



International
Labour
Organization

A photograph showing two young girls in a yellow shirt working at sewing machines in a factory. The machine in the foreground has 'Unic' and '157' written on it.

WORLD REPORT ON CHILD LABOUR

Paving the way to decent work for young people

A photograph of a young boy in a green shirt carrying a large bundle of harvested tobacco leaves on a wooden pole across his shoulders. He is standing in a field of tobacco plants.

2015

Executive Summary

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The case for accelerated global action targeting child labour and the lack of decent work opportunities for youth is very clear. Some 168 million children remain trapped in child labour while at the same time there are 75 million young persons aged 15 to 24 years who are unemployed and many more who must settle for jobs that fail to offer a fair income, security in the workplace, social protection or other basic decent work attributes.

This World Report focuses on the twin challenges of child labour elimination and ensuring decent work for youth. This focus is driven by the obstacles that child labour and the youth decent work deficit pose to implementing the Post-2015 Development Agenda and by the close connection between the two challenges. The Report makes the case that achieving decent work for all, one of the likely core Sustainable Development Goals for the post-2015 period, will not be possible without eliminating child labour and erasing the decent work deficit faced by youth.

The Report begins with a background discussion of standards, concepts and policy. It then proceeds to a discussion of the two-way linkages between child labour and youth employment: first, how child labour and early schooling leaving affect the transition paths of youth and their eventual employment outcomes; and second, how youth employment difficulties and low returns to education can impact on household decisions concerning child labour and schooling earlier in the lifecycle. The Report then addresses the issue of child labour among 15 to 17 years old, the overlapping group that is relevant to broader efforts relating to both child labour and youth employment. The Report concludes with a set of recommendations for aligning and improving the coherence of policies and programmes addressing child labour and the youth decent work deficit.

How child labour and early schooling leaving affect the transition paths of youth and their eventual employment outcomes

Evidence from ILO School-to-Work Transition Survey (SWTS) programme indicates that between 20 and 30 per cent of adolescents and young adults in the low-income countries included in the SWTS programme complete their labour market transition by the age of 15 years, i.e. as child labourers.¹ The same source indicates that even more youth in these countries leave school prior to this age, driven, *inter alia*, by poverty, social vulnerability, problems of education access and quality and gender-related social pressures.²

How do the employment outcomes of former child labourers and others who begin the transition to work at an early age differ from those of other young persons? Comparisons of the employment and schooling outcomes of those that were already working by the age of 15 years with those that began work after this age offer us some insight in this regard.

¹ ILO: *Global Employment Trends for Youth 2013: A generation at risk* (Geneva, 2013).

² For a more detailed discussion of this point, see, for example, ILO: *World report on child labour: economic vulnerability, social protection and the fight against child labour* (Geneva, 2013); and ILO: *Joining forces against child labour*. Inter-agency report for The Hague Global Child Labour Conference of 2010 (Geneva, 2010).

The results of these comparisons are consistent across the 12 countries where data are available – prior involvement in child labour is associated with lower educational attainment and with lower-paid work that fails to meet basic decent work criteria.³ Child labour, in other words, not only poses well-known immediate health, safety and development risks, but is also associated with compromised earning prospects and less chance of securing decent work in the longer term.

These comparisons, however, do not tell us anything about the transition trajectories taken by youth with different backgrounds in terms of work and schooling, information that is critical to understanding *if* early school leaving and premature work involvement influences employment outcomes during youth. We therefore turn to the issue of *transition* to work, and how early school leaving can influence the transition path, using more robust econometric techniques based on information from the ILO School-to-Work Transition Survey (SWTS) programme.⁴

Results of the analysis indicate that those leaving school prior to the age of 15 years are generally at greater risk of remaining outside the world of work altogether, i.e. of never transiting to a job. At the same time, early school leavers who do manage to eventually transit take longer to do so and are generally less likely than more-educated youth to ever secure stable jobs (where we define stable jobs as paid work with a contract of 12 months or more). Job stability, in turn, is critical to security in the workplace and ultimately to decent work, the desired outcome of the transition to work. The labour market experience of early school leavers is therefore more likely to be characterized by a series of unstable short-term jobs, often interspersed with periods of unemployment and absences from the labour force.

Taken together, the results reinforce a central message of this Report, namely that in many countries interventions addressing premature school leaving and child labour are critical to broader efforts towards ensuring decent work for young persons.

Why the employment situation of youth matters for child labour

How are the labour market conditions faced by young people relevant to child labour? In theoretical terms, the answer is clear. Poor youth employment prospects can serve as a disincentive to investment in children's education earlier in the lifecycle while a more positive youth employment outlook can have the opposite effect. Families, in other words, are more likely to forego the short-term returns to child labour for education when the long-term returns to the latter are sufficient to make this trade-off worthwhile.

In this Report we review the evidence from real world case studies concerning the impact of youth employment on child labour and schooling decisions. Broadly, the cases

³ Decent work sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

⁴ Econometric techniques are used in order to account for the fact that not all youth who eventually transit to employment have already done so at the time of the SWTS in each country. For further details regarding the methodology, see UCW: *Pathways to work in the developing world: An analysis of young persons' transition from school to the workplace*. Working Paper (Rome, 2014).

that we cite indicate that, in keeping with theory, increased demand for skilled workers is accompanied by increased school participation and reduced child labour. This is an area, however, where substantial knowledge gaps remain.

The first case focuses on the impact of access to high-yield seeds by farmers in a set of villages in India in the late 1960s.⁵ Farmers with more education were arguably more equipped to go through this process of experimentation and learning and thus to profitably take-up the new seeds.⁶ The introduction of these seeds, in other words, *increased* the returns to education. The results of the case study show that the areas where the new seeds were most profitable due to advantageous soil and climate conditions, and where the increase in returns to education were therefore greatest, households responded by increasing their children's school enrolment.⁷ However, consistent with experience in other countries, the results also show that access to services (in this case, schools) was a necessary condition for the potential increase in returns to education to have an impact on schooling.

Another interesting experience in India involves the rapid growth of the information technology (IT) industry beginning in the 1990s, which also strongly affected returns to education in the Indian labour market. The growth of this industry resulted in a strong increase in the demand for high-skilled workers, and in particular those with a good command of the English language. A study of this case shows that, over the period from 1995 to 2003, the districts that experienced the greatest influx of businesses and jobs in the IT services industry also saw a higher increase in school enrolment. The study also shows that the increase in school enrolment was particularly marked in schools where English was the language of instruction.⁸

Two other cases offer further insight into how children's school participation can be affected by changes in returns to education in a local labour market. The first case involves the recent rapid growth of the garment sector in Bangladesh.⁹ This growth primarily benefited women, both because this sector primarily employs females and because education was associated with better work conditions relative to the available alternatives. A study of the impact of the garment sector expansion shows that the school

⁵ Rosenzweig, M.R.: "Why Are there Returns to Schooling?", in *American Economic Review*, Vol. 85, No. 2, pp 153-158 (1995).

⁶ Large landowners, who had better access to production inputs such as tractors, tubewells, fertilizers and pesticides, also enjoyed a considerable advantage in this context.

⁷ Foster, A.D. and Rosenzweig, M.R.: "Technical Change and Human Capital Returns and Investments: Evidence from the Green Revolution", in *American Economic Review*, Vol. 86, No. 4, pp. 931-953 (1996). The study authors do not investigate the possible role of a substitution effect in explaining this result. It is possible, however, that the introduction of the high-yield seeds also decreased labour requirements on the farm, including labour provided by children..

⁸ Shastry, G.K.: "Human Capital Response to Globalization: Education and Information Technology in India", in *Journal of Human Resources*, Vol. 47, No. 2, pp. 287-330 (2012).

⁹ In the context of the garment sector in Bangladesh, the International Labour Organization (ILO) and the World Bank International Finance Corporation launched the Better Work program in Bangladesh in November 2013 with the aim to provide assessments of factory compliance with national law and international core labour standards, publish transparent public reporting on findings, and provide advisory support for factories to make necessary improvements. The partnership between government, employers, unions, buyers, and other industry stakeholders will focus on promoting sustainable change in the sector by helping factories address working conditions, and to build factory-level capacity for labour administration and worker-management relations. The programme will also provide training and advisory services to factories to improve working conditions and competitiveness.

participation of younger girls (aged 5 to 10 years) *increased* in direct proportion to the rate of expansion of the garment sector.

The second case involves the rapid expansion of Mexico's export manufacturing industry in the late 1980s and 1990s. The findings of this case show that the effects of factory openings depend on the type of labour demanded: expansions in low-skilled job opportunities (i.e. opportunities in jobs requiring little education) tended to lower school attainment, while expansions in high-skilled job opportunities tended to increase school attainment.¹⁰

Other case studies underscore the importance of knowledge and perceptions. Clearly, if parents are unaware of (or misperceive) a change in returns to education they will be unable to respond to this change or may respond in a manner that is not consistent with labour market signals. A study carried out in the Dominican Republic found that, in the face of information indicating that actual returns to education in the labour market were higher than they initially thought, children stayed in school longer and delayed their entry into the labour market. In a similar vein, in Madagascar it was found that the provision of information helped students and parents to assess more accurately average returns to education and resulted in increased school participation.¹¹

These findings represent another important argument for addressing youth employment and child labour issues hand-in-hand – not only does child labour affect youth employment prospects but youth employment prospects plainly affect child labour. Expanding decent work opportunities for youth, and particularly for vulnerable youth, constitutes an important component of a broader strategy for addressing child labour. Interventions aimed at illustrating the benefits of education are also relevant in this context.

Child labour among adolescents aged 15 to 17 years

Hazardous work among adolescents who are above the general minimum working age but not yet adults (i.e. those in the 15-17 years age group)¹² constitutes a worst form of child labour and a violation of international labour standards. The ILO Convention No. 182 on the Worst Forms of Child Labour (1999) calls on countries to take immediate and effective measures to eliminate this and other worst forms of child labour as a matter of urgency.¹³

It is in the 15-17 years age group that the goals of eliminating child labour and addressing the youth decent work deficit intersect most explicitly. In simple terms, it will not be possible to achieve overall child labour elimination without addressing child labour among older children. Similarly, adolescents aged 15 to 17 years trapped in hazardous work stand as a major obstacle to achieving decent work for all youth. Yet,

¹⁰ Atkin, D.: *Endogenous Skill Acquisition and Export Manufacturing in Mexico*, Working Paper (2012).

¹¹ Nguyen, T.: *Information, Role Models and Perceived Returns to Education: Experimental Evidence from Madagascar*, Working Paper (2008).

¹² In countries where the general minimum working age is 14 years, the lower age boundary should also technically be 14 years. However, for comparability, in this chapter we apply the minimum age boundary of 15 years in all countries.

¹³ ILO Convention No. 182 on the Worst Forms of Child Labour Convention (1999) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour. (Entry into force: 19 November 2000).

while the 15-17 years age group is clearly of common interest to both child labour and youth employment, this overlapping group is rarely accorded the necessary priority attention in efforts in either of these fields.

The latest ILO global estimates for the year 2012 indicate that both the share and absolute numbers of adolescents aged 15 to 17 years in hazardous work is considerable:

- adolescents aged 15 to 17 years in hazardous work total 47.5 million;
- adolescents aged 15 to 17 years in hazardous work account for 40 per cent of all those employed in the 15–17 years age group, a clear indicator of the decent work deficit facing this age group; and
- adolescents aged 15 to 17 years in hazardous work account for over one-quarter (28 per cent) of the overall group of children in child labour.

Country-specific estimates indicate that there are substantial shares of young persons in hazardous work in most countries where data are available, although there is large variation across countries and regions.¹⁴

These stark numbers underscore the importance of according special attention to the critical 15–17 years age group in efforts combating child labour *and* in efforts promoting decent work for youth. Accounting for hazardous work in youth employment programmes is critical, as hazardous work in adolescence can create huge barriers – educational, physical, psychological, social – that impede a young person from competing successfully for good jobs in the future.

The way forward: A coherent policy approach for tackling child labour and the youth decent work deficit

We have demonstrated above the close link between child labour and youth employment outcomes. Here we discuss the logical policy conclusion emerging from this link – *the need for a coherent policy approach that tackles child labour and the youth decent work deficit in an integrated fashion*. Looking forward, promoting decent work for all will be a critical part of the Post-2015 Development Agenda. Such a coherent policy approach to education, child labour and youth employment will be central to the achievement of this goal.

Policy coherence means policies that take into full account the close relationship between education, child labour and youth employment outcomes in the countries where child labour is a relevant issue. Figure 1 illustrates this in more concrete terms. A set of policies early in the lifecycle are needed to promote education as an alternative to child labour, and, following from this, to ensure that children enter adolescence with the basic skills and competencies needed for further learning and securing decent work. This foundation is in turn crucial to the success of policies at the next stage of the lifecycle for promoting improved youth employment outcomes, and for ensuring that

¹⁴ As survey instruments and survey reference data differ across countries, national comparisons are indicative only.

youth successfully transition from education into decent work. Policy success in creating decent work opportunities for youth can also have an important positive feedback effect earlier in the lifecycle by creating incentives for parents to invest in the education of their younger children.

- **Intervening early: *getting children out of child labour and into school.*** We have seen above how children's early school leaving and premature involvement in work can negatively influence the pathways to work taken by young persons. This underscores the critical importance of intervening early in the lifecycle against child labour and educational marginalization as part of a broader strategy to improve youth employment outcomes.

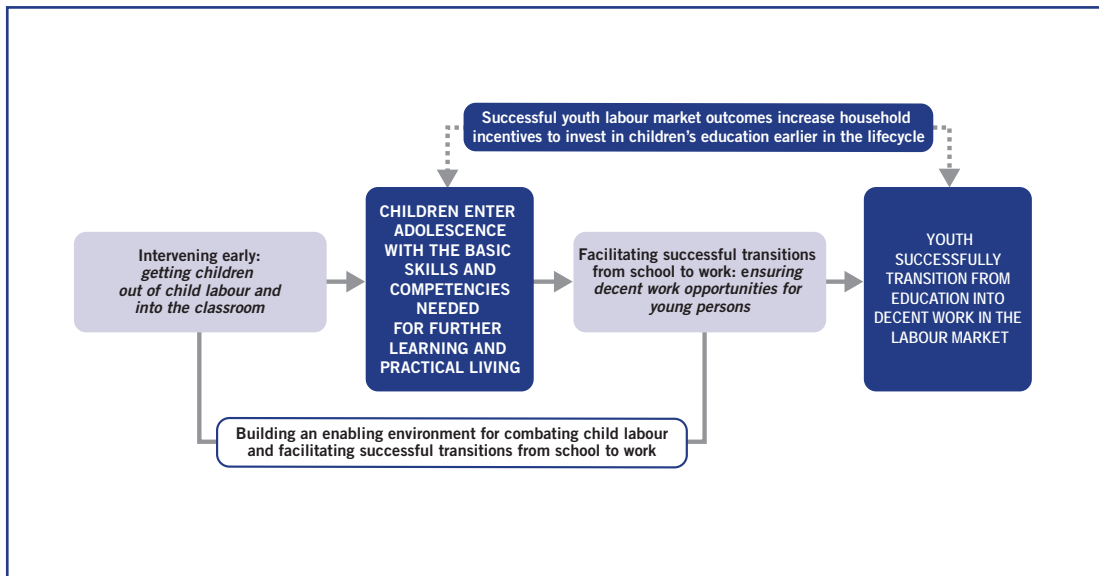
Fortunately we do not have to reinvent the wheel in terms of how to intervene against child labour. We can build on the wide body of evidence concerning the causes of child labour and extensive programming experience addressing child labour that has accumulated, over the last two decades,¹⁵ points to two policy pillars of particular importance: education and social protection. Ensuring free, compulsory and quality education through to the minimum age of employment, provides families with the opportunity to invest in their children's education as an alternative to child labour and makes it worthwhile for them to do so. Expanding social protection helps prevent child labour from being used as a household survival strategy in the face of economic shocks and social vulnerability.

- **Facilitating the transition from school to work: *promoting decent work opportunities for youth.*** We have also seen how increased demand for skills and greater returns to education can translate into increased investment in education. In other words, the labour market prospects of young persons, and in particular returns to education in the labour market, can have a strong influence on household decisions concerning the division of children's time between work and school earlier in the lifecycle. Expanding decent work opportunities for youth, and particularly for vulnerable youth, is not only critical for addressing the youth employment crisis but is a necessary part of a strategy for addressing child labour.

Again, it is not necessary to reinvent the wheel in terms of how to promote and facilitate transitions to decent work. While there is no one-size-fits all approach to tackling the youth employment crisis, the extensive existing body of evidence and policy experience points to a set of core policy areas that need to be considered in relation to national and local circumstances. Besides pro-employment macroeconomic policies, specific types of interventions considered particularly relevant include enhancing young people's employability through investing in education and training; strengthening labour market institutions; and encouraging youth entrepreneurship.

¹⁵ The *Roadmap for Achieving the Elimination of the Worst Forms of Child Labour*, adopted at The Hague Global Child Labour Conference (2010); and *The Brasilia Declaration on Child Labour* emerging from the III Brasilia Global Child Labour Conference (2013) together offer a key framework for policy efforts.

Figure 1. A coherent policy response to child labour and the lack of decent work opportunities for youth



- **Addressing adolescents in hazardous work: *eliminating child labour among those aged 15 to 17 years.*** Both the share and absolute numbers of adolescents aged 15 to 17 years in hazardous work is considerable. In instances in which those adolescents are working in sectors or occupations that are designated as hazardous or where there is no scope for improving working conditions, the policy requirement is clear – they must be removed from the hazardous job. In these instances it is imperative that there is a strategy in place for providing withdrawn youth with adequate support services and second chances for securing decent work. Risk mitigation is a strategic option in instances where youth are exposed to hazards in sectors or occupations that *are not designated as hazardous in national hazardous work lists* and where scope for change in work conditions exists. Such a strategy involves measures to remove the hazard, to separate the adolescent sufficiently from the hazard so as not to be exposed, or minimize the risk associated with that hazard.
- **Mainstreaming gender: *accounting for the special vulnerabilities of female children and youth.*** Adequately accounting for gender concerns is critical to the success of early interventions against child labour and of later interventions promoting successful transitions to decent work. Female children face special difficulties in entering and remaining in school owing to factors such as early marriage and the demands of domestic responsibilities within their own home. Girls are also particularly vulnerable to worst forms of child labour such as commercial sexual exploitation and to hidden forms of child labour such as domestic service in third-party households. This situation highlights the overarching need for inclusive education strategies, including girl-friendly schools, which are adaptive to and supportive of the unique schooling challenges faced by female children. It also calls for targeted interventions addressing the variety of cultural, social and

economic factors that leave female children especially vulnerable to certain types of child labour.

Female youth in many regions suffer from fewer opportunities in the labour market and experience greater difficulties in transiting to decent work. They are also often confined to a narrower range of occupational opportunities than their male counterparts. Female youth's career trajectories can be severely limited as a result of societal and familial expectations that they quit their work after marriage or after the birth of their first child. The disadvantaged position of female youth in the labour market underscores the need for continued efforts ensuring equal opportunities and treatment of young women and men in education and in work.

- **Ensuring the necessary conditions for progress: *building an enabling environment*.** Progress in getting children out of child labour and into school and in providing decent work opportunities for youth will not be possible in the absence of an enabling economic and legal environment. Sustained, inclusive and sustainable economic growth, a critical component of the Post-2015 Development Agenda, will be essential to expanding decent work opportunities for youth and to ultimately erasing the youth decent work deficit. Such macroeconomic and growth policies can support youth employment by encouraging economic diversification and the development of sectors that are conducive to the creation of jobs for youth. Expanded decent work opportunities has the added effect of increasing returns to education, and, following from this, creating incentives for children to remain in school rather than enter work prematurely.

Achieving sustainable progress against child labour and promoting decent work for youth requires a supportive legislative environment which is in line with international standards and effectively mainstreamed into national development policies, plans and programmes. This has the important effect of signalling national intent and of providing a framework for action. Within the child labour realm, ratification of the ILO Convention No. 182 on the Worst Forms of Child Labour (1999) and the ILO Convention No. 138 on the Minimum Age (1973) has now occurred in most countries of the world. The critical next step on the legislative front is to ensure that these Conventions are effectively domesticated into national legislation. This process should include the elaboration of national lists of hazardous work that is prohibited for all persons below the age of 18 years. In the context of youth employment, it is critical to ensure young persons' rights at work in order that they receive equal treatment and are protected from abuse and exposure to hazards.

WORLD REPORT ON CHILD LABOUR

The second volume of the ILO World Report on Child Labour series highlights the close linkages between child labour and youth employment outcomes, and the consequent need for common policy approaches to addressing challenges arising in countries where both child labour and youth employment prevail.

The Report presents empirical evidence of how child labour combined with limited education can lead to increased youth vulnerability and greater difficulties in transiting to good jobs. This evidence includes results from the ILO School-to-Work Transition Survey (SWTS) programme, an unprecedented data collection effort allowing the analysis of the trajectories followed by youth to enter the world of work in a total of 28 low- and middle-income countries around the world. The Report also reviews evidence of how the child labour-youth employment link can operate in the opposite direction, i.e. of how the difficulties faced by youth in the labour market can make personal investment in education less attractive as an alternative to child labour earlier in the lifecycle.

Hazardous work among adolescents aged 15 to 17 years is a third focus of the Report. Individuals in this critical age group, who are above the minimum working age in most countries but at the same time are still legally children, overlap the child labour and youth employment fields. Evidence is presented indicating that an alarming share of employed adolescents aged 15 to 17 years are in hazardous work and therefore are child labourers.

Taken together, the evidence presented in the Report makes a strong case that the challenge of finding decent work during youth cannot be separated from the challenge of eliminating child labour earlier in the lifecycle. Eliminating child labour, in other words, is a key policy goal in itself and a necessary starting point for achieving decent work for all.