider the curriculum taught in public schools. Competent instruction in education that is relevant to the poor and working classes will raise the rates of return to education. Cultural and religious considerations may also be important components of education where traditions are seen to contribute to a culture of complacency and where more exploitative forms of child labor are existent. Targeting fertility rates and education levels of parents, and empowering women may also be important strategies. The increase in micro-credit and micro-finance institutions throughout the world seems to be a good step in this direction.

The analysis of the role of legislation as it stands today raises the issue of enforcement. Legislation still remains one of the most powerful instruments available to governments to restrict the demand for child labor. Possible improvements may include increasing accountability of labor inspectors, increasing the number of inspectors and their access to establishments employing child workers, and raising their pay. In some cases, a fundamental policy shift may be required by local and national authorities so that labor inspectors and activists are aided in their work, rather than hindered by unhelpful authorities and the resistance of employers and industrialists. Changes in legislation in which places of work such as domestic households are not included in minimum age legislation may also be required.

The policies described above may not be economically or politically viable, and may entail trade-offs. As Bachman points out, "the basic problems with a social-services-led policy toward child labor... are... market distortions and government tendencies to use social programs as generators of economically inefficient

[52] Bequele and Myers (1995)

but politically popular jobs."[53] The need to target certain forms of child labor seems to be paramount in a situation where other policy changes may take more time to coordinate and generate. Some children's rights advocates believe that the immediate abolition of all child labor is unrealistic and, in many cases, contrary to the interests of the children themselves. Abolishing the most abusive forms of child labor should be the first priority. In this vein, the ILO has prepared a convention that targets the most hazardous forms of child labor.[54] It argues that focusing on clear human rights violations will make it harder for nations to avoid taking action by pleading poverty.[55] Furthermore, since all child labor cannot be attacked immediately, in order to avoid a situation in which the reduction of child labor in one sector of the economy leads to an increase in another, providing appropriate protections and benefits for those who must work to survive is the best immediate policy solution.[56]

The problem with such rehabilitative measures is that they may be unacceptable to activists who see the problem as a zero-sum situation—any action that ameliorates working conditions is tantamount to condoning an illegal situation. But it is important to recognize that many millions of youngsters will continue to be involved in potentially hazardous work before that work itself can be eliminated, and that both humane ideals and progressive social policy mandate that society save children from labor's detrimental effects. Rehabilitative measures can reduce the pernicious effects of child labor. Improving their working conditions in the short term must be seen as a step to the eventual elimination of child labor, not as an end in itself.

The financial constraints on governments remain, however, the most important factor to consider while assessing

---

[53] Bachman (2000) p. 570.

[54] Such intolerable activities will include child slavery and bonded labor, the sale and trafficking of children, prostitution, pornography and dangerous forms of labor.

[55] S. Islam, "Carrots, Not Sticks," *Far Eastern Economic Review* (March 1997) p. 61.

[56] This kind of work is already carried out by some local non-government organizations and international agencies in some countries. See Bequele and Myers (1995).

the recommended policies. Targeting poverty is expensive and is constrained by international organizations that advocate the reduction of spending as part of austerity programs and adjustment measures.[57] While this problem falls outside the scope of this paper, greater aid from international organizations and developed countries and the reorganization of current government budgets in developing countries are possible solutions.[58]

The emphasis on government policy points to another important change that is necessary for any elimination programs to work—the recognition by governments that the problem of child labor is an urgent moral dilemma as well as a severe hindrance to securing the future of the nation. Governments often view legislation on child labor as an end in itself, forgetting that it is only a means to attaining the larger objective of the abolition of child labor and the protection of working children. It is also necessary for every actor in the equation to take responsibility and work together. Human rights activists, the media and developed countries' governments who insist on observance of universal standards must reinforce their demands with a commensurate commitment to developing countries for increased resources to attack the problem. As we progress into the next millennium, it has become imperative on both a moral and economic plane, that hazardous child labor be left behind, consigned to history just as slavery has been.

[57] For more information on the structural adjustment programs advocated by the World Bank and International Monetary Fund, see G. Meier, *Leading Issues in Economic Development* (New York: Oxford University Press, 1995) pp. 515-520.

[58] For information on financing education projects, see G. Psacharopoulos, *Financing Education in Developing Countries* (Washington DC: The World Bank, 1986).