

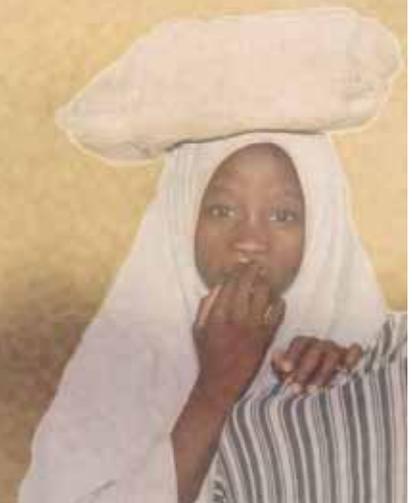
Poverty, child labor and education

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Presentation overview

1. An example from Benin
2. Lessons about poverty from child labor research
3. Practical implications and options
4. A broader understanding of poverty



1.
An example from Benin



“ It's poverty ”

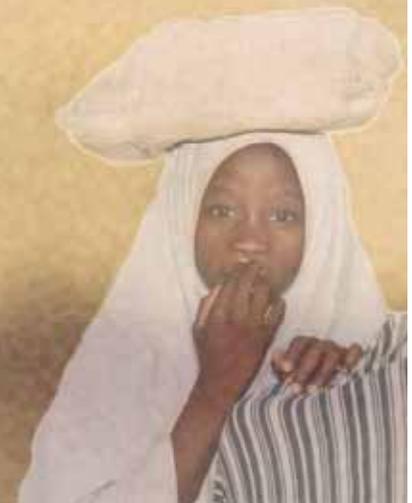


A story from Benin

Allegations of child trafficking.

Intuitive response:

- Bring children back home.
- Start projects in the villages of children intercepted.
- Support the poorest within those villages.



Finding 1: Targeting

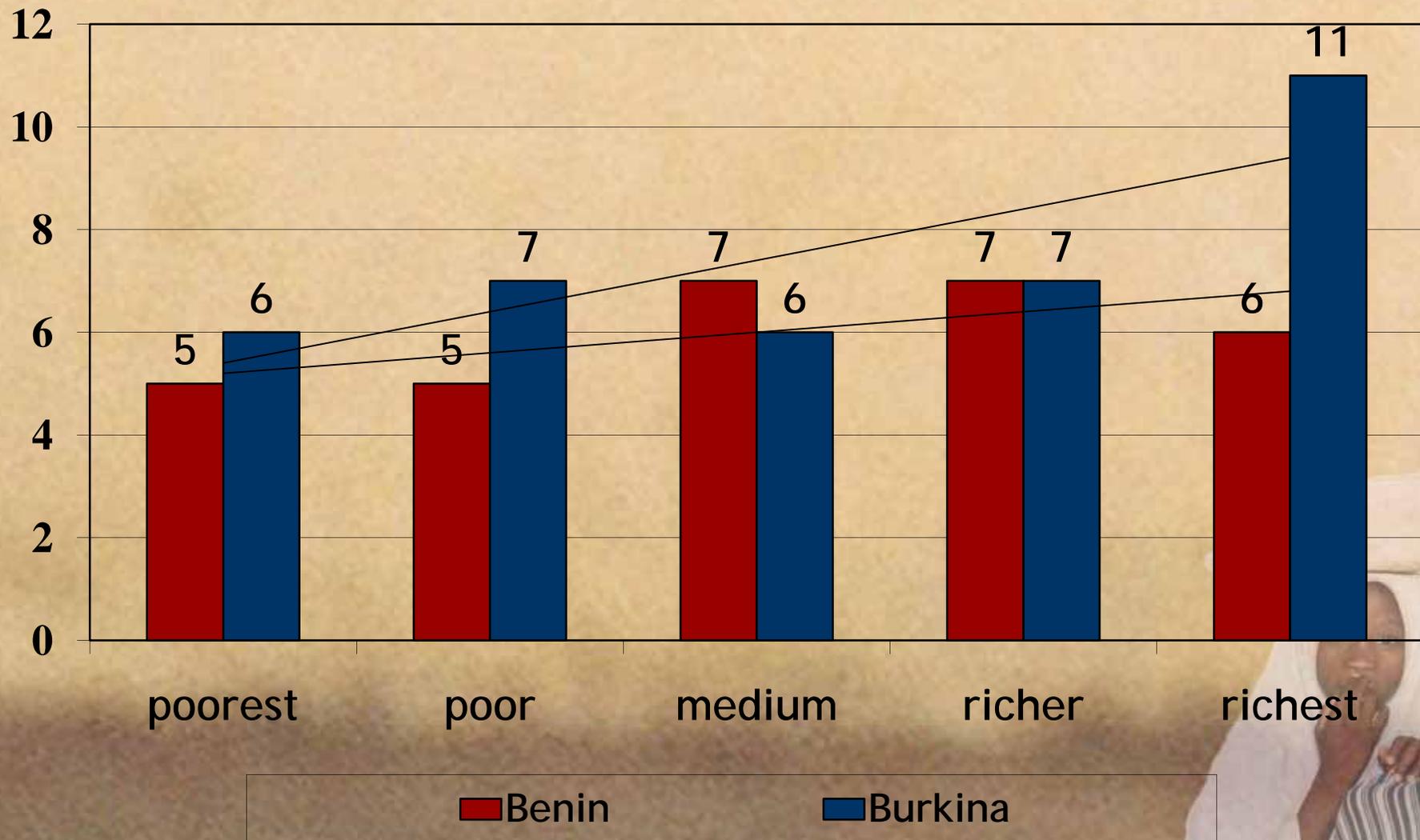


Main problem area

Initial interventions



Finding 2: Impact of household poverty: (percent of households with at least one child working abroad)



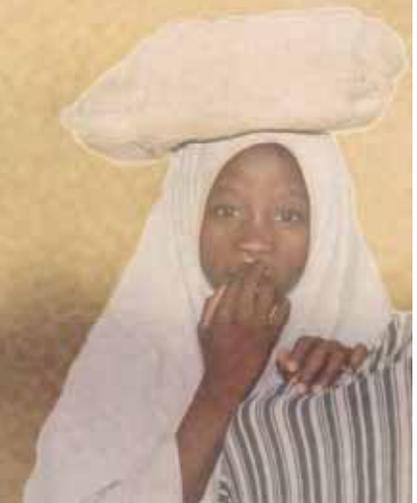
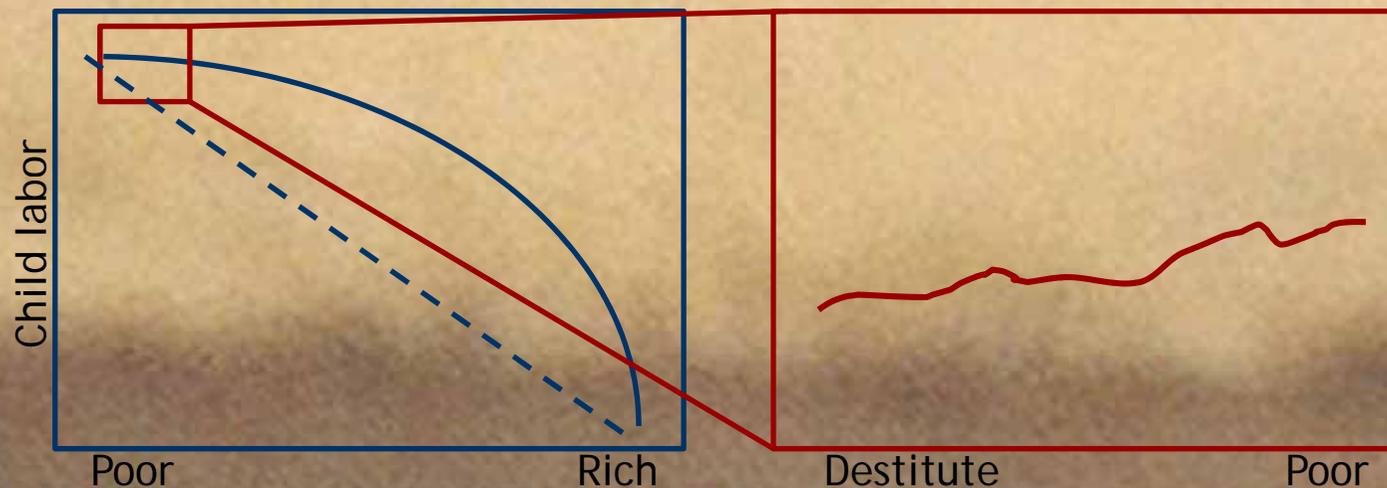
Did poverty play a role?

Probably yes. But rather than the poorest families, the poorest villages were the main providers of migrant child labor.

Lack of local prospects seemed a bigger problem than relative individual household poverty.

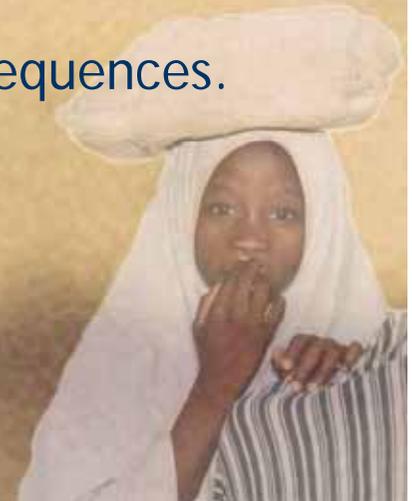
Within these villages we were not dealing with rich vs. poor: we were dealing with poor vs. destitute.

The destitute are often disorganized and lack planning capacity, social networks and other resources that could help their children to get a job or to migrate.



Relevance of intuitive interventions

- Bring children back home.
 - Massive re-trafficking.
- Start projects in the villages of children intercepted.
 - Targeting could be improved.
- Support the poorest in those villages.
 - Targeting the poorest could get undesired consequences.



Conclusion part 1:

Poverty is important, but to design effective interventions we need to understand in what way it affects the problem we aim to solve.



2.
Lessons about poverty from
child labor research



Main conclusion: The impact of poverty is smaller than what we would intuitively think

Zambia

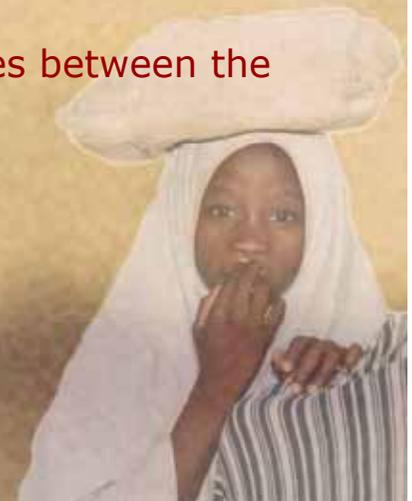
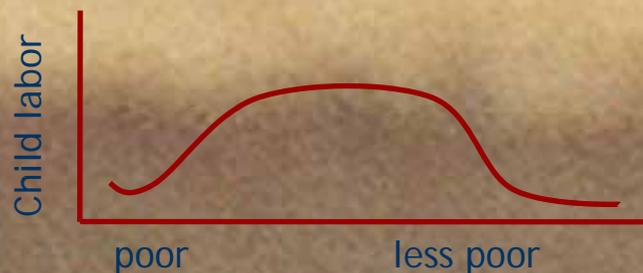
- Skyt-Nielsen: Limited impact of poverty on child labor. She estimates that a 2% national growth over 15 years would only reduce child labor by one fifth. (see also Ray (2000), Bhattya (1998), Hiraoka (1997) and Sinha (1996) for similar conclusions)

Ghana:

- Canagarajah and Coulombe: No systematic relationship between household poverty and child labor. Relationship not linear, but a bell shaped curve.
- Bhalotra: Wealth increases child labor on household farms for both boys and girls. Including farm size, wealth reduces girls labor marginally, but does not affect boys labor.

Cote d'Ivoire

- Grootaert: The poor tend to choose non-schooling options, but children in the poorest households are no more likely to be working full time.
- Coulombe: Significant but small difference in child labor participation rates between the very richest and the very poorest. No impact among boys.



Why doesn't poverty seem to affect child labor participation more than this?

- ⇒ School has two types of costs:
 - ⇒ (i) school-related costs, and
 - ⇒ (ii) the cost of losing child labor income.

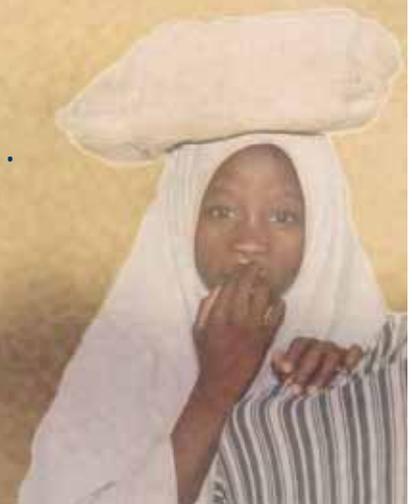
- ⇒ Underemployment in many poor areas.

- ⇒ To get a job, you need useful social networks.

- ⇒ Child labor is one in two likely outcomes for the destitute:
 - ⇒ Child un- and underemployment is the other.

- ⇒ Without a job, children may as well go to a low cost school.

- ⇒ But getting access to a job may quickly change the situation.
 - ⇒ Examples: Mauritania, Road construction



A wealth paradox

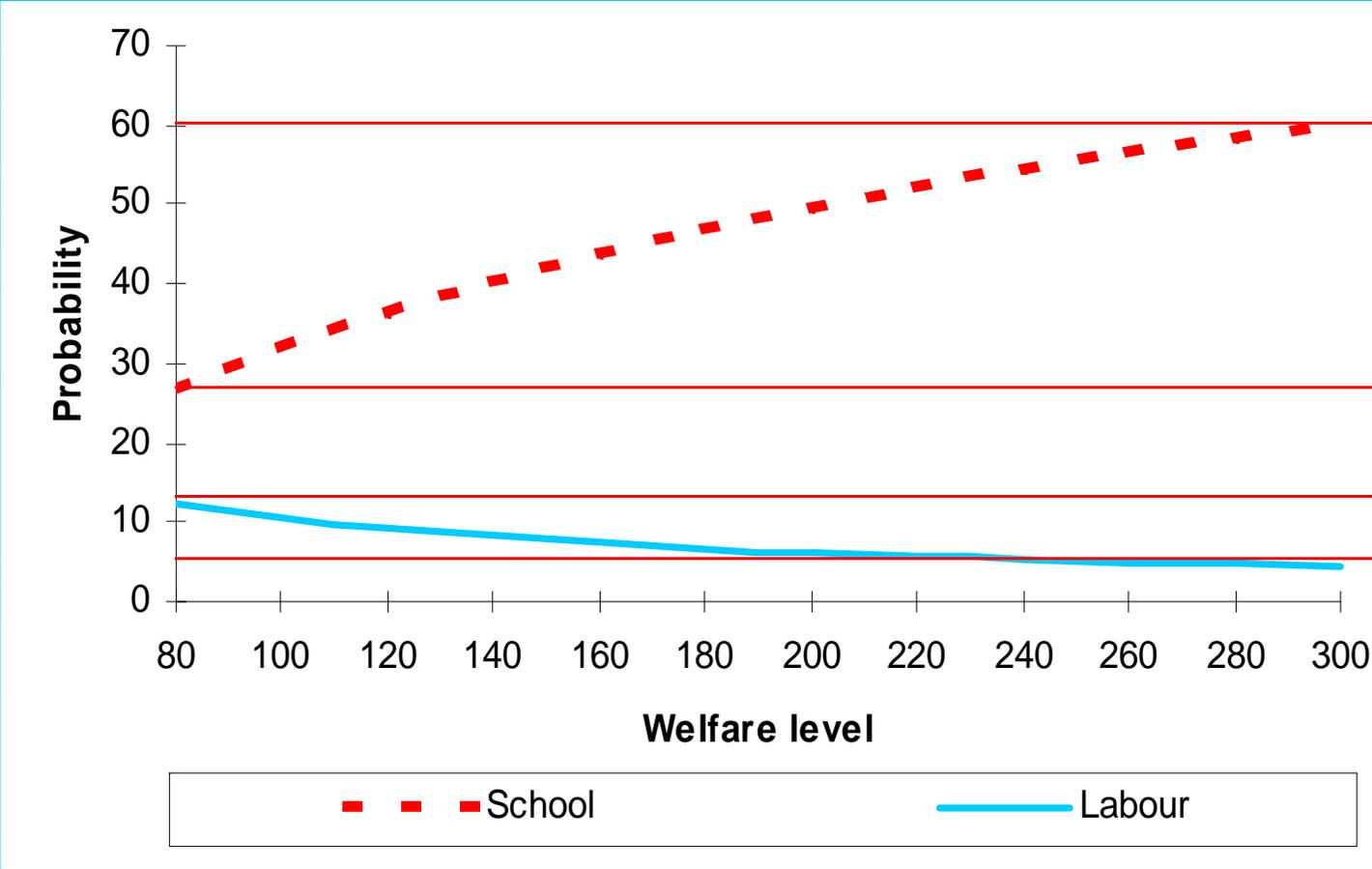
In 2001, Sonja Bhalotra defined what was to be known as the “wealth paradox” of (especially rural) child labor.

In very simple terms it points out that

1. Relatively poor, and especially rural people tend to tie up their wealth in productive assets.
 - e.g. farmland, livestock, simple technology.
2. The same assets are labor demanding.
3. Jobs are attractive in an environment of unemployment.
4. These jobs are often low status, and thus suitable for children.
5. Non-family labor is often less trusted, so own children are often preferred.
 - E.g. cocoa and agrochemicals

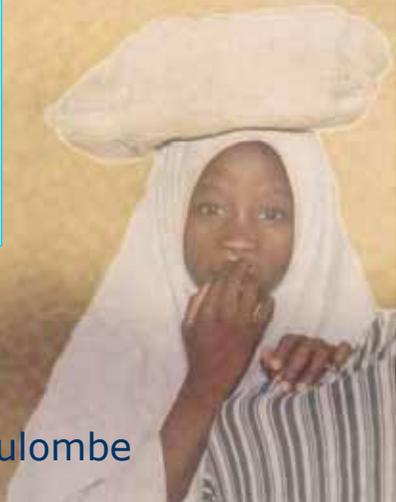


Example from Cote d'Ivoire



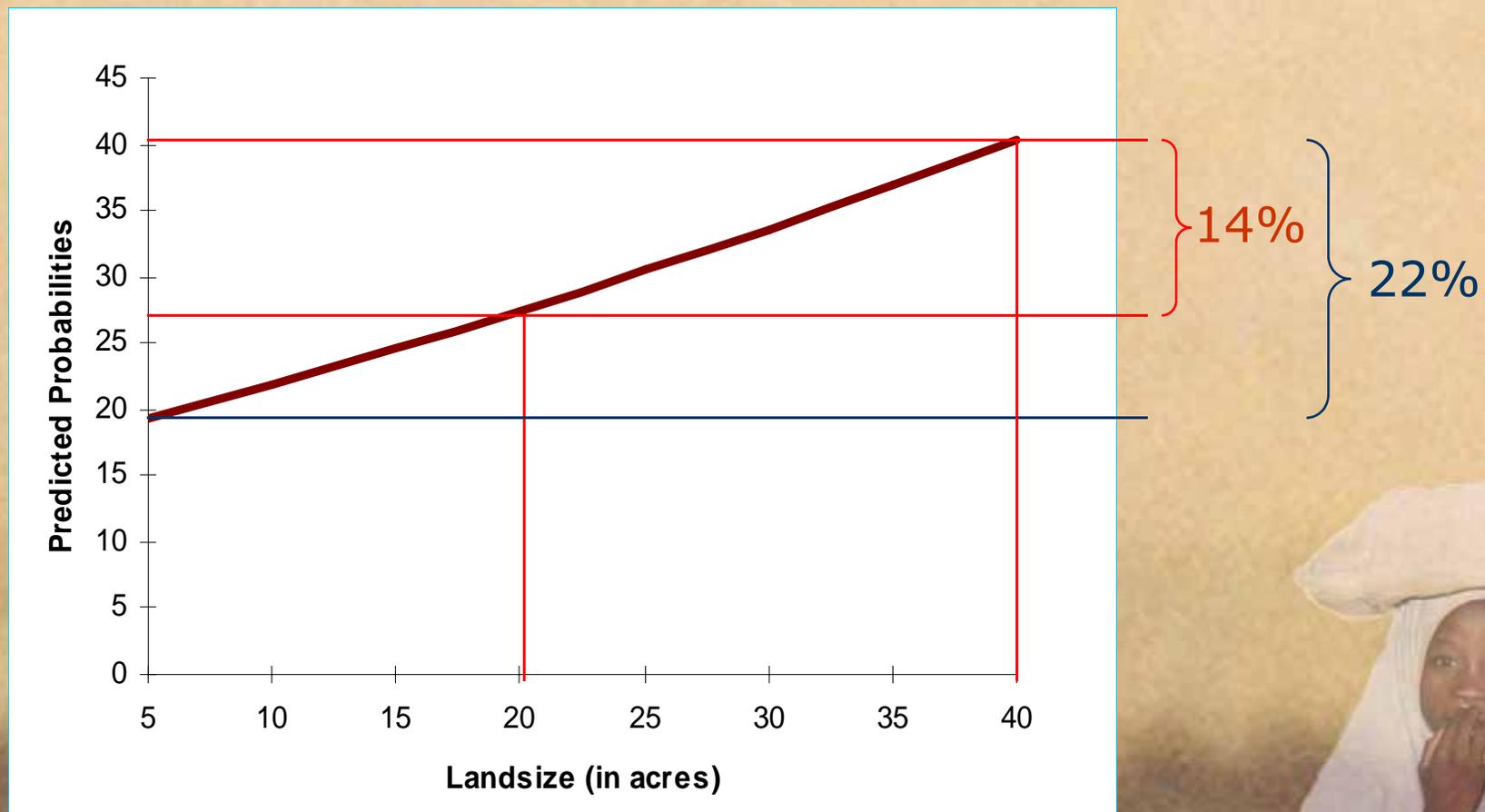
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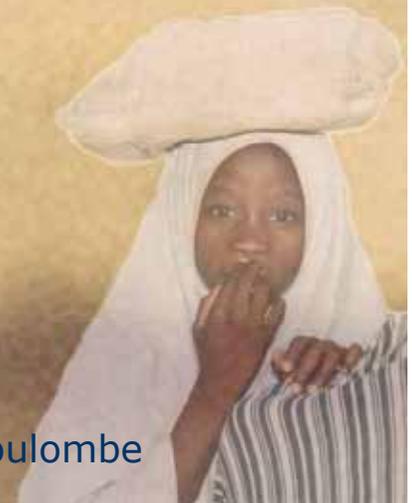


Source: Coulombe

Child labor likelihood and land size, rural areas, Cote d'Ivoire



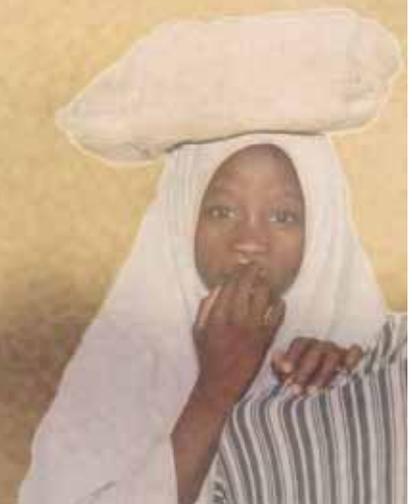
Source: Coulombe



Conclusion part 2:

Poverty partly explains why children work and don't go to school, but the impact of household poverty alone is often smaller than what we would intuitively expect.

The poor often tie up their wealth in labor-intensive assets, and that may create a child labor demand.



3.
From research to action



If poverty plays just a limited role,
then how relevant can social
protection programs be?



A disconnect?

Research is often consulted and even carried out before new programs are designed and implemented.

Still, there often seems to be a disconnect between the conclusions of studies and literature reviews, and the project types and designs chosen.

Why?

- Difficulties translating knowledge into practical action.
- Mentally trapped by old/standard solutions.

Also,

- Different people do the research and the program design.
- Project type is often decided before, or not in conjunction with research.



Micro-credit

The micro-credit project concept came from academia.

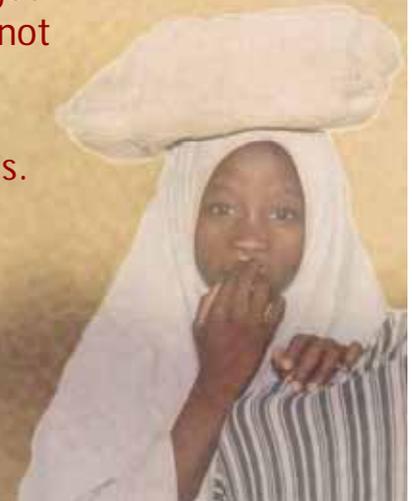
- Muhammad Yunus, was professor at the University in Chittagong, and started practicing and refining his ideas right outside the university campus.
- Micro-credit and other micro-finance schemes have later become among the most replicated project models in the world.
- Micro-credit has also been used, both successfully and unsuccessfully, to support vulnerable children and/or their families, hoping it would promote schooling and not labor.
- Access to micro-credit and other micro-finance is especially relevant in areas with great income instability, that is, where families constantly dive in and out of poverty.
- Access to credit can in such situations prevent the so-called “dis-saving in human capital” during difficult periods, i.e., taking children temporarily out of school, sending them to (hazardous) work, giving them less (nutritious) food etc.



Where micro-credit fails

When micro-credit occasionally fails with our target group, especially in situations of more chronic poverty, the reasons are normally the following:

- Credit given to families is used to buy labor intensive assets, and the wealth paradox affects schooling outcomes. (Bhalotra and Heady)
- Credit given to mothers to establish income generating activities lead to children being either employed in the businesses or, children - often girls - end up doing their mother's work in the household while she runs the business. (Grootaert)
- Credits to destitute families in poor areas may have given them the necessary capital to cover the relocation costs of children who are sent to work in other places. (Kielland)
- Credit given directly to working youth to help them start a small business or get skills training have lead them into an overcrowded profession where they cannot compete for clients, because they have poor social networks. (Prywes)
- Debt and disillusion can become an additional problem when micro-credit fails.



Cash Transfers

Instead of credit, regular cash transfers to families are increasingly being used.

Transfers are especially relevant in situations where low school attendance and child labor are caused by chronic poverty (rather than income fluctuations).

But will the recipients use the transfer to reduce child labor and send children to school?

- The Conditional Cash Transfer model (CCT) also came from the academia - Cristovam Buarque, was rector at the University of Brasilia. His basic idea was to compensate families for the lost child labor income, if they sent their children to school.
- Cash was therefore given to families on the condition that children were sent to school.
- The so called CCT programs have become among the most replicated program models in the world.
- They represent a three-in-one type project: they may simultaneously serve social protection needs, education needs and health needs, depending on how they target and the combination of conditionalities imposed.



Other options

- Social protection interventions are recommendable to EFA policy makers primarily when there is good reason to believe that they are more effective than similar education sector interventions (like e.g. school vouchers, fee-exemptions, school meal) or when the two intervention types together are likely to give best results.
- One of the advantages of social protection interventions is that they appreciate how children in poor countries are integrated parts of their families, and how their best interest cannot be served without also taking into consideration the wellbeing of the family upon which most children depend.
- Some social protection programs not traditionally considered as means to promote education have proven to increase enrollment (in addition to serving their primary purpose): e.g. pensions and public works programs. For EFA practitioners it is therefore important to also think outside the traditional “children’s project” box.



Conclusion part 3:

Interventions need to be tailor-made to each situation, and should be designed **AFTER** and **BASED ON** quality research into what determines the child labor/non-schooling situation **LOCALLY**.



4.

A broader understanding of Poverty



Different faces of poverty

Chronic poverty

- Prevents many families from even considering enrolling (all) their children. Girls and disabled children are often the first to be excluded.

Income variability

- Often creates so called “irregular attendees”.

Shocks (E.g. bad harvest, illness, unemployment, death of provider)

- May make families take children out of school, and send them to work.

Fear of shocks - and lack of social protection

- Make families see children primarily in terms of their possible contribution to risk reduction for the whole family, and this may be in conflict with what is best for the individual child.
 - Early marriage to a strategic partner (and drop-out).
 - Strategic provision of child labor to build alliances.
 - Relocation of child to work in a low risk area in case of shock to the entire home community.
 - Diversifying children’s activities to spread risk.



Different types of poverty - different approaches

Chronic poverty

- Economic policy promoting equitable growth
- Decent work

Income variability

- Micro-credits
- Access to public works programs

Shocks (E.g. bad harvest, illness, unemployment, death of provider)

- Micro-finance (saving, insurance, credit)
- Social and emergency assistance
- Public works

Fear of shocks - and lack of social protection

- Micro-finance (saving, credit, insurance)
- Social protection programs: social benefits, food security programs, public works/unemployment benefits, health benefits/insurance, pensions.



Final remarks

- Research overall shows that **cultural factors** are more important than the attractiveness of the school and the poverty of the child's family:
 - when looking at large data sets factors such as the ethnicity, religion, and the place of residence of a family seem to be much more powerful in explaining child labor and schooling.
- Therefore, **communication** and information with vulnerable groups seem to be an inevitable and crucial part of any successful intervention package aiming to reduce child labor and increase schooling among those hardest to reach.



Child Labor and the EFA initiative: The challenge of including the “hard-to-reach” children

Oslo, October 20-21, 2008



Fafo
UCW-Project
The Global March Against Child Labour