

Child Labour: The Effects of Globalisation

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Abstract

This paper analyses the current trend of global child labour, and investigates the causes and consequences of child labour with a particular attention on globalisation-child labour nexus. Though a decreasing trend is observed, the incidence of child labour is still alarming. The incidence in hazardous work is increased by 2.5 percent for the children aged 15-17 years over 4 years. Though controversy exists, poverty is still revealed as a strong determinant of child labour. Among the other factors, parents' education, credit market constraints, schooling performance, child's nutrition and health status, family size and birth order, higher schooling costs, lack of quality education, employer's attitude, inappropriate government policy play major roles. It is also evident that child labour negatively affects child's physical and mental health, educational outcomes, adult employment, adult earnings and bargaining power of adult workers. The theoretical arguments regarding the effects of globalisation on child labour is ambiguous. Empirical evidences also provide us mixed results.

Keywords: Child Labour, Globalisation.

JEL Classifications: F01, F20, J29, O15.

I. Introduction

Child labour is one of the most discussed issues in current economic literature as it creates many socio-economic problems especially related to child's education, mental and physical health, safety and welfare, adult labour market and lower adult wages. Working children are deprived of their basic right to an education too. Significant growth deficits and chronic occupational diseases in young adulthood are frequently observed among the working children (Rahman et al 1999; Arat 2002; Neumayer and De Soysa 2005).

Clearly this study has a national and global significance because

- i) Children have the right to be properly educated and loved;

- ii) They must be given the opportunity to enjoy their leisure time by playing and other recreation;
- iii) They must grow as children, not as labourers;
- iv) The future of any nation mostly depends how its children, future generation, are being grown and educated today.

To understand the concept of 'child labour' is not so easy. This is because there are societal and cultural differences across countries, and the meaning of 'child' is also different. For example, a child is defined by his or her age in the western world, but a child is defined by his or her social responsibility in developing countries (Rogers and Standing, 1981). Generally, the age of a child and the nature of work are considered as important benchmarks for defining child labour (Khanam and Rahman, 2008).

Child labour is defined by a series of international conventions. ILO Minimum Age convention, 1973 (no. 138), the UN Convention on the Right of the Child (1989) and the ILO Worst Forms of Child Labour Convention 1999 (No.182) are universally considered to define child labour. The ILO Conventions deal with the age of child, whereas the UN convention deals with the nature of work that a child does. The Convention No. 138 specifies age 15 as a benchmark, above which a person can participate in economic activities in a normal situation.

According to UILC¹ (2011), child labour involves at least one of the following characteristics:

- i) Violates a nation's minimum age laws
- ii) Threatens children's physical, mental, or emotional well-being
- iii) Involves intolerable abuse, such as child slavery, child trafficking, debt bondage, forced labour, or illicit activities
- iv) Prevents children from going to school
- v) Uses children to undermine labour standards

It is important to realize that 'child labour' is different from 'child work'. The child work includes doing light household activities that may have some actual learning value, and there is no economic compulsion forcing the child into employment. Housekeeping, child-minding, helping and assisting adults for no pay on the family farm, in small enterprises, domestic service, fetching water, collecting fire wood, etc. are included in these activities.

For light work, the minimum age is set at 12 for developing countries and 13 for other countries. A child is allowed to do some outside work at this age provided the schooling of the child is not hampered and child health is not adversely affected (Khanam and Rahman, 2008).

Child labour has been abolished from developed countries, but it still exists in developing countries. Because of growing concern of international community, though the use of child labour in export oriented industries is reduced or officially not recorded, child labour is still commonly found in the rural informal sector, particularly in the agricultural and domestic service sectors. So an investigation of underlying causes and consequences of child labour is

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important to reduce, if not eliminated fully, its extent from the society. This paper, therefore, aims to explore the determinants and consequences of child labour surveying the existing literature. Especial consideration will be given to analyse the impact of globalisation on child labour.

Following the introduction, the paper is organised as follows: Section II highlights the extent and current trend of the global child labour; section III analyses the major determinants of child labour; section IV explains the consequences of child labour; section V explores the child labour-globalisation nexus, and finally section VI concludes the paper.

II. Extent and current trend of the global child labour

Because of various pressures though a decreasing trend for the number of child labourer is observed, the extent of global child labour is still alarming. ILO (2010) estimated that a sum of 306 million children ages 5 to 17 were in employment in the world in 2008. This is a decrease of 17 million from the estimate of 2004; however, this trend is not consistent across all major age groups (see Table 1 below). Comparing 2008 estimates with those of 2004, we observe that though employment in the 5-14 years core age group declined by 20 million in 2008, from 196 million to 176 million, employment of children aged 15-17 years rose by 2 million, from 127 million to 129 million. More boys are employed than girls, with a 4.5 percent higher incidence rate.

Table-1 also reveals that child labour aged 5-17 years decreased modestly by 7 million, from 222 to 215 million, over the four years. This decrease is mostly observed in the number of girls and in the age group of 5-14 years. Girl child labourer decreased by 15 million to 88 million, and the overall number of child labourers of both sexes below the age of 15

decreased from 170 million to 153 million. However, the number of child labourers of both sexes aged 15-17 years increased by 10 million, 2.5 percent higher incidence rate, over the four years.

In 2008, the number of children in hazardous work is lower by 13 million, from 128 million to 115 million. A significant decrease is observed among girls compared to boys. While the age group 5-14 years exhibits a strong decrease, the age cohort 15-17 years reveals an increase of 10.5 million, from 52 million to 62.5 million. The incidence rose by 2.5 percent, from 14.4 percent to 16.9 percent.

Table 1: Estimates of various forms of children's work, 2004 and 2008

	Total children	Children in employment		Child labour		Hazardous work	
	('000)	('000)	%	('000)	%	('000)	%
World							
2004	1,566,300	322,729	20.6	222,294	14.2	128,381	8.2
2008	1,586,288	305,669	19.3	215,269	13.6	115,314	7.3
Boys							
2004	804,000	171,150	21.3	119,575	14.9	74,414	9.3
2008	819,891	175,777	21.4	127,761	15.6	74,019	9.0
Girls							
2004	762,300	151,579	19.9	102,720	13.5	53,966	7.1
2008	766,397	129,892	16.9	87,508	11.4	41,296	5.4
5-14 years							
2004	1,206,500	196,047	16.2	170,383	14.1	76,470	6.3
2008	1,216,854	176,452	14.5	152,850	12.6	52,895	4.3

15-17 years

2004	359,800	126,682	35.2	51,911	14.4	51,911	14.4
2008	369,433	129,217	35.0	62,419	16.9	62,419	16.9

Source: ILO (2010): Global child labour developments: Measuring trends from 2004 to 2008.

Child labour is abundant in the Asia-Pacific region. Out of estimated 215 million working children worldwide in the age group 5-17 years, 113.6 million children, 52.83 percent, were working in the region in 2008 (ILO, 2010). The South Asian countries are responsible for the largest number of working children in the world. Based on officially available statistics, ILO (2009) reports that 23.1 million children, out of 337.46 million aged 5-14 years, are working in South Asia (Bangladesh, India, Nepal, Pakistan and Sri Lanka) alone. Unpaid domestic working children are not included in this estimation. Africa has the greatest incidence of child labour: 25.3 percent of children in the continent are at work (see Table 2 below). ILO (2009a) also reports that more than 100 million girls between 5 and 17 years old were involved in child labour in 2004; girls accounted for approximately 46 per cent of all child workers. Approximately 53 million girls were estimated to be in hazardous work identified as one of the *worst forms of child labour*. Of these, 20 million were less than twelve years old.

Table 2: Regional estimates of child labour in 2008, 5-17 years old

Region	Total children ('000)	Child labour ('000)	Incidence rate (%)
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World	1,586,288	215,269	13.6
Asia and the Pacific	853,895	113,607	13.3
Latin America and the Caribbean	141,043	14,125	10.0
Sub-Saharan Africa	257,108	65,064	25.3
Other regions	334,242	22,473	6.7

Source: Source: ILO (2010): Global child labour developments: Measuring trends from 2004 to 2008.

With regard to sectoral distribution of child labour, children ages 5 to 17 in the world, 60 percent are involved in the agriculture, 7 percent are employed in industry and 26 percent are engaged in services; the remaining 7 percent are not defined. Boy's employment in agriculture and industry are dominant compared to girl's employment (62.8 percent for boys versus 37.2 percent for girls in agriculture, and 68.5 percent for boys versus 31.5 percent for girls in industry). However, more girls are employed in service sector than boys (47.4 percent for boys against 52.6 percent for girls). In the age group of 5-17 years, the large majority of child labourers, 68 percent, are unpaid family workers (ILO, 2010).

III. Determinants of child labour

Why the children work? In answering this question it should be noted that children do not normally *choose* to work. The decision whether a child will work or go to school is generally taken by parents. In some very exceptional cases- such as children who were abducted, and lost, or separated from their family of origin because of war or of some natural disasters- children themselves choose to work (Cigno, Rosati and Tzannatos, 2001).

The determinants of child labour may be analysed based on the market mechanism: demand determinants and supply determinants. The demand side determinants are those which induce the employers to employ children. These are the prevailing production technology, the structure of labour market, the weak legislation and its poor implementation, children's endowments for a specific work, low wages given to children for more working hours, non-existence of medical insurance or pensions for children and low bargaining power of children. The supply side determinants are those which make the parents or household head to decide to utilize children's time as child labour. Some socio-economic factors such as poverty, lack of public utilities, lack of educational facilities, lack of parents' education, excessive population, unemployment and underemployment of adults, etc. are commonly considered as supply side determinants. All these determinants are discussed below.

Poverty: There exists a controversy about the poverty-child labour nexus. Many researchers such as Grootaert & Kanbur (1995), Amin, Quayes and Rives (2004), Ranjan (2001), Rogers and Swinnerton (2004) and Rahman et.al (1999) note that poverty is the main cause of child labour. In most cases, parents are forced to send their children to work just for mere survival. However, some studies such as Bhalotra and Heady (2003), Canagarajah and Nielsen (1999) failed to find an inverse relationship between child labour and household income.

Khanam and Rahman (2008) analysed poverty hypothesis drawing macro and micro level evidences. Economic development of a country has a negative impact on the incidence of child labour. Countries with very low per capita income, such as Sub-Saharan African countries, are experienced with high incidence of child labour. The negative impact of economic growth on child labour has also been documented some country/region specific

studies such as Dessy and Knowles (2001) for Latin America, Basu and Tzannatos (2003) for China, Tzannatos (2003) for Thailand and Edmonds (2001) for Vietnam.

At micro level, household decision making theory explains that child labour exists because of unbearable situation of a household. Non-work of children in an extremely poor household is considered as a 'luxury good' which a family cannot afford. If the adult income is below a certain threshold level, a household will send its children to work. The study of Hazan and Berdugo (2002) also confirms that child labour is a consequence of poverty. Tzannatos (2003) mentions that, intergeneration transmission of a child labour is also widely observed. That is, if parents are silk workers, it is most likely that their children will go for silk work rather than going to school. Under this situation, poverty may not play a *major* role.

Vulnerability of household: Cited from Anker (2000), Khan (2003) notes that child labour is prevalent in the most vulnerable families, as these families, because of very low income, cannot cope with the injury or illness of an adult member, disability or death of any parent, unemployment of adult member. Distress and disruption resulting from abandonment or divorce also forces children to work.

Unequal distribution of income/resources: Child labour is positively related to higher unequal distribution of income and resources (UNICEF, 1997; Ranjan 2001). Saeed (2000) and Hussain (1985) also confirmed this finding for Pakistan.

Child's behaviour and schooling performance: This factor also influences the parental decision with regard to child labour. If a child does not like school and/or does poor results, parents are more likely to put him/her at work rather than at school.

Child's nutrition and health: Poor health condition of the children contributes to child labour positively. The malnourished children suffer from learning difficulties, and dropout rate is quite high. These dropout children are absorbed by child labour force (Chaudhry and Hamid 1999; Khan, 2003).

Credit market constraints: Capital market failure also results in child labour. If households cannot meet educational expenses and are unable to borrow to this end, they send their children to work (Ranjan 2001; Fallon and Tzannatos 1998).

Parents' education: Parents' education plays an important role whether a child will go to school or work. Majority of child labourers belong to illiterate families (Khan 2001). Educated parents are aware of worth of educating their children; illiterate parents consider schooling as wastage of time and money. So there is an inverse relation between parent's education and supply of child labour. Parent's education particularly mother's education is vital to keep a child in school.

Family size and birth order: Statistics show that the bigger the family size, the greater the likelihood that the children will work rather than attending school (Khan, 2003). This is because families with large number of children cannot afford schooling costs of all the children; so some children start working to support themselves and their school going siblings. Khanam and Rahman (2007, 2008) notes that older children are more likely to be sent to work than their younger siblings though a few exceptions also exist in the literature. The reasons may be mentioned that earlier-born children could be more productive to command higher wages or be more able to do household work or farming activities because

of their higher innate abilities. This may induce parents to choose their older children for work. Further, as young family earners, parents may not have sufficient income to send their earlier born to school, as the earning schedule goes up with age.

Among the other determinants, unaffordable schooling costs, unavailability of quality education, availability of work for children, employer's attitudes, demand in family business, remoteness and inappropriate government policy contribute to child labour. Most of the population in developing countries live in rural areas where child labour is more prevalent because of traditional social and cultural norms that easily accept child labour (Neumayer and De Soysa 2005 quoted from Edmonds & Pavcnik 2002 and López-Calva, 2001).

IV. Consequences of child labour

Child labour is considered as an epidemic of the global economy and society. It has many undesirable effects with regard to children's education, mental and physical development. Immature and inexperienced child labourers probably never realize the short and long term risks associated with their work. Their work, in fact, steals their childhood. Sometimes child labourers work long time, and are very often denied a basic school education, normal play time, social interaction, personal development and love and emotional support from their family. The society and economy as a whole are also affected because of child labour. Some important consequences are noted below.

Damaged physical, mental or social development: Child labour adversely affects physical, mental or social development of children. Because of poverty they are already suffer from

malnutrition. With this physical weakness, if they do physically strenuous activities, this may lead to stunted growth. Child labourers tend to be shorter and lighter than non-working children. This growth deficiency also impacts on their adult life. Because of accidents at work some children have even lost their vital organs and thus been handicapped for the rest of their lives. BBS (2003) reports that out of 7.4 million working children about 0.6 million or 7.6 percent got hurt or sick due to their work in Bangladesh. Some children even die. In Bangladesh, ten children earning around \$11 per month burned to death in a garment factory in November 2000.

Also very often children are abused in their work place which makes them emotionally weak. As they do not have sufficient time to play with peers, proper socialisation is actually lacking; lack of education hampers intellectual and mental development. Their self-esteem and required activities are always compromised which very often leads them to live in poverty (ICCLE, 2005).

Intergenerational poverty: Child labour continues inter-generational poverty. It is observed that the parents of child labourers were child labourers themselves; they grew up as semi-skilled, illiterate or semi-illiterate, unemployed or underemployed adults. They are poor, and their poverty forced them to send their children to work prematurely which jeopardizes the future of their children to grow up as an educated and skilled person.

Effects on educational achievement: Child work adversely affects children's educational achievement at school. The children who work and attend school are generally observed with lower attendance rate and poor academic performances. BBS (2003) reports that 2.5 percent of child labourers attend school in Bangladesh, of which 68.3 percent noted that their work

affect their regular school attendance and studies. The literacy rate of the non-child labourers was significantly higher than that of child labourers (62.1 percent versus 52.1 percent). The study of Heady (2000) on Ghana also revealed that child work had a substantial negative effect on learning achievement in the key areas of reading and mathematics. This may be because of, as the author mentioned, exhaustion or because of a diversion of interest away from academic concerns.

Adult unemployment and reduced bargaining power: Employers prefer to hire children as a cheap source of labour, and children are easy to manage because they are more obedient and less aware of their rights than adults. Children very hardly protect against the employers decisions with regard to wages, working hours and work environment. As children substitute some of adults' work, adult unemployment increases; this, in turn, reduces the ability of adults to bargain for fair wages. As a result, overall wage rate decreases.

In the literature, parallel growth of child labour and adult unemployment is evident. For example, in October 2004, the number of unemployed persons in the Philippines was recorded at 3.9 million, and the number of working children was also nearly 4 million. This reflects that there is a close correlation between the prevalence of child labour and adult unemployment (ICCLE, 2005).

Children and household well-being: It is argued that some positive benefits of child labour may also be realized. Child labourers can gain some human capital from their workplace experience such as vocational training, learning by doing, the potential for making contacts, learning job market strategies, etc. Sometimes, child labour is the only way to finance a

child's education, which, in turn, could bring better outcomes for older child (Emerson and Souza, 2007; Horn 1994; Akabayashi and Psacharopoulos, 1999).

Child labour has also an effect on household well-being. For example, BBS (2003) reported that 68.9 percent parents in Bangladesh opined that the living standard of their household would decrease if the children stop working. About 7.9 percent parents in rural areas expressed their concern that it would be difficult for them to survive if their children stop working. About 2.6 percent parents in urban areas and 2.4 percent parents in rural areas pointed out that unless their children did not work, it would be difficult for them to run family businesses.

V. The effects of globalisation on child labour

Globalisation is a popular but controversial issue. The term refers to the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, increased international labour movement, flow of international capital and wide and rapid spread of technologies. Continuing expansion and mutual integration of market frontiers are reflected by economic globalisation (Shangquan, 2000).

Although a significant body of literature exists on the economics of child labour, analyses of international economics of child labour are relatively few (Dinopoulos and Zhao 2007). A few studies have been conducted recently that generally discuss the effects of globalisation on child labour based on global or country-specific data (e.g. Davies and Voy 2009, Edmonds and Pavcnik 2005, Neumayer and De Soysa, 2005, Kis-Katos, 2007, Dinopoulos and Zhao

2007), but researchers are divided over the effects of globalisation on the incidence of child labour.

Theoretical arguments surrounding globalisation and child labour

Neumayer and De Soysa (2005) mention that theory itself is ambiguous with regard to the effects of globalisation on child labour. By the term 'globalisation' we mean the increased trade openness and access of foreign direct investment (FDI). Both variables may have positive and negative effects on child labour.

Globalisation increases child labour

Developing countries are abundant in unskilled labour. Grootaert & Kanbur (1995) argue that trade liberalisation or globalisation is likely to increase the relative rate of return to unskilled labour, thus reducing the incentive to invest in skills and education. As child labour is also unskilled labour, trade liberalisation increases the returns to child labour that induce the increased supply of child labour. This is known as substitution effect of trade liberalisation.

One may argue that trade openness may not increase the demand for child labour as most of these children are working mainly in the non-tradeable sector, and the ratio of working children in the export sector is very small; in fact, child labour may reduce if children work in import competing sectors. However, citing Maskus (1997), Neumayer and De Soysa (2005) argue that increased trade can still lead to an increased child labour incidence as long as the sector (formal or informal) of working children supplies inputs to the export sector.

It is also argued that free trade induces a country to lower production costs to be price competitive in international markets over others. The use of a higher extent of child labour could cut costs, and all countries may have a tendency to achieve this objective. Therefore increased trade openness and FDI could bring about more child labour worldwide (Neumayer and De Soysa 2005).

Globalisation decreases child labour

As mentioned earlier, trade liberalisation increases the relative rate of return / income of unskilled labour. If child leisure and child education are assumed normal goods for parents, this income effect, as opposed to substitution effect, will be positive thus reducing the child labour as a result of globalisation / trade liberalisation. Becker (1997) argues that investment in education and skills must occur for economic growth and long-term competitiveness internationally. So countries have an incentive to have lower child labour as a result of trade openness.

Neumayer and De Soysa (2005) also argue, quoting from Ranjan (2001), Jafarey & Lahiri (2002), that the more open countries are likely to have lower interest rates and thus better access to credit. As a result, the opportunity cost of education is lower that tends to reduce child labour. Furthermore, an open economy is less likely to protect the traditional culture and institutional framework that encourage child labour.

To the foreign investors, other factors such as market size and market growth, the law and order situation, political stability, good infrastructure, high labour skills, honest and corruption-free government and transparent policy are also equally or more important than low wages with regard to any investment decision (Neumayer and De Soysa 2005, quoted

from Kucera, 2001, 2002; Noorbakhsh, Paloni, & Youssef, 2001). So it may be that FDI is negatively related to child labour. As FDI spurs economic growth, it will indirectly reduce child labour.

Proponents of globalization also argue that multinational corporations always employ more skilled workers in developing countries, and they always pay higher than average wages. If this is the case, increased FDI as a result of globalisation will lower the relative wage of unskilled workers and children which in turn would reduce child labour and induce more schooling (Davies and Voy, 2009).

Rich countries has the ability to influence the policies of poor countries, and globalisation increases this ability, as developing countries integrate into the world economy and increasingly rely on developed countries to sell their products (e.g. almost 100% of Bangladesh garments exports go to North America and EU). Therefore, rich countries can use the threat of trade sanctions (like Harkin's Bill-The Child labour Deterrence Act 1993 in the U.S.) to adopt and execute policies that would curtail child labour.

Review of empirical evidence

The empirical evidence on the relationship between globalisation and child labour is not uniform. Based on cross sectional studies Shelburne (2001) and Neumayer and De Soysa (2005) found a negative correlation between trade openness and child labour. Contrastingly, Cigno et al (2002) found no significant robust effects of trade openness on child labour based on a study of smaller panel of developing countries. Using an instrumental variable estimation, Edmonds and Pavcnik (2004) found that negative association between child

labour and openness was only visible if the income variable was not included in the model. Their conclusion was that the only channel through which trade openness might lower child labour is through raising per capita GDP. Based on 1995 data for 145 countries, Davies and Voy (2009) also confirmed that the impact of FDI and trade on child labour, if any, was an increase in income.

Kis-Katos (2007) notes that studies based on micro empirical data show differing effects of trade liberalisation on child labour across countries. In the case of Vietnam, Edmonds and Pavcnik (2005) found a favourable income effect because trade liberalisation in turn reduces child labour. On the contrary, Edmond et al (2005) showed that in the provinces of India where there were massive tariff cuts owing to their industrial employment structure, child labour decreased less.

The preceding discussion clearly indicates that the effects of globalisation / trade liberalisation on child labour remain mainly an empirical issue as theoretically they are ambiguous. These must be investigated in the context of a group of countries or region where child labour is mostly visible, considering other socio-economic aspects. Since child labour mainly exists in developing countries, research on this issue should be devoted in the context of developing countries only. But data constraints on many developing countries make the universally acceptable empirical work on child labour-globalisation nexus almost impossible.

VI. Conclusion

Though a decreasing trend is observed officially, child labour is still prevalent in developing countries to a great extent. The problem is far from over, as child labour is considered as an

epidemic of the global economy. The world must get rid of it eventually. That is why child labour is still a high research and policy priority issue worldwide.

This study highlights the extent and current trend of the global child labour. The global child labour aged 5-17 is 215 million, which is still alarming. Though child labourer in the age group 5-14 years decreased, child labourers in the age group 15-17 years increased by 10 million over the four years (2004-2008). The number of children aged 15-17 years in hazardous work is increased by 10.5 million, an increase of 2.5 percent incidence.

Asia-Pacific region is child labour abundant region- responsible for 52.83 percent global child labour. South Asia is a home for the largest number of child labourers. Africa has the greatest incidence of child labour: 25.3 percent of children are working. Most of the global child labourers, 60 percent, are engaged in agriculture; the majority of child labourers, 68 percent, are unpaid family workers. More boys are employed in agriculture and industry, and more girls are employed in service sector.

There are pull (demand side) and push (supply side) factors that are responsible for child labour. Among these factors majority of studies document that poverty is the main factor that causes child labour although a few studies fail to establish this link. Among the other factors unequal distribution of income, parents' education, credit market constraints, schooling performance, child's nutrition and health status, family size and birth order, higher schooling costs, lack of quality education, employer's attitude, inappropriate government policy, etc. are notable.

The consequences of child labour are detrimental for children, families, global society and economy. Child labour prevents physical and mental growth and social development of children. Some works are so risky that children sometimes lose their vital organs even their lives. Child labour generates intergenerational poverty; it has adverse effects on educational outcomes, adult employment, adult earnings and bargaining power of adult workers. Household well-being is also directly and indirectly affected by child labour.

The effects of globalisation on child labour are interesting, but not beyond the controversy. Studies are limited on this topic though substantial literature exists on child labour. This study reveals that theoretical arguments could be made on both sides: *globalisation increases child labour* and *globalisation decreases child labour*. The empirical evidences on different countries and regions also give us mixed results with regard to child labour-globalisation nexus. The actual effects probably depend on country/region specific other socio-economic factors and government policies.

Child labour cannot be eliminated overnight as its root is grounded to socio-economic and cultural aspects of the countries and regions. However, attempts must be made to reduce the incidence of child labour at a faster rate with an ultimate aim to entirely eliminate it from the society within the shortest possible time. To this end a combination of policy tools must be adopted in a concerted way that can help alter family and firm decision making regarding child labour. A policy response that targets a single dimension of child labour will not be efficient or even effective. Improved and quality educational opportunities with possible minimum costs, introduction/continuation of targeted subsidies for poor school going children, job oriented school curriculum, compulsory education up to grade-10, appropriate

logistic supports for school going children, increased inflow of child-displacing technologies from industrial countries, more efficient capital and labour markets should be considered as a package of policy tools. All aspects of the problem must be taken into account in the efforts of eliminating child labour. Policies to reduce overall poverty should also be taken seriously. Developed countries must help developing countries in the efforts of poverty reduction which will, in turn, help reduce child labour. Trade sanction is not a desirable policy as it will aggravate the hardship of working children and their families.

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