Overview

According to the International Labor Organization, 120 million children work full-time worldwide. Virtually all live in poor countries. Legislation has been passed to ban child labor, but it is not enforced or does not address the root causes of the practices such as low income and the opportunity costs of a child’s attending school rather than contributing to household income.

“A Four-Country Comparative Study of Child Labor” by Christiaan Grootaert and Harry Anthony Patrinos was presented at the Economics of Child Labor Conference in Oslo, in May 2002. The paper was based on a longer study focused on the labor supply decision by the household and identified the key factors affecting child labor, most notably household size and composition, education and employment status of parents, the household’s ability to cope with fluctuations on the supply side, and the functioning of the labor market and the prevailing technologies on the demand side.

Methodology

The decision tree in Figure 1 portrays the sequential decision making process.

The World Bank and Child Labor

The World Bank recognizes that child labor is one of the most devastating consequences of persistent poverty and has adopted a clear position to help reduce harmful child labor through its ongoing poverty reduction efforts and new initiatives. Housed in the Human Development Network’s Social Protection Unit the Global Child Labor Program was established to develop knowledge and identify strategies to enhance the effectiveness and impact of the World Bank’s work on children through its ongoing poverty reduction efforts. The Program functions as the Bank’s focal point for child labor activities, training and capacity building. Partnerships have been and continue to be essential to achieving these objectives.

Learn more at http://www1.worldbank.org/sp/childlabor/
representative except for Bolivia where only urban areas were covered. Table 1 shows the proportion of children working in Colombia and Bolivia.

**Table 1- Proportion of Children Working**

<table>
<thead>
<tr>
<th>Labor and School Profile</th>
<th>Colombia</th>
<th>Bolivia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urban</td>
<td>Rural</td>
</tr>
<tr>
<td>Children who only work</td>
<td>13.5%</td>
<td>25.0%</td>
</tr>
<tr>
<td>(P3 and P4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children who work</td>
<td>19.5%</td>
<td>34.1%</td>
</tr>
<tr>
<td>(P2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**General Findings**

- The child’s age and gender are important determinants of child labor. Older children are more likely to work than younger children. Boys are more likely to work overall and to work for wages. Girls are more likely to engage in home care work.

- The education and employment of parents are the most important household determinants. The more educated the parents, the less likely their children are to work. The mother’s employment usually leads to an increase in child labor. The child, usually the daughter assumes parenting responsibilities that allow the mother to work in the labor force.

- Having siblings generally reduces the likelihood of child work, but the effect of the age and gender of siblings is country specific. Even within a country, the pattern varies between urban and rural areas.

- Owning a household enterprise or farm is the most important economic attribute for the household for determining child labor outcomes. A family enterprise increases the probability that a child will work and decreases the probability that the child will combine work and school.

- A household’s poverty status exerts an influence beyond the characteristics already controlled for, suggesting that constraints on the poor (to borrow, to insure) increase the odds of child labor. There is weak evidence that the direct monetary costs of schooling (tuition, fees and other charges) and distance to school affect child labor decisions. In Bolivia and Colombia, the direct cost of school has a significant impact on child labor outcomes.

- Location also has a strong effect on child labor decisions. The probability of child labor is always higher in rural areas than in urban areas.

**Child Labor in Latin America**

**Bolivia**

As the poorest country in South America and second only to Haiti in its incidence of poverty in Latin America, Bolivia has urban and rural poverty rates of 60 and 80 percent. Of those children attending school, only 15 percent attend school beyond the fifth grade and only 10 percent of primary school age children complete the primary cycle. There are several reasons for the delays including repetition: one half of the working children claim to attend school, and most working children migrated from rural areas where they were offered only 3 years of primary schooling. Of the sampling frame of the 7-17 age group of urban children, 9 percent of the children were working full-time.

Overall, the incidence of child labor is higher among older children. Boys are more likely to work than girls, but are less likely to work in home care or to combine work with school. The more educated the parent, the less likely it is that the child works and the more likely it is that the child who does work also attends school. The mother’s employment status is also a significant determinant; children of mothers who work are much more likely to combine work and school than to work full-time.

An unusual dimension of the Bolivian case is the ethnic dimension to child labor. Children of indigenous groups are less likely to work full-time or to work for wages than are other children. Evidence from other sector studies suggest that indigenous people are excluded from formal sector employment; probably true of their children as well. Throughout Latin America children of indigenous groups are less likely to work full-time or to work for wages than are other children. Evidence from other sector studies suggest that indigenous people are excluded from formal sector employment; probably true of their children as well. Through-out Latin America children of indigenous groups are more than twice as likely to be working than other children. Children whose mothers are not in the labor force are more likely to work if they are indigenous. This makes the children of indigenous groups prime candidates for targeted programs to increase school attendance and decrease child labor.

**Colombia**

Despite legislation making school attendance compulsory and improvements in enrollment rates over the past several decades, a large proportion of children do not attend school. Overall, in Colombian metropolitan areas at least 4 percent
of children at every age are not going to school and this rate is much higher at very young ages and over the age of 15. There is not much variation across metropolitan areas; the real demarcation lies between the urban and rural areas. Regardless of age more girls than boys attend school. Among rural populations gender differences increase between the ages of 12 and 15. Presumably some boys leave school after completing their primary education while girls stay on to age 15 to finish the basic cycle. The work school decision is more of a trade off for girls than for boys. Girls go to school only or only to work, rarely combining the two.

The main three sectors employing boys and girls falling under the work and school, full-time wage work and family enterprise home care categories are construction, agriculture and services for girls and construction, agriculture and utilities for boys. In the lowest income quintile 72 percent of youth ages 14 to 17 work for wages or in home care while in the highest quintile 40 percent do so. Few children in the lowest quintile combine work and school. Their full contribution is crucial in making ends meet. Forty one percent of children in rural areas work versus 16 percent and 13 percent for urban boys and girls. By age 17, 70 percent of rural youth work, more than double the share of urban youth. Child labor contributes an average of 19 percent of household income in urban areas and 35 percent in rural areas.

**Policy Recommendations**

The study promotes a balanced approach to the elimination of child labor in which legal protections for working children are established and enforced and the combination of child labor and schooling is made more attractive than work alone. Policies can shift children who are both attending school and working toward schooling as their primary activity. In contrast to legislative bans on child labor, which can jeopardize poor households by removing an important survival strategy, this approach seeks to increase the children’s schooling through incentives while buffering poor families.

Apply a gradual policy approach to the elimination of child labor. A zero tolerance approach would actually harm working children because such policies would fail to address the root causes of child labor. Child labor exists because education systems and labor markets do not function properly because poor households cannot insure themselves adequately against income fluctuations and because perverse incentives exist that create a demand for child labor.

The legislation against child labor needs to be consistent with enforcement capacity and should be used initially to combat the most ethically intolerable forms of child labor such as prostitution, bonded labor, or the use of children in criminal and military activities. Enforcement should be the responsibility of the police not the inspectors of ministries or social agencies and should rest with the ministries and agencies to protect working children from hazardous work and limitations on hours.

Policies should make it easier for working children to combine work and school. Poor households need the income their children generate. Part of this income is often used to meet schooling expenses. A combination of restrictions on hours worked and the creation of flexible school hours so that children can attend school during the evenings or during non-peak seasons can create a transition situation between full-time work and no work that may be easier for parents to accept than the no-work alternative.

The measures are needed to alleviate the income constraints of households with working children through cash or in-kind transfers. Such measures will allow children who work and do not attend school to combine the two and eventually prepare the way for children to go to school and not work. Ultimately the most efficient way to transfer resources to households with working children is to make alternative income sources available to households. The following actions can help reduce child labor:

- Provide both home business support and enrollment incentives
- Target the children of parents with low education
- Target locations where child labor is concentrated
- Target the characteristics of poverty that contribute to higher rates of child labor

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**About the Authors**

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Selected Child Labor Interventions in Latin America

Mexico’s *Progresa*
While more than 90 percent of rural Mexican children attend primary school, 45 percent dropout after sixth grade when students advance to secondary school. Enrollment also falls after ninth grade when 42 percent of students leave. In 1997, Progresa was introduced in Mexico to encourage enrollment and reduce the dropout rate. Bimonthly checks are sent to rural families; the amount varies from about $10 per month in third grade to $35 for girls in ninth grade. Girls in secondary school are paid 15 percent more than boys because girls have a higher dropout rate. Families are also given a grant to buy school supplies and a monthly food subsidy if they get medical checkups, immunizations and health education lectures. The education grants are substantial, about two-thirds of what secondary students would receive for full-time work.

In 2000, some 2.5 million rural families received benefits, about one ninth of all families in Mexico. *Progresa* increased transitions to secondary school by nearly 20 percent. Educational attainment is projected to increase by two-thirds a year because of *Progresa*. Larger effects could be expected if the benefits were extended to ninth grade. Child decreased as enrollment increased. Eligibility for Progresa benefits led child employment to decline by about 15 percent. The total cost was around $1 billion, or .02 percent of gross domestic product. The new government of Mexican President Vicente Fox recently renamed the *Progresa* program *Oportunidades* and plans to expand it to urban areas with the help of a $1 billion loan, the largest ever, from the Inter-American Development Bank. Brazil, Colombia, Guatemala and other countries have introduced similar programs or are in the process of doing so.

Guatemala’s *Eduque a la Niña*
One possible strategy for increasing female participation is to reduce the costs for girls using special scholarships only for girls. The scholarship package is one element of the pilot *Eduque a la Niña* under the Girls’ Education Program of Basic Education Strengthening Project (BEST) in Guatemala. While the pilot also made use of parent committees and community outreach workers, the most innovative tool in the package is a small scholarship —equivalent to US$4.00— that is provided to girls enrolled in grades one, two and three in 12 rural communities.

Brazil’s *Bolsa Escola* Program
The *Bolsa Escola* Program is a poverty-targeted social assistance program that provides cash grants to poor families with school-age children between the ages of seven to fourteen. These programs aim at increasing educational attainment, to reduce current, and future poverty, as well as child labor, and, implicitly, to act as a partial safety net. The rationale for these programs should be considered in the context of the current picture of poverty in the country, where the strongest correlates of current poverty is low education. The program works as an effective preventive intervention not only to child

Notes


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