

THE SHORT AND LONG RUN IMPACT OF CHILD LABOUR AT THE MICRO FAMILY LEVEL: LESSONS FROM DEVELOPING COUNTRIES

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1. Introduction

Majority of articles on child labour are focused on the causes of it, probably for the reason that knowing the reasons behind the issue is necessary for defining legislative aims and objectives and tools to combat the problem. However, it is rare to find articles on the economic effects of the labour of children. Needless to say, without effectively understanding the economic effects, it is difficult to appreciate the full importance of the issue.

According to Balotra and Heady (2001), South Asia is at the top in terms of number of children involved in child labour. Africa comes at a close second. Ashagrie (1998) gives excellent statistics, saying child labour prevalence is 21% in Asia. He goes on to compare Sub-Saharan Africa, South Asia, and Latin America in terms of their commonalities such as average household income. This, in all areas, is very low.

The aim of this article is to show, through a literature review, a well-defined overview of the current body of knowledge regarding child labour. The effects of child labour on the economy of a country can be divided into micro and macro levels, and the long and short term labour market consequences (Anker, 2000). For limitation of scope purposes, we will limit our discussion to the short and long term effects of child labour at the macro level labour market.

2.1 Short run effects

The first and most apparent impact at the level of the family unit in the short run is increase in household income. Unfortunately, child labour is often the only course for survival for many families in poor and less developed countries. Numerous scholars have written about how children contribute from 21% right up to 40% of household income, anywhere from Bolivia to India (Cartwright and Patrinos, 1999; Usha and Devi, 1997; Swaminathan, 1998). There are often circumstances when the family either has little income, or there is threat of job loss, etc. Either way, child labour is not only tolerated, but encouraged,,

irrespective of whether the nature of work is healthy or unhealthy for the child. Sometimes, children are even forced to take up unpaid work for the fear that lack of experience or mistrust of employers will make it hard for them to get a job in case of financial emergencies. Therefore it is of the utmost importance that some sort of pocket money, income programs, or subsidies be allotted to children in government schools for better reduction of child labour.

2.2 Long run effects

Perhaps if parents understood the long term implications of sending their children to work instead of to school, they would not be doing so. Because working children miss out on school, they eventually miss out on skills necessary for progress in any professional position. This lack of development causes a shortfall in human capital, thereby reducing their chances of increasing income (Galli, 2001). Also, the productivity of such workers is severely hampered, since they are constantly replaced by younger children as they grow up. This eventually reduces the income of the next generation of families, and inevitably causes more and more child labour, thereby creating a vicious circle.

The relationship between human capital development on the macro level and child labour has been discussed by many scholars (Anker and Melkas, 1996, Duraisamy, 1997; and Bachman, 2000). Numerous authors (Basu, 1999; and Baland and Robinson, 2000) have provided theoretical models to study this relationship. However, it must be understood, that the problem in itself is not simply dismissed. It is a multifaceted issue that needs sophisticated models to eliminate.

To begin with, child work is unilateral. The relationship between the future productivity of a child is inversely proportional to the number of hours he or she works today. Full time jobs, and even part time jobs that are physically draining are perhaps the worst of all, since they leave no room for emotional, physical, and intellectual wellbeing and development of the child. The child is simply too tired to study after working

too hard. The nature of work, however, is irrelevant, since the job time will be competing with school time whether or not the work is hazardous, non-hazardous, paid, or unpaid. The age in which the child enters the labour market is once again important. Research has shown that the earlier the child enters the workforce, the less chances are that he or she will develop into a productive individual (Diamond and Fayed, 1998).

This begs the question: Do children who start work master the skills required for them to become experts as adults? Many poor families rightly dissuade their children from going to school because they feel that practical skills are being developed at an early age. The low quality of government, free, and subsidized education is also a widely known problem, as is violence in schools. Also, agriculture related work is considered an apprenticeship (Rodgers and Standing, 1981). Such cross-generational, part time employment provides a base for children to get into the family profession at an early age (Ghose, 1999). Ghose goes on to point out that employment other than family based work often exploits the youth of the workers. This is because most employment of very young children is at wages well below the minimum rate set by governments (Swaminathan, 1998).

Secondly, as discussed in Bachman (2000), and earlier in this paper, the vicious circle caused by child labour, whereby generation after generation of children are victimized despite starting work at an early age, is not easy to break. Firstly, simply eliminating child labour through strict laws, as is done in developing and underdeveloped nations, is no guarantee of a higher literacy rate. In other words, there is no mechanism through which a child who has been taken off work will be sent to school. In order for this to happen, schools must be at hand, easy to approach, and should cost either nothing or just take a token fee. Needless to say, as discussed above, that some sort of subsidy or pocket money should be given by the government to students so that their lack of income should not be an incentive for poor families to send them back to work again. Also, teaching hours, transportation and holidays should be in line with the mind-set, culture,

and professional requirements of poor parents who probably work extra hours in order to survive.

The quality of education, teachers, textbooks, and training equipment offered at these schools should also be of a better quality. Unfortunately, this is rarely the case in developing countries (Galli, 2001). The curriculum must reflect practical trends which help these students become, if not white collar executives, at least literate blue collar workers in some skilled employment. Another major factor because of which parents are unwilling to send their children to school is sexual abuse at the hands of teachers, administrative staff, and others involved in the teacher process. It is invariably the responsibility of the government to ensure such practices are eliminated completely from government schools.

Furthermore, researchers have discovered that it is not necessary that children who work cannot also study. Numerous parents in developing countries choose to send their children to work because schooling is full time. Ravallion and Wodon (2000) say that there are many factors that determine the decision of parents to send the child to school or to work. Among others, there is the question of the perceived loss of income (equivalent to the wage rate of the child), and the price of leisure that the child enjoyed when not indulging in intellectual activities are among the foremost. Also, the personal acquaintance of the school master with the parents, the proximity of the school to the residence of the child, and the hidden expenses associated with school are important factors influencing decisions.

Ravallion and Wodon go on to suggest solutions. They recommend the Food for Education campaign in rural Bangladesh, which was successful in influencing the decision of parents. Their research suggests that although it will be difficult for parents to substitute schooling with work, it will actually be easier to substitute leisure time with work. In other words, the child can study part time, and work part time. This way he or she will have time both to work, study and play. Although this will put pressure on the child, it will invariably result in better productivity in the long

run. If, however, the program is designed such that the child studies a skill along with theoretical subjects, and his or her production while study is used in commercial activity, the time for work and study can more or less overlap, and the leisure time enjoyed by the child can increase. This way, the loss of income incurred by poor families while the child is studying can be overcome.

3. The Case of Pakistan

Although the above abstraction of studies apply completely to Pakistan specifically, and the Indian Subcontinent in general, it is necessary nonetheless to see what independent researchers have said regarding the country.

Bhalotra and Heady (2001) conducted excellent research on the nature and numbers of child labour in Pakistan compared to other poor countries (Sub-Saharan Africa and Latin America). According to them less than one per cent of children in Pakistan go to school along with their work. They go on to say:

"Overall, in all its forms, child work in Pakistan is much more evidently in competition with school attendance than is the case in [other comparative countries]." (Block text added by author).

Also, their research tells us that an overwhelming 35% of girls never see the inside of a school in their lives. Therefore the problem in Pakistan is not only of child labour, or of the education/work divide, it is also of gender displacement and inequality.

Das Gupta (1987) and Butcher and Case (1994), both mention the order of birth of children in Pakistan as being an important factor in determining whether the child will go to school or will work. Generally speaking, the first born, and the first born son nonetheless, has a higher chance of attaining an education compared to his other siblings in a poor family. Such behaviour not only releases hostility within the family, but also a form of subliminal and subtle antagonism and jealousy against the education system as a whole.

4. Conclusion

As it has been seen in the above discussion, most research regarding the effects of child labour on economics has focused on the causes and reasons behind the incidences, rather than the effects themselves, especially on the future of children. This paper aimed to synthesize knowledge available and spread out across numerous years of research, and to present some of these effects, which could lead to understanding gaps in the literature and evaluating avenues for further work.

The following conclusions can be drawn, which can be used as a basis for much needed further research on the issue:

Short run:

1. Inevitably, child labour helps increase the family income in the short run, thereby becoming a favourable tool for poor parents.
2. Poverty is the main determinant of child labour.
3. Taking (1) and (2) into account, it is unrealistic to assume that poor families will be inclined to stop their children from working simply for economic reasons.

Thus it can be seen that although detestable, child labour is essential for survival of poor families in the short run, and money is therefore, an incredible incentive for making children work from an early age. This fact is indisputable, and should be taken into consideration in every study.

The biggest problem in this is that there is a vicious cycle involved. When a child starts working at an early age, it *seems* as if he or she is gaining both skills and money that will help him or her move out of poverty in the long run, but it doesn't. Since the child only learns basic skills, and builds virtually no base for skill *development*, at a later age he or she is replaced with cheaper and younger children. The now adult once again falls into poverty, and his or her children need to make the same unfortunate sacrifices that the parent made. This vicious cycle is not recognized, and is

therefore, virtually everlasting.

Long run:

1. Children working do not necessarily have to remain uneducated, but the general perception is such, therefore most attempts to reduce child labour leads to termination of income.
2. Regular syllabi is not necessarily what children from poor families need. Perhaps are more skill oriented education is needed, leading to regular study if the child and parents so choose.
3. Children who work in industries sometimes learn the skills, sometimes don't. Therefore, working at an early age in itself does not guarantee a development of blue collar skills.
4. On the other hand, children who work in family professions, such as agriculture, often *do* pick up skills that they can use later in life.

In effect, child labour reduces the ability of the child to acquire skills needed for future professional enhancement, even in skilled labour. In order for the child to both earn an income for the family, as well as acquire a set of skills that will last him or her for a lifetime. Further research is needed in this regard, especially empirical research needs to be conducted on whether children in developing countries have been successful in breaking the vicious cycle of generation upon generation of child workers because of part work-part study programs.

In the end, it is safe to say that child labour is an issue which merits sophisticated models for solution. Simple, one sided stop-the-child-from-working programs introduced half heartedly by governments in developing and underdeveloped countries are not only underachieving, but mostly *counter-productive* in nature. This causes a backlash of generations, who have to fall either into further poverty, or into crime (further research is required on this front as well in Pakistan).

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