



Understanding Child Labour

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(most photographs courtesy of Dr. David Parker)



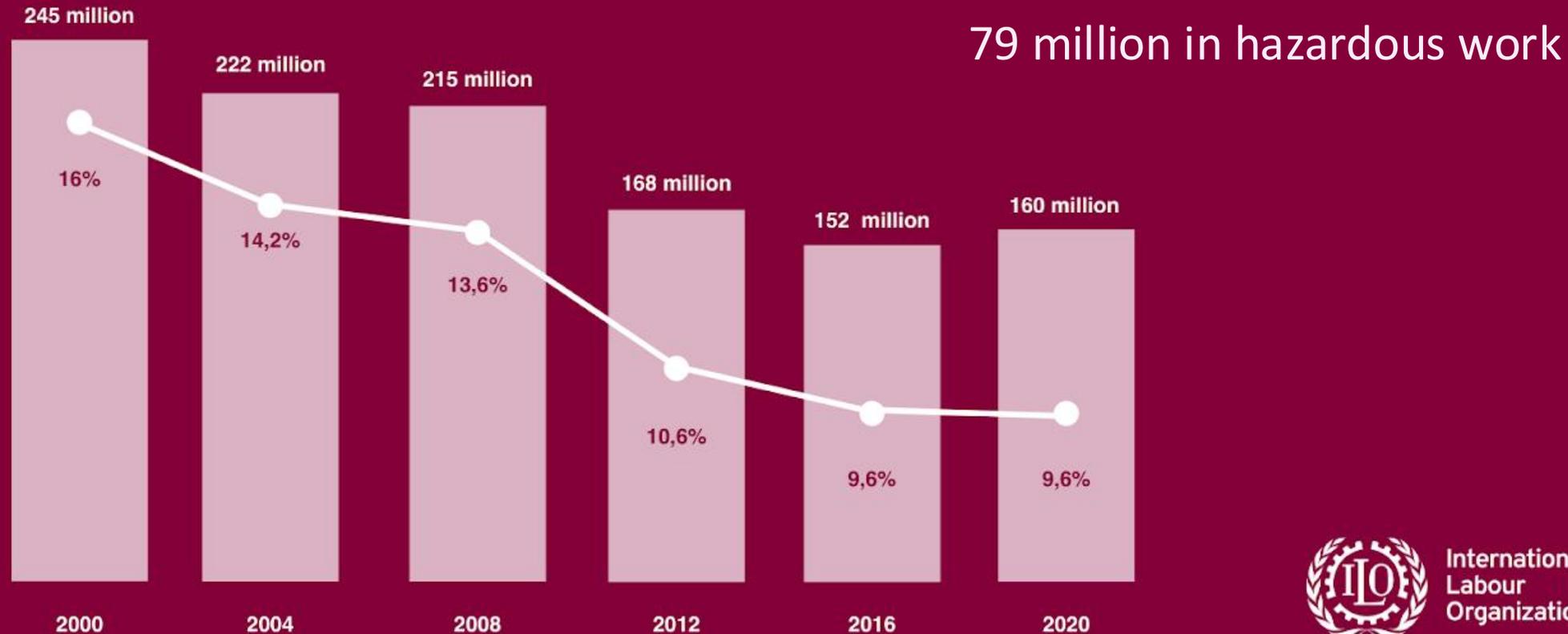
What is child labour?

Work that is “harmful” to children

- Not all work is
- Int’l standards respect local laws

Child labour has risen by 8.4 million to 160 million since 2016

Percentage and absolute number of children in child labour, 5–17 years age range, 2000 to 2020



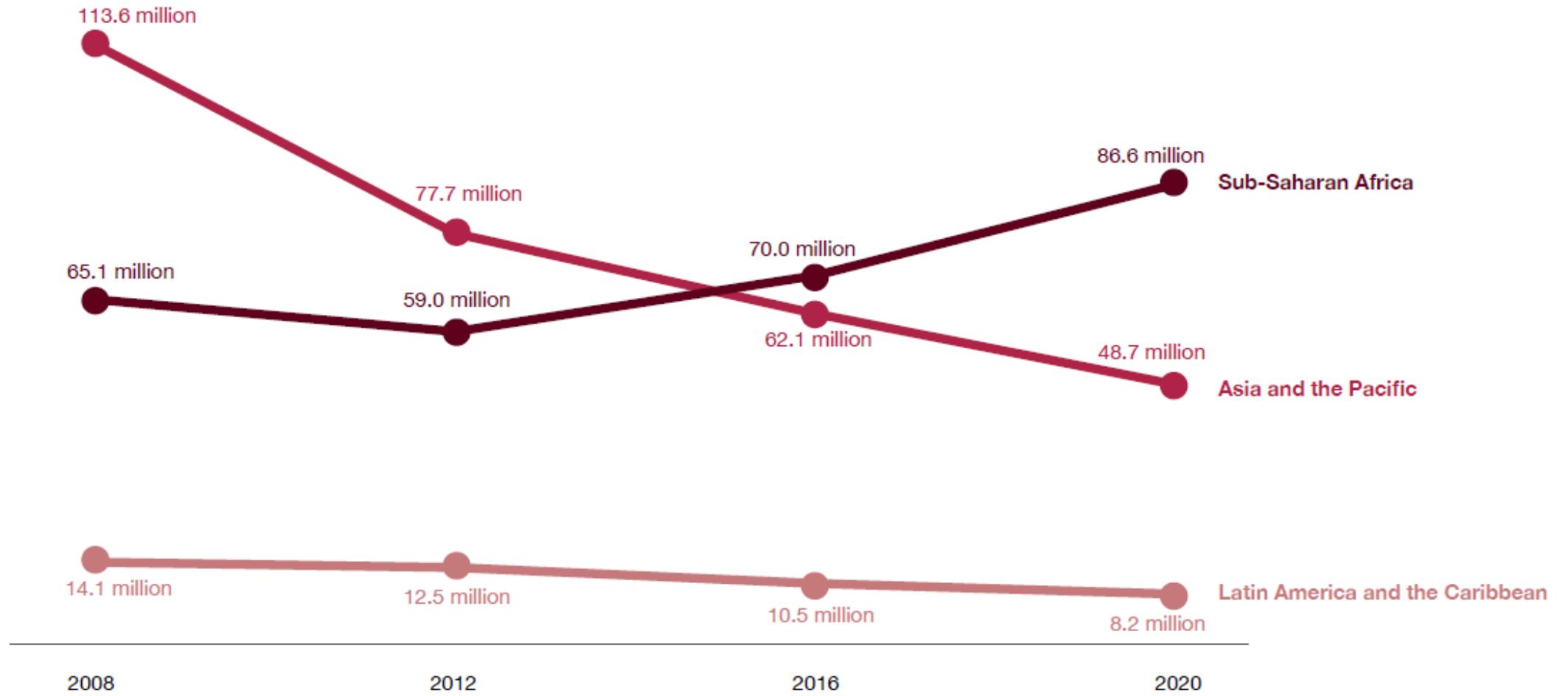
International
Labour
Organization



for every child

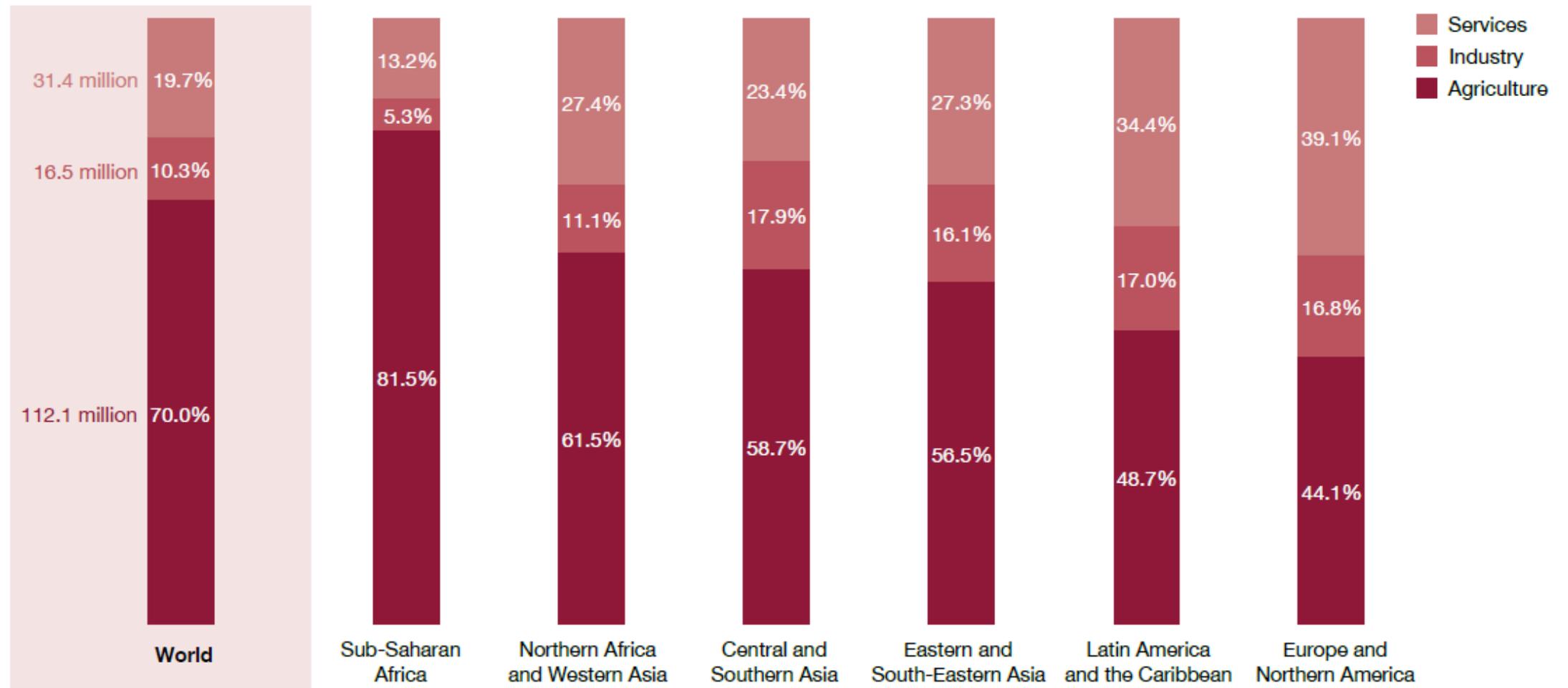
Source: 2020 ILO Global Estimates

Child labour is now most prevalent in Sub-Saharan Africa



Source: ILO 2020 Global Estimates

Most child labourers are in agriculture and the informal sector



Source: ILO 2020 Global Estimates



Why do we care?

Sustainable Development Target 8.7

Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms

- It's a human rights issue
 - Children lack agency and (often) judgement
- It's an economic issue
 - Child labour drives down wages, leaving adult workers poorer
 - Child labour consequences last into adulthood, perpetuating poverty now and in the future

Child labour is a facet of poverty

- Randomized Control Trial in Ecuador
 - 1,883 highland families
 - \$15/month per family starting in 2003
 - Roughly the amount school fees increase with the transition to lower secondary
 - After 1.5 years, effectively eliminated paid employment at end of primary school
 - And household consumption fell!
 - Edmonds, E. V., & Schady, N. (2012). Poverty alleviation and child labor. *American Economic Journal: Economic Policy*, 4(4), 100-124.
- Economic gains from growing rice trade in Vietnam
 - Vietnamese rice trade increased by 4.5 times with liberalizations in early 90s
 - Farmgate rice prices increased by 30 percent, raising net farm income a country where 70 percent of rural residents produce rice
 - 1 million fewer working children as a result
 - Edmonds, E. V., & Pavcnik, N. (2005). The effect of trade liberalization on child labor. *Journal of international Economics*, 65(2), 401-419.

Child labour is NOT only a facet of poverty –families consider the value of time in different activities

- RCT of unconditional cash transfer in Malawi and Zambia
 - Families put into growing household based enterprises
 - Children work more, including in activities that would be considered hazardous child labour
 - de Hoop, J., Groppo, V., & Handa, S. (2020). Cash transfers, microentrepreneurial activity, and child work: Evidence from Malawi and Zambia. *The World Bank Economic Review*, 34(3), 670-697
- RCT of sustainable livelihoods program in Philippines
 - Families with child labour present receive productive asset of their choosing (with about \$450)
 - But poor families already using child labour do not have extra labor available to work the new asset
 - So more children drawn into work
 - Edmonds, E., & Theoharides, C. (2020). The short term impact of a productive asset transfer in families with child labor: Experimental evidence from the Philippines. *Journal of Development Economics*, 146, 102486.



Key questions for anticipating the impact of policies, projects, and environmental changes on child labour

- What happens to poverty?
 - Everything else equal, declines in poverty decrease child labour
- What happens to the returns to child labour?
 - Everything else equal, higher relative returns to unskilled, manual labour increases child labour
- What happens when poverty decreases but returns to work increase?
 - Depends on magnitudes and time horizons
 - Households try to take advantage of transitory returns to work and are moved by permanent changes in poverty
 - Example: Gold Mining in Columbia
 - Spike in gold prices in Colombia increased child employment: Santos, R. J. (2018). Blessing and curse. The gold boom and local development in Colombia. *World Development*, 106, 337-355.
 - But new gold mine openings in Colombia increase schooling and lead to less child employment: Mejía, L. B. (2020). Mining and human capital accumulation: Evidence from the Colombian gold rush. *Journal of Development Economics*, 145, 102471.