



International
Labour
Organization

Eliminating Child Labour

Guides for Employers



Guide One

Introduction to the issue of child labour



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Introduction to the issue of child labour

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Bureau for Employers' Activities, International Labour Office
and the
International Organisation of Employers (IOE)

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Foreword

Child labour is normally concentrated in the informal economy, in the rural sector and in other industries hidden from public view. Children who are engaged in child labour, either because they are below the legal work age or because they work in hazardous, illegal or degrading conditions, are unable to develop to their full potential. Employers and employers' organizations can play a role in the global fight against child labour. Employers can take responsible action to remove child labour from their workplaces, they can reduce the risk from hazards for adolescents and they can refuse to hire children. Employers and employers' organizations can lobby for effective schooling and for remedial programmes, and they can help to raise public awareness and change attitudes.

The International Labour Organization (ILO) and the International Organisation of Employers (IOE) worked closely together to develop this set of Guides. The Guides are unique in that they consider child labour from the perspective of employers and their organizations, while keeping the welfare of children and their families at the centre of the analysis. In addition, the Guides offer practical ideas and advice. They draw on the experiences of staff at a number of national employers' organizations that have worked with the ILO over the past several years on child labour projects. Numerous examples of the positive actions taken by employers and their organizations are included. These examples provide evidence not only of what *can* be done but of what *has been* done.

The Guides have benefited from the inputs of a wide range of experts. They were first reviewed at an interregional workshop for employers' organizations held at the International Training Centre of the ILO in Turin, Italy, in July 2006. Ideas and suggestions were also received from experts at the IOE, the ILO's Bureau for Employers' Activities and the ILO's International Programme on the Elimination of Child Labour (IPEC). The Guides are fully consistent with, and indeed support the ILO's Minimum Age Convention (C. 138) and the ILO's Worst Forms of Child Labour Convention (C. 182).

We hope that these Guides can help you and your organization or business make a difference in your country.

Jean François Retournard
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The labour of children

Complex set of supply and demand factors

In the world today, an estimated 218 million boys and girls work as child labourers. Of this total, over 126 million are engaged in hazardous work.¹ In many cases, they live in countries where child labour is banned. They work anyway because the poverty of their family situation requires it, because adequate and affordable schooling is not available and because social norms deem it to be acceptable. At the same time, child labour persists not only because children supply their labour but also because plantations, farms, factories, businesses and households generate a demand for such labour. The successful elimination of child labour worldwide requires efforts to tackle simultaneously this complex set of supply and demand factors.

Role of employers and their organizations

Employers and their organizations are important players in the effort to eliminate child labour. At the global level, employers' organizations have supported the adoption of ILO Conventions against child labour. At the national level, employers' organizations engage actively in tripartite dialogue regarding the ratification of Conventions, the adoption of national anti-child labour laws and compliance with those laws. Individual employers and employers' organization also participate, with the ILO and other stakeholders, in projects and programmes to reduce child labour.



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¹ *The End of Child Labour: Within reach* (Geneva: ILO-IPEC, 2006). The data refer to estimates for 2004 and were the latest available figures from ILO's International Programme on the Elimination of Child Labour (IPEC) at the time of publication.



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Purpose of the Guides

Three Guides:
1. Introduction
2. Enterprises
3. Employers' organizations

This set of guides is designed to help employers and their associations understand and take action against child labour. It provides strategies for the prevention of child labour, the withdrawal of children from work and the protection of those children who are above the minimum age of employment and do work. This first guide provides definitions, an explanation of the causes and the consequences of child labour, and the rationale for why enterprises should not employ children. In short, it provides an understanding of the issues. The two subsequent guides explain what can be done about child labour from the business point of view. Guide Two is addressed to enterprises and explains their options and possible strategies for eliminating child labour. Guide Three is about the collective role that employers' organizations and other business associations can play in helping their members on this important topic.

What is child labour?

A ‘child’ is under the age of 18

Article 2 of the ILO’s Worst Forms of Child Labour Convention, 1999 (C. 182) defines a ‘child’ as anyone under the age of 18. There are 318 million economically active children in the world. About two-thirds of these children (218 million) are engaged in what is considered child labour. The remainder participate in acceptable forms of work. Child labour is work that harms a child’s well-being and hinders his or her education, development and future livelihood. Child labour is work which, by its nature and/or the way it is carried out, harms, abuses and exploits the child and deprives the child of an education.

What is
child labour?



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Other definitions of children who work

In addition to the term “child labour”, the ILO also uses the expressions “working children” and “economically active children”, notably for statistical purposes. These two terms denote work by a child of more than one hour during a seven-day period. This work can be paid or unpaid, for the market or not, regular or casual, legal or illegal.² In many cases such work is within the law, and therefore is not considered child labour. Thus, it is important when reading statistics to distinguish between “child labour” which is illegal, and the activities defined by these other terms which include child labour but also include the work that children are doing legally. The ILO uses these other terms because it is easier to collect data based on them rather than exclusively on child labour. A portion of the cross-country comparative data provided by the ILO uses this broader definition.

² The terms ‘working children’ and ‘economically active children’ exclude chores done in a child’s own household.



The ILO estimates that there are about 317 million economically active children in the world, of which 218 million fall into the category of child labour.³

**Minimum age
and hazardous
work**

The majority of countries have fixed a general minimum age for work. This minimum is usually set at 14, 15 or 16 years of age. Many countries have also defined hazardous work and banned children from this work, including those children who are above the minimum working age and below the age of 18. These definitions, contained in national legislation, must be followed by an enterprise for it to remain within the law. The definitions vary from country to country although they are often based on or include elements of the two ILO Conventions on child labour, the Minimum Age Convention (C. 138) and the Worst Forms of Child Labour Convention (C. 182), as well as the UN Convention on the Rights of the Child. A country that has ratified these Conventions commits itself to complying with their provisions. A country is free, however, to adopt laws that are more protective than these Conventions and to also use the flexibilities contained in the Conventions to suit its particular circumstances.

**ILO and UN
conventions**

Minimum Age Convention (C. 138)

The ILO's Minimum Age Convention calls for the minimum working age to be set at not lower than the end of compulsory schooling, and in any case at not less than age 15 (or 14 in developing countries).

**Defining light
work**

However, light work may be permitted for those between the ages of 13 and 15 (or 12 and 14 in developing countries). The Convention defines light work for these children as that which is:

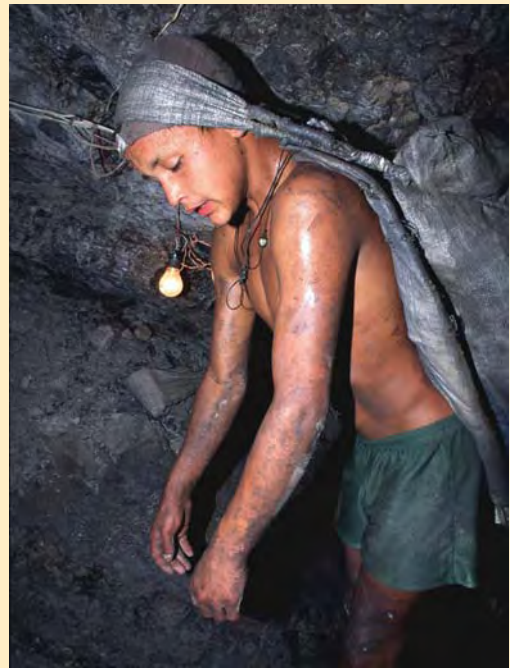
- not likely to be harmful to their health or development, and

³ *The End of Child Labour: Within reach* (Geneva: ILO-IPEC, 2006), Table 1.1.

- ## What is child labour?

Developing countries do not always avail themselves of the lower age criteria contained in C. 138. For example, Brazil, China and Kenya set the minimum age at 16, while Germany, Japan and Switzerland have set it at age 15. (See Figure 1 below.) C. 138 was agreed by ILO delegates in 1973 and has been ratified by 80% of its more than 175 member countries.

Article 3 defines these worst forms as:



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- a) *all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage, and serfdom, and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict*
- b) *the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances*
- c) *the use, procuring or offering of a child for illicit activities in particular for the production and trafficking of drugs as defined in the relevant international treaties*
- d) *work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.*

Unconditional worst forms

Legitimate businesses will be free of the types of “work” mentioned in subparagraphs (a) to (c). These types of work are sometimes referred to as the “unconditional worst forms of child labour”. Subparagraph (d) of Article 3 describes what is referred to as “hazardous child labour” (HCL). C. 182 has been ratified by over 90% of the ILO’s member countries.

Hazardous child labour

Defining HCL

According to C. 182, HCL is work in dangerous or unhealthy conditions that could result in a child being killed or injured (often permanently) and/or made ill (often permanently) as a consequence of poor safety and health standards and working arrangements. HCL is also covered under the ILO’s Minimum Age Convention (C. 138).

Hazard and risk

“Hazard” is closely associated with “risk”. A hazard is anything with the potential to do harm. A risk is the likelihood of potential harm from that hazard being realized. For example, the hazard associated with power-driven agricultural machinery might be getting trapped or entangled by moving parts. The risk will be high if guards are not fitted and workers

are in close proximity to the machine. If, however, the machine is properly guarded, regularly maintained and repaired by competent staff, then the risk will be low.

National determination

The exact list of hazardous activities is to be determined by each country after consulting with employers and workers. The ILO's Minimum Age Recommendation (R. 146) states that, in determining what constitutes hazardous work, "full account should be taken of relevant international labour standards such as those concerning dangerous substances, agents or processes (including ionizing radiations), the lifting of heavy weights and underground work" (para. 10.a). Advice for governments on hazardous child labour activities which should be prohibited is also given in the ILO's Worst Forms of Child Labour Recommendation (R. 190), which reads:

Defining hazardous

In determining the types of work referred to under Article 3(d) of C. 182, and in identifying where they exist, consideration should be given, inter alia, to:

- a) *work which exposes children to physical, psychological or sexual abuse*
- b) *work underground, under water, at dangerous heights or in confined spaces*
- c) *work with dangerous machinery, equipment or tools, or which involves the manual handling or transport of heavy loads*
- d) *work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels and vibrations damaging to their health*
- e) *work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.*



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Box 1

What is an ILO Convention?

An ILO Convention is an international agreement on an important labour-related issue that has been reached by the delegates of governments, workers and employers meeting at the annual International Labour Conference of the ILO. After passage of a Convention at the Conference, each country is then asked to ratify the Convention through its legislature (parliament, congress, etc.). Ratification may involve the inclusion of provisions specific to the circumstances of the country. Once ratified, the country is bound to carry out the provisions of the Convention (as ratified). The ILO reviews the implementation of Conventions and holds countries accountable. Some conventions receive more ratifications than others; for example, the Home Work Convention (C. 177) has been ratified by five countries since its passage in 1996. In contrast, the Worst Forms of Child Labour Convention (C. 182) has been ratified by over 160 countries since its passage in 1999.

Sectors and gender

High concentration in farming

While public images present unsmiling children in dirty clothes working in quarries, match factories and carpet-making shops, the vast majority of children who work are engaged in agriculture. A full 69% of the world's working children are engaged in this sector. Services, including domestic cleaners and servants, account for 22% of working children while industry employs only 9%.⁴



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⁴ *Ibid.*, Table. 1.3.

Boys more likely to work than girls

Of children aged 5-11, girls are slightly more likely to be engaged in child labour than boys. Overall, however, boys are more likely to work than girls and the difference increases with age. Boys constitute 62% of total child labourers aged 15-17. Boys are more likely to be engaged in hazardous work for children in all age categories.⁵ Girls predominate in some types of activities such as domestic work.

Box 2

Contrasting the law and reality, Moldova

In Moldova, the Labour Code sets out specific requirements regarding the employment of children. The minimum age of work is set at 16, but a girl or boy aged 15 can engage in work if s/he has the written consent of a parent or tutor and the work does not jeopardize the child's health, development, education or vocational training. The country has ratified the ILO's Minimum Age Convention.

A 15-year-old is not allowed to work more than five hours per day while those aged 16-18 can work a maximum of seven hours. There are also weekly limits (24 hours and 36 hours, respectively). In conformity with the ILO's Worst Forms of Child Labour Convention, which the country has ratified, those under the age of 18 are not to be employed in work that is: hard, damaging, dangerous, conducted underground, or might adversely affect his/her health or moral integrity (e.g. involving gambling, alcohol, drugs, tobacco or toxic products). Maximum handling and carrying loads for children must not be exceeded.

Despite these legal requirements, a rapid assessment survey found many cases of children working illegally in the horticulture sector. The work was particularly seasonal; 50% of working children worked less than three hours per day in the spring, a figure that dropped to 22% in the summer as they worked much longer days. In the summer, 22% of working children were employed for eight hours or more. As a result, only 3.8% of the children surveyed had dropped out of school.

Source: "Rapid Assessment on Child Labour in the Horticultural Sector in Moldova", National Federation of Employers in Agriculture and Food Industry (FNPAIA) and ILO-Bureau for Employers' Activities, Chisinau, 2005, pp. 22-24 and p. 60.

⁵ *The End of Child Labour: Within Reach* (Geneva: ILO, 2006) p. 8.

Informal sector, agriculture and supply chains

Informal enterprises and farming

The nature of child labour varies across countries. However, the increasing pressure on export firms, the ratification of ILO Conventions and the enforcement of laws on domestic firms has meant that many (or indeed most) formal sector firms do comply with the law. Much of the problem, however, lies now with informal sector enterprises and small-scale farms and to some extent also with state-owned and large-scale plantations. Informal enterprises are, by their nature, beyond the reach and concern of government inspectors. While in developed countries the informal (or black or underground) economy is relatively small in size, in developing countries it accounts for 40-50 per cent of total employment.⁶ If child labour is to be eliminated, it is this part of the economy and agriculture that need attention.

Child labour further up the supply chain

Many large enterprises subcontract their production and purchase their inputs from smaller enterprises operating in both the formal and informal economies. A large enterprise may not employ child labour itself but it may knowingly or unknowingly source from enterprises that do. While large firms usually have no legal responsibility to ensure that their suppliers are free from child labour, those that are export-oriented are under increasing pressure to put in place screening and monitoring systems to ensure that their suppliers are child-labour free. When these measures are written into contracts between international buyers and domestic firms, then the issue does have legal implications. Here we simply note the importance of the supply chain in understanding child labour. The issue is dealt with in detail in Guide Two.

Agricultural supply chains

In the same way, large agricultural buyers and processing firms source from small producers further up the supply chain. It is in these small farms, often known as out-growers, that child labour is most prevalent in the agriculture sector.



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⁶ M. Ayyagari, T. Beck and A. Demircuc-Kunt (2003). *Small and medium enterprises across the globe: A new database*, World Bank, mimeo.

What causes child labour?

Supply and demand factors

The factors that cause child labour are closely interrelated. We define here five key factors. The first three of these (poverty, education and social norms) can be considered supply factors. They prompt parents to supply the labour of their children in their own businesses or farms or in the labour market. The other factors relate to the demand for child labour; demand from parents' farms or businesses and demand from other businesses. It is the combination of supply and demand factors that contributes to the prevalence of child labour. Addressing all of these factors – and not just one single one – is critical for reducing child labour.

What is the combination of causes?

While child labour has become an important international issue over the past 15 years, there is, in fact, relatively little detailed research on its causes. In particular, it is not clear how important each of the five factors is. For example, we know that when the costs of education are removed, a large increase in school enrolment results. We are not clear, however, on whether very poor parents will then transfer their children from work to school, or on how important social norms will be in influencing such a decision. We have an idea of the main factors that affect the decisions of parents and children, but we still do not know what combinations of these factors cause child labour.

What causes child labour?

Low household income (poverty)

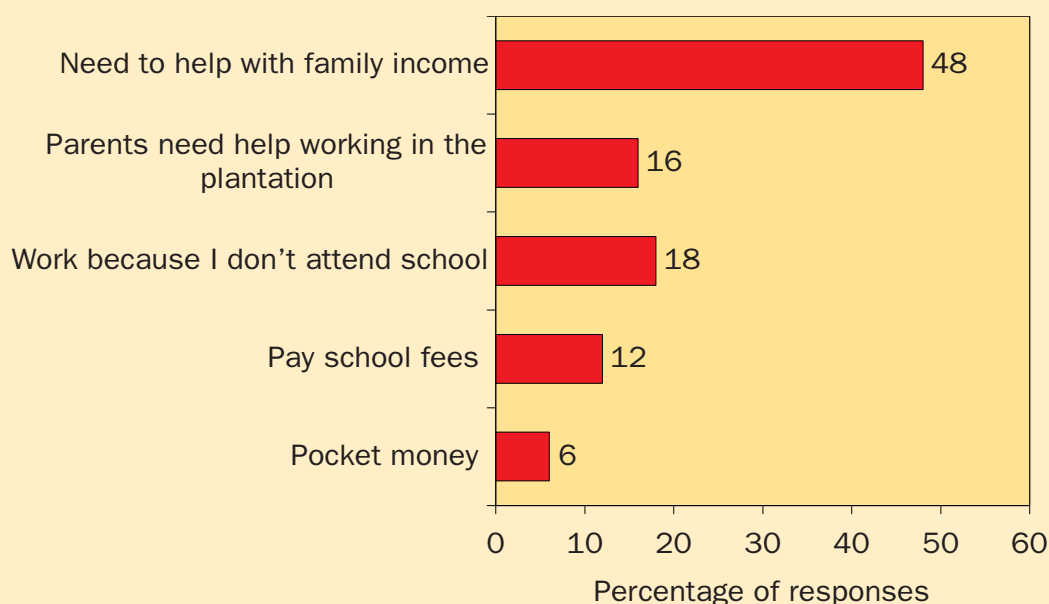
Poverty forces children to work

A powerful determinant of child labour is poverty. Parents send their children out to work or ask them to work in the family business or on the family farm because the family has a low income and needs the extra money (or work effort) that the children provide. In Ghana's oil palm and rubber plantations, for example, 48% of child labourers said they worked to support the family's income, while an additional 16% worked to help their parents in the plantation (see Figure 2). Children who are orphaned work to support themselves.

Poverty is not the only factor

It is important to remember, however, that while poverty is an important factor influencing household decisions on child labour, it is not the only factor. The decline in child labour at the national level has, historically, not come about solely as a result of changes in income levels. It has also been affected by a host of other factors including legislation (ban on child labour, compulsory schooling), changes in attitudes and changes in the nature of work.

Figure 2: Reasons for children working, oil palm and rubber plantations, Ghana



Source: Rapid Assessment Survey on Child Labour in Five Commercial Oil Palm and Rubber Plantations in Ghana (Accra: Ghana Employers' Association and ILO Bureau for Employers' Activities, 2005), p. 16.

Wealthier countries have less child labour

The role of poverty is supported by the macro-level evidence comparing the income levels and the incidence of working children across various countries. In those countries with an annual per capita income of US\$500 or less, between 30-60% of boys and girls aged 10-14 engage in some type of work and thus can be classified as working children. As income increases, the rate declines: in countries with per capita income of between US\$501 and US\$1000, the proportion of working children is generally between 10-30%.⁷ Note that these figures are for “working children” and not child labour, because figures for the latter are less readily available.

But the correlation does not always hold

Data on income and working children are provided in Table 1. They show a general pattern in which countries with a higher income, such as Costa Rica, have very low rates of working children, while poorer countries, such as Cambodia, have much higher rates. What is also evident, however, is that there are countries that do not fit the general pattern. Kenya has both a higher level of income and a higher incidence of working children than Ghana or Bangladesh. In addition, the proportion of working children has declined dramatically in some countries. Over a five-year period, the incidence for Brazil dropped from 47% to 14% for boys.

Overall, the data suggest that while income level may be a powerful factor affecting whether children work or not, increases in per capita income alone are not sufficient to eliminate the incidence of working children.

⁷ P. Fallon and Z. Tzannatos (1998). *Child labour issues and directions for the World Bank* (Washington: World Bank, 1998), figures calculated at 1987 prices.

Various income shocks

In addition, we note that a decline in a household's income or resources can cause an increase in child labour. The factors that can cause such a decline include:

- war, political unrest or social strife that disrupts the economy
- natural disasters
- migration (prompted by the above factors)
- economic recession or depression
- inability to raise credit
- large family size (high fertility)
- sickness or death of a parent or working sibling



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What causes
child labour?

Wealth paradox

We note as well a World Bank study that provides evidence of a so-called 'wealth paradox' related to child labour. This is a situation in which families with land may be more likely to ask their children to work than families that do not possess land.⁸ This situation can occur especially at peak times of the agricultural cycle (i.e. planting and harvesting) when hired labour is difficult and/or expensive to engage for those families with land. It is called a wealth paradox because we might expect that wealthier families (with land) would have less child labour because they have less need to send their children out to work. The study found evidence, however, that the opposite may be true.

Health and AIDS

The state of health of the key income-earners in the family can have an important influence on whether to send a child out to work. If parents are sick, children are forced to become breadwinners. The death of one or both parents can produce a similar result. The HIV/AIDS pandemic in sub-Saharan Africa has had a dramatic

⁸ S. Bhalotra and C. Heady (2003). 'Child farm labour: the wealth paradox', *World Bank Economic Review*, 17(2), pp. 197-227.

impact on the incidence of child labour. In 1990 there were half a million AIDS orphans but by 2003 the number had reached over 12 million. In Zambia, almost 30% of the increase in child labour has been attributed to the pandemic.⁹

Fertility dynamics

Fertility is another influencing factor. A larger household has a greater potential to supply child labour as well as a greater need to generate income. A large household also has a reduced capacity to afford education. Older siblings are more likely to work to raise income to support the education of their younger brothers or sisters.

Table 1: Incidence of working children 10-14 years of age

Country	Per capita income 2003* (US\$)	% of Working children**			
		Year	%	Year	%
Cambodia	310	1996	29	2002	64
Ghana	310	1997	21	2001	37
Bangladesh	400	1999	27	2002	15
Kenya	430	1999	47	2000	42
Senegal	510	1995	41	2000	29
Philippines	1,070	1998	25	2002	23
El Salvador	2,180	1999	34	2001	18
Brazil	2,680	1998	47	2003	14
Costa Rica	4,130	1998	19	2002	9

Sources: F. Hagemann et al. (2006). *Global Child Labour Trends, 2000-2004 IPEC-SIMPOC* (Geneva: ILO), pp. 48-49.
 *Gross national income per capita, current US\$ (www.worldbank.org). **Figures for the first five countries, Cambodia to Senegal, are for girls; figures for the last four countries are for boys. This distinction is made solely to reduce to the amount of data in the table.

Lack of decent, low-cost schooling

Fees as a barrier to schooling

The alternative to working is attending school. Parents find it difficult to send their children to school, however, if they must pay tuition and other fees (uniforms, notebooks). If parents cannot afford these costs, children stay away from school and often end up working for the family or for others. The barriers created by school-related fees can be considerable. For example, the abolition of tuition fees for primary education in Kenya in 2003 prompted an extra 1.5 million children to

⁹ A.C.S. Mushingeh et al. (2003). *HIV/AIDS and Child Labour in Zambia: A rapid assessment on the case of Lusaka, Copperbelt and Eastern Provinces*, IPEC, Report No. 5 (Geneva: ILO).



attend school.¹⁰ It is not true in all cases, however, that the abolition of fees will result in higher enrolments, because there are a range of other social and economic barriers that can create barriers to education.

For example, families living far away from the nearest school also face difficulties either because they cannot afford the cost of transportation or because it is too difficult or time-consuming for their children to walk.

Free school meals

Schools play two additional important roles affecting child labour. Firstly, they are useful in monitoring a ban on child labour because it is generally easier to monitor school attendance than to monitor the employment practices of thousands of businesses. Secondly, providing free meals at school is now used in many programmes as a key strategy for reducing child labour. Free lunches decrease the costs to poor households of opting for school over child labour. The practice is common to a number of programmes aimed at reducing child labour in Latin America. However, it is important that free lunches be provided on a sustainable basis and not end when a 'project' ends. In this regard, school administrators, local school boards/councils and the government should be encouraged to provide full or part-funding for the meal component of a child labour project. This provides a better chance that meals will be continued after the broader project has ended.

Quality of schooling

It is also important, of course, that schooling be of adequate quality to ensure that students are learning something. If parents feel that their children are not getting an education, they will be less inclined to send them to school. Parents may also not feel that education increases their child's prospects of securing a good job due to the nature of the job market, including various forms of discrimination. In addition, some parents feel that their children need only a certain level of education

¹⁰ J. Silvers (2003). 'Kenya's classrooms', NewsHour, online transcript, www.pbs.org/newshour, Nov. 28.



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(basic reading, writing and mathematics). For example, an artisan may feel that teaching his 14-year-old son the family trade is better than allowing the boy to continue his education for another year.

Social norms and attitudes

Social stigma can reduce child labour

Social norms and attitudes may have an impact on the level of child labour, although this remains an area that is not well understood. Some researchers suggest that societies may differ in the level of social pressure – or social stigma – related to child labour. For example, in societies where the stigma is low, parents are not influenced by their neighbours to keep their children in school and away from work. In other societies, however, this social stigma may be high, in which case it discourages parents from allowing their children to work. Such a difference may provide part of the answer as to why countries with similar poverty levels, educational infrastructures and social fabric show differences in the incidence of child labour.¹¹

Gender attitudes

Social values can also lead to gender biases in child labour. These biases may affect the type of work that is done by girls and boys, the number of hours worked (including domestic chores) and, most critically, decisions about who goes to work and who gets an education. In many societies, girls work more hours than boys when domestic chores are taken into account. The composition of the family often determines whether girls or boys, and who in the birth order, will go to work or to school. Generally, younger children have a greater chance of going to school and are supported by the income earned through the work done by older children.¹²

¹¹K. Basu and Z. Tzannatos (2002). "The global child labor problem: What do we know and what can we do?" *World Bank Economic Review*, 17(2), pp. 147-173.

¹²K. Basu and Z. Tzannatos (2002), above, p. 161.

Demand from households, family farms or family businesses

Household chores

Many children work for their parents. Children do household chores, which allows their parents to do other work, either on the family land plot, in a micro business or for a wage working for others. Household chores will often be greater in areas where the infrastructure is poor or non-existent. As a result, some researchers have found that the availability of water, sanitation, electricity and other services are correlated with lower levels of child labour.¹³

Own children as a substitute for hiring outsiders

Children are also asked to work in the family business or on the family farm to reduce or avoid the costs of hiring outsiders. Such outside labour may also not be available at peak times in the agricultural cycle. This means that poor families that are, nonetheless, in possession of land to operate a farm or have the resources to run a business can be more likely to have their children working than poor families that do not have these resources. This tendency is found in recent evidence on child farm labour in Ghana and Pakistan, although it is significant only for girls.¹⁴

What causes child labour?

Demand from other businesses

Paid less than adults

Businesses hire children for a variety of reasons. When supply factors are strong – i.e. many children are looking for work – businesses may hire more children. Furthermore, in many cultures child labour is not viewed as negative, but instead children are seen as a natural and traditional part of the labour market. At the same time, businesses often hire children to keep costs low. Overall, the main reasons why businesses hire children can be categorized in the following manner:

- **Labour shortage** – At certain points in the agricultural cycle (notably at harvest), farms, plantations and other business may experience a shortage of adult labour. Children are hired to fill the gap. Mechanization of farming and other work processes can reduce the demand for child labour.
- **Cheaper** – Children are often paid less than adults. However, children are only a cheaper form of labour if the wage is low enough to offset the lower productivity.
- **Assist a poor family** – In some cases, an employer may be aware that a child's family is poor and hire the child to ensure that the family obtains more income. In many cases, children may accompany their parents to work and/or assist in piecework production.

¹³ P. Maitra and R. Ray (2002). 'The joint estimation of child participation in schooling and employment: Comparative evidence from three countries', *Oxford Development Review*, 30(1), pp. 41-62 (see p. 56).

¹⁴ S. Bhalotra and C. Heady (2003). 'Child farm labour: the wealth paradox', *World Bank Economic Review*, 17(2), pp. 197-227.



- **Lack of child care** – When both parents work and school is inadequate, children may accompany their parents to work. In this case, they may be paid a small amount to assist the parent or they may undertake separate tasks.
- **More manageable** – Children are less able to defend their rights and interests than are adult workers. Thus, they are sought by some employers as a more manageable form of labour for difficult situations.
- **Ignorance and innocence** – Children can be ignorant of the risks associated with handling dangerous substances and fearless in dangerous situations (climbing, working with heavy machinery). Thus, they may be sought over adult workers who are more cautious and thus might work more slowly.

‘Nimble fingers’ argument

There is a common misconception that children are more capable of certain tasks than adults. The idea is based on the *nimble fingers* argument in which children are thought to be better at activities such as carpet-making because their fingers are more nimble than those of adults. However, this theory has been proven false in detailed sector studies, including those related to Indian carpet-making.¹⁵

¹⁵ K. Basu and Z. Tzannatos (2002), above, p. 149.

Historical factors in reducing child labour

Income, technology, laws and attitudes

Many high-income countries had a child labour problem in the past. This historical experience can provide clues as to the factors that resulted in the reduction or elimination of child labour over time. While there is no agreement on which factor was most important or on what combination of factors was most effective, the four main factors appear to be:

- i) a general rise in income over time that reduced the need for parents to send their children to work;
- ii) a general movement from more to less labour-intensive technology during the evolution of industrial society;
- iii) legislation that banned child labour or made schooling compulsory – although there is debate about which type of legislation was more effective, certainly school attendance was easier to monitor; and
- iv) changes in attitudes that accorded rights to children which emerged from the Romantic Movement (in Europe) and suggested that the State had a duty to defend the defenceless.¹⁶

Legislation, expanded schooling and efforts to change attitudes are certainly key elements of the battle against child labour today. Raising the income of parents through microcredit schemes is also an element of many projects and is discussed further in Guide Two.

Historical factors in
reducing child labour



¹⁶ *The End of Child Labour: Within Reach* (Geneva: ILO, 2006) p. 21.

Consequences of child labour

Impact on a child's education and future earnings

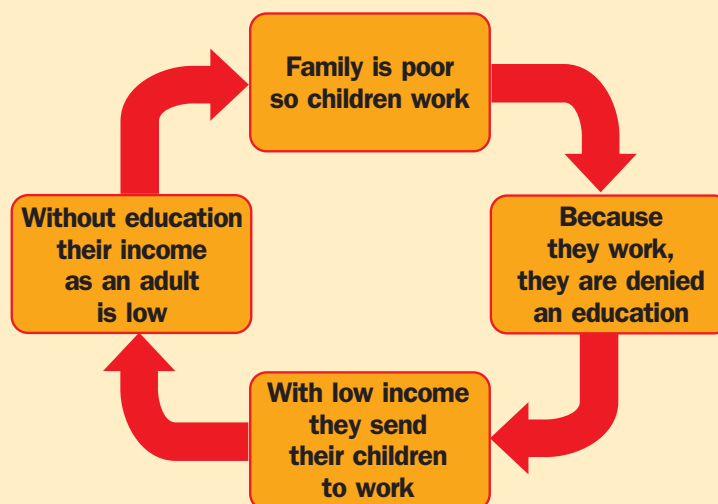
Reduces human capital and income in later life

Working full-time prevents a child from getting an education. She or he does not learn the basics of reading, writing and arithmetic and does not develop thinking processes. This inhibits the child's future earning capacity. In effect, children get stuck in low-skilled and low-paying jobs. Research suggests that the earlier a child begins working, the higher is the penalty that she or he pays in terms of lower income earnings as an adult.¹⁷ Evidence from Brazil indicates that early entry into the workforce reduces lifetime earnings by 13 to 20 per cent.¹⁸ Following a review of existing research, the ILO estimates that a person's income is 11% higher every year for each additional year that that person (as a child) stayed in school.¹⁹ Simply put: children, particularly the younger ones, are better off in school than at work.

Combining work and schooling

Families that send their children to work, therefore, gain income in the short term but they sacrifice earnings in the long term. The issue is not so simple, of course, because families may rely on the income of their children to survive. Thus, the transfer of children from work to school must recognize the need for the family to compensate for the loss of income generated by the child. In many poor countries, children will combine school with work, although the extent of this practice varies between countries.

Figure 3:
Cycle of poverty and child labour



¹⁷P. Emerson and A. Souza (2002). 'The effects of adolescent labour on adult earnings and female fertility in Brazil', Working Paper, Dept. of Economics, University of Colorado.

¹⁸*The End of Child Labour: Within Reach* (Geneva: ILO, 2006) p. 24.

¹⁹*Investing in Every Child* (Geneva: ILO, 2003), p. 12.

Combining school and work

A three-country study found that 31% of 14-year-olds in Peru combined the two, while in Ghana the rate was 21% and in Pakistan only 9%.²⁰ Some programmes to reduce child labour try to provide children with a balanced schedule of work and schooling. Care must be taken, however, to ensure that the work is appropriate for the child's age and does not leave the child too tired for proper participation in school.

Cycle of poverty

Because child labourers generally are from poor families, the fact that they are prevented from obtaining an education means that the poverty passes from one generation to the next.²¹ In effect, child labour is part of a vicious cycle of poverty, as depicted in Figure 3.

Efforts to reduce child labour must endeavour to break the cycle by getting children to stay in school so that they, in turn, can gain better employment and be in a better position to support the schooling of their own children.

Health and safety of children

Bodies are still growing

Work hazards that are low-risk for adults can be high-risk for children. They are more vulnerable to risks because their bodies are still growing. Box 3 lists the main physical characteristics that make children more vulnerable to dangers in the workplace. In addition, risk is increased through a number of social factors. These include: lack of work experience and thus inability to make informed judgements; desire to perform well without realizing the risks; lack of safety and health training; learning of bad safety and health behaviour from adults; inadequate or harsh supervision; and lack of power in terms of organization and rights.

More hazardous sectors

According to a review of the evidence by A.G. Fassa, reported injury rates among working child are often near the rates recorded by adults.²² In some of the studies that Fassa reviewed, child injury rates were found to be higher but no clear trend was evident. Certain sectors are more hazardous than others (i.e. agriculture, construction, mining, ship breaking, fishing) and not only cause injury but also death. (See Table 2 for best estimates of child work-related deaths for various sectors.)

Task and conditions

The ILO estimates that 22,000 children are killed every year at work.²³ The level of risk to child labourers is determined more by the tasks and the conditions under which they are carried out than by the specific industry. In addition, because they lack maturity and experience, are physically smaller and are often undernourished, children are affected by long working hours and dangerous substances. They are also susceptible to injury from tools and machines designed for adults.

²⁰P. Maitra and R. Ray (2002), above, p. 47.

²¹K. Basu and Z. Tzannatos (2002), above, p. 15.

²²A.G. Fassa (2003), *Health benefits of eliminating child labour* (Geneva: ILO-IPEC), Tables 72-84.

²³Cited in *IPEC Safety and Health Fact Sheet*, "HCL in Agriculture: an Overview".

Box 3

Children are at greater risk than adults

Children are susceptible to all the dangers faced by adults in the workplace. However, they are affected more strongly by hazards and risks because their bodies are still growing. Their main physical vulnerabilities include:

- **Skin:** A child has 2.5 times more skin per body weight than an adult, which, along with thinner skin, can result in greater absorption of toxins.
- **Respiration:** A child breathes more deeply and frequently than an adult and thus can take in more hazardous substances.
- **Brain:** Maturation can be hindered by exposure to toxic substances. Metals are retained in the brain more readily in childhood and absorption is greater.
- **Gastro-intestinal, endocrine and reproductive systems and renal function:** Internal systems are maturing during childhood and adolescence and are less efficient in eliminating hazardous agents. Exposure to toxics can hinder maturation. The endocrine system and hormones play key roles in growth and can be disrupted through exposure to chemicals.
- **Energy consumption:** Because they are growing, children have a high energy consumption which can result in greater exposure to toxins.
- **Fluids:** Children are more likely to dehydrate as they lose more water (per weight) than adults through the lungs and skin and their kidneys are less able to concentrate urine.
- **Sleep:** 10 to 18-year-olds require about 9.5 hours of sleep a night for proper development.
- **Temperature:** Children have increased sensitivity to heat and cold as the sweat glands and thermo-regulatory system are not fully developed.
- **Physical strain:** Physical strain, especially when combined with repetitive movements, on growing bones and joints can cause stunting, spinal injury and other life-long deformations and disabilities.
- **Cognitive and behavioural development:** Younger children have a weaker capacity to recognize and assess potential safety and health risks and make decisions about them.
- **Reduced life expectancy:** While difficult to quantify, the earlier a person starts working, the more premature the ageing that will follow.

Source: *Training resource pack on the elimination of hazardous child labour in agriculture: Book 1 – A Trainer's Guide* (Geneva: ILO-IPEC, 2005), pp. 14-17.



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Long-term impact on economic growth

Caught in low-equilibrium trap

Child labour has a direct effect on individual lives and families, but it also has a larger, cumulative impact on society and its long-term growth. A society with high levels of child labour is susceptible to being caught in a low-level equilibrium trap in which a relatively uneducated workforce continues to produce low quality goods at low levels of productivity.²⁴ A new generation needs to break the vicious cycle and allow children the chance to go to school instead of working so that they can be more productive in future years. They will then be able to contribute to the efficient production of higher quality goods and to the expansion of markets both domestically and internationally.

Table 2: Best estimates for injury fatality rates by major industry division, United States

Sector	Fatality rate
Agriculture	13.7 per 100,000 workers
Mining	32 per 100,000 FTE
Construction	15 per 100,000 FTE
Manufacturing	4 per 100,000 FTE
Services	3 per 100,000 FTE
Retail	3 per 100,000 FTE

Source: A.G. Fassa, *Health benefits of eliminating child labour* (Geneva: ILO-IPEC, 2003). Table 41. FTE: full-time equivalent. Relates to children aged 5-17, except Agriculture which is for those aged 5-14. Derived from studies on children in the US.

Consequences of
child labour

²⁴ *Investing in every child* (Geneva: ILO, 2003).

**US\$4.1 trillion
net benefit over
20 years**

ILO research suggests that the benefits of concerted action against child labour substantially outweigh the costs. The global economy could generate a net gain of US\$4.1 trillion over 20 years by eliminating child labour. (See Box 4 for details.)

Box 4

Global cost-benefit analysis

Determining the economic impact of eliminating child labour is a difficult task, involving numerous assumptions and considerable estimation. Nonetheless, a study by the ILO has tried to determine the net benefit (or cost) arising from a total elimination of child labour during the period 2000 to 2020. The results are astonishing.



The costs are:

- increasing the quantity and quality of education;
- providing income transfers to households; and
- administering the income transfer programme and the targeting of the worst forms of child labour.

The benefits are:

- the increased future productive capacity of children who stay in school longer; and
- a reduction in the time lost due to work-related injury sustained by children.

The results of estimating these costs and benefits is a US\$4.1 trillion net benefit to the global economy over the 20-year period, with the bulk of that benefit (US\$2.7 trillion) gained by Asia due to its current high level of child labour. The costs would be US\$760 million, while the benefits would come mostly from educating children longer (US\$ 5.1 billion) rather than from improved health (US\$28 million).

Source: *Investing in Children* (Geneva: ILO-IPEC, 2003), p. 4.

Four reasons why employers should eliminate child labour

Moral and economic reasons

There are at least four main reasons why employers should reduce and eliminate child labour. These reasons rest not only on ethical imperatives but also on factors that make good business sense.

Reason One: Complying with the law

It's illegal

The first reason to stop child labour is that in most countries it is against the law. An enterprise should abide by child labour laws just as it should comply with other legal requirements as set down by the government under which it operates. Failure to obey the law can bring penalties and other state sanctions. By complying, the enterprise becomes an honest corporate citizen that need not engage in costly and wasteful avoidance strategies such as hiding workers from labour inspectors. The enterprise can deal in an honest and forthright manner with government officials, and participate without fear in any enterprise support or promotion activities that the government may operate. Such support can be especially helpful for small and medium enterprises. Abiding by the law, in the case of child labour or other aspects of labour laws, allows an enterprise to establish an open and “cooperative” relationship with government instead of a closed and “confrontational” one.



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Why employers
should eliminate
child labour



Reason Two: Expanding market access

Foreign buyers looking for suppliers free of child labour

Increasingly, the buying public is becoming aware of child labour through the activities of non-governmental organizations, lobby groups and the media. International buyers and brands wish to meet accepted international labour standards and also to avoid bad publicity and potential boycotts. These buyers seek producers in developing countries that are certified as being free of child labour and that have worked hard to ensure that child labour is not used by the suppliers they source from. Each year international buyers “turn over” a large number of their suppliers, that is, they eliminate suppliers that are not meeting a range of standards, including labour standards. Enterprises that wish to maintain or expand their range of buyers thus need to ensure that child labour is not used.

Builds the reputation of a sector

Thus, the elimination of child labour is good for individual businesses in poor countries. But in addition it is good for entire sectors. Sectors can build a reputation for being child-labour free, and that reputation becomes known to buyers who are then more willing to place orders. Those businesses that produce directly for export or operate further down an export-related supply chain are finding increasingly that child labour denies them access to new market opportunities and may ultimately cause their businesses to fail.

Inhibits development of a productive workforce

While the pressure to eliminate child labour is coming from international buyers, active social organizations in some developing countries are increasing the level of vigilance on businesses that supply only the domestic market.

Reason Three: Improving productivity

Short-term savings vs. medium and long-term costs

Enterprises often hire children because they think that it improves their profitability. This is usually a short-term perspective, however. Child labour detracts from long-term enterprise success because it inhibits the development of a trained and productive workforce of adult workers. Children have short attention spans, less appreciation of quality control and less capacity to use machinery efficiently. They are not as strong physically as adults. Furthermore, they can easily be injured by heavy equipment or difficult tasks which, in turn, increases costs related to the recruitment and training of new workers.

Local companies too

Some businesses, notably smaller ones engaged in the informal sector, can easily calculate the direct cost savings of employing children at low wages instead of adults at higher wages (including the minimum wage). It is, however, much more difficult to calculate the full and long-term costs – the real costs – of engaging children who produce at lower levels of productivity and are often injured. We have noted above that the traditional nimble fingers argument for employing children in Indian carpet-making is not supported by detailed studies of the productivity of children versus adults. Unfortunately, there is a lack of concrete research of this nature for other sectors that could be used to explain to businesses the benefits of employing adults.



Why employers
should eliminate
child labour



Reason Four: Ethics – Doing the right thing

Building a better economy

An enterprise owner can also reflect on the impact that his/her business has on society, both in an economic sense and in a social or ethical sense. The owner contributes to the economy by employing him/herself, by generating output and by employing others. The owner can also contribute to society by making hiring decisions that allow children to get an education. In turn, these children will earn more in the future, will be part of a more educated workforce and will contribute to a more productive economy.

It's the right thing to do

But the decision to avoid hiring children does not need to be based strictly on the future economic benefits it brings to children and society. Sparing children the misery of hard and hazardous work is desirable in itself. It allows children, immediately and as children, to have a happier life (if they live in households with an adequate income). In such a situation, not hiring child labour is simply the right thing to do.

Is the elimination of child labour within reach?

Worst forms of child labour have fallen by 26%

The past two decades have seen concerted efforts to reduce the level of child labour, including its worst forms. While accurate figures are hard to come by, current ILO estimates indicate that the number of child labourers has fallen considerably in recent years. From a total of 246 million child labourers in 2000, the figure fell to 218 million by 2004, a decline of 11 per cent. The number of children in hazardous work has fallen more rapidly: from 171 million to 126 million over the same time period, a decline of 26 per cent. The ILO attributes these good results to a variety of factors, including economic growth and development in certain regions (notably Asia), the increased ratifications of ILO Conventions and the efforts of governments, often working with workers' and employers' organizations, to raise awareness and improve schooling for children and increase income opportunities for their parents.²⁵

Worst forms may be eliminated by 2016

Does the ILO feel that, based on past trends and supported by continued efforts, child labour can be eliminated in the coming decades? The title of the ILO's 2006 Global Report on child labour – *The End of Child Labour: Within Reach* – provides cause for optimism. The report suggests that, based on past trends and with the commitment of member States to put in place appropriate and time-bound national plans by the end of 2008, the *worst forms* of child labour can be totally eliminated by 2016. This will contribute to the reduction of child labour in all its forms, but the report does not provide a date for the total elimination of all forms.



²⁵ *The End of Child Labour: Within Reach* (Geneva: ILO, 2006). All the figures in the paragraph are taken from pp. 1 and 6 (Table 1.1).

Eliminating Child Labour

Guide One **Introduction to the issue
of child labour**

Guide Two **How employers can eliminate
child labour**

Guide Three **The role of employers' organizations
in combating child labour**

Employers and Child Labour is designed to help businesses and their organizations understand and take action against child labour. The three practical guides provide ideas, advice and examples for the prevention of child labour, the withdrawal of children from work and the protection of young workers from hazardous conditions.

The package will be a key resource for the executives, directors and managers of employers' organizations and other business associations that wish to engage on this important and sensitive issue.

The guides focus on developing countries and provide examples of enterprises and employers' organizations that have taken concrete action, either by themselves or in cooperation with the International Labour Organization, donors and other local, national and international organizations.



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