



**UNIVERSITAT
ROVIRA i VIRGILI**

**Will Advances In Globalization
Disincentivize Child Labor Practices
In The Future? A Comprehensive
Analysis of Factors That Influence
Child Labor**

Challenges of Globalization 2019-2020

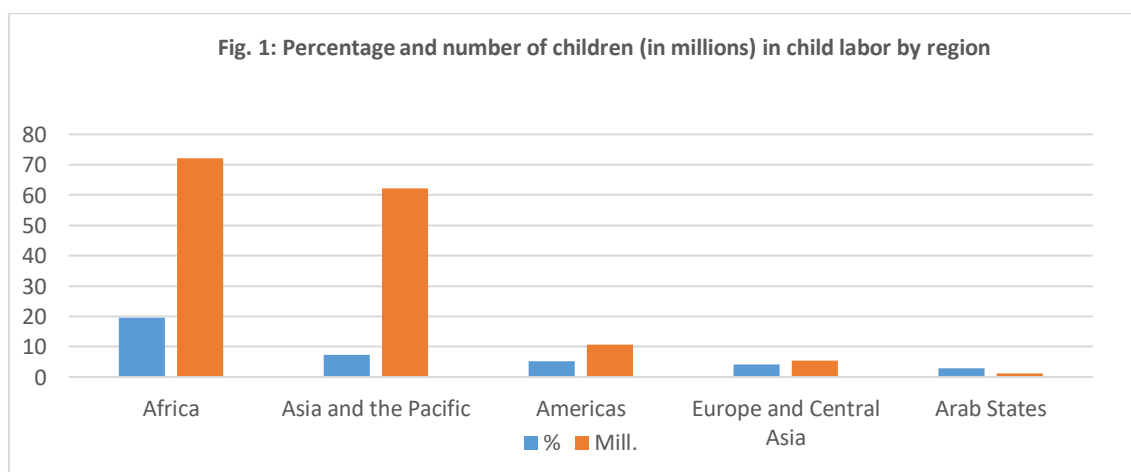
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1. Introduction

A precise interpretation of child labor is necessary so as to fully distinguish between volunteer jobs in which a child is being taught beneficial lifelong skills, and forces driving children into the workplace. According to International Labor Organization (ILO), the term “child labor” is defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that interferes with their schooling by depriving them of the opportunity to attend school. (44)

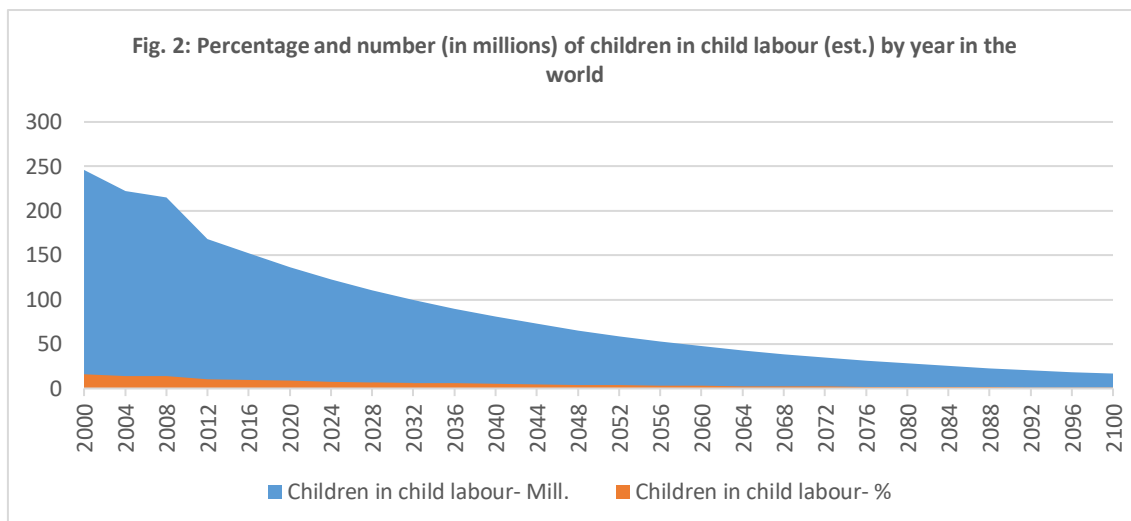
The United Nations has passed resolutions and initiated treaties establishing and attempting to enforce children’s rights. (13) This issue is guided by three main international conventions which frame the concept of and form the basis for child labor legislation enacted by countries that are signatories. (6) While setting objectives, these conventions offer no precise indication of how they can actually be achieved. (14) Despite these numerous declarations by the United Nations and other international groups deploring the use of child labor, paid labor remains a reality for hundreds of millions of children around the world. (13) Every child has a right to grow up free from economic exploitation or work which is likely to interfere with their education. (3)

ILO latest report in 2018, based on 2016 survey, revealed that 152 million children are trapped in child labor, the phenomenon which still exists in all countries but with very noticeable different levels of prevalence. It indicates that Africa has the highest incidence associated with 72.1 million children in employment. Asia and the Pacific countries shows lower participation rates, but hosts the 62.1 million staggering number. In the Arab States, an estimated 1.2 million or about 2.9 percent of all children in the region are child laborers, whereas this number increases to 5.5 million in Europe and Central Asia. Americas are also characterized by a relatively low rate of children’s employment with 10.7 million girls and boys working, most of whom are within Latin American countries. (Fig. 1) (45) (27) (7) (2)



Sources: (45), (27), (7), (2)

While there have been encouraging advancements in reducing child labor over the last two decades, the pace of progress has slowed in recent years and there is no hope of putting a halt to this predicament by 2025, which was ILO’s aspiration to diminish all types of child labor, including hazardous and household chores. (Fig. 2) Moreover, child labor is thriving in six countries against all odds: Eritrea, Somalia, North Korea, Myanmar, Uzbekistan, Afghanistan, (10) (11) all of which are amongst the least developed countries. (12)



Sources: (44)

2. Child labor and Globalization

Globalization refers to a set of social, economic and political processes propelling us towards the condition of globality which is the end-state of a new global reality: movement towards greater interdependence and integration. (19) Globalization is tempting both for sociologists and for policy makers to look for and to find out one single factor stands above all the other possible factors in explanations for the end of child labor. (08) In the following essay, 44 countries have been chosen, each from one of the 4 classifications (minimal, moderate, and significant advancement in fighting against child labor based on the 2016 ILO report along with another category assigned to countries with no child labor. (Table 1) All these states are scrutinized by some economic, social and political variables which will be described further in 10 subdivisions as below.

<i>Advancement in fighting against Child Labor</i>	<i>Countries</i>	<i>Child labor - %</i>	<i>Working in Agriculture - %</i>	<i>Not attending school - %</i>	<i>Openness</i>	<i>Political risk index</i>	<i>Union Membership per 1000 workers</i>	<i>GDP per Capita - \$K</i>	<i>Population Growth%</i>	<i>KOF Index</i>
Minimal	Azerbaijan	4.5	91.9	5.7	90.4	37.1	206	4.1	0.99	65.24
Minimal	DR Congo	35.8	-	22.7	74.29	77	23	0.4	2.5	45.25
Minimal	Liberia	16.6	78.4	21.6	122.99	47.7	28	0.5	2.52	48.35
Minimal	Tanzania	29.3	94.1	25.7	32.24	36.2	13	1	2.8	51.28
Minimal	Yemen	13.6	70	32	33.53	80.4	150	0.8	2.72	49.6
Minimal	Haiti	34.4	-	7.6	75.33	55.6	69	0.8	1.08	46.31
Minimal	Iraq	5.3	-	25	74.12	64.6	150	4.9	2.23	44.14
Minimal	Uruguay	6.1	28.4	2.2	39.76	30.6	44	17.1	0.26	73.46
Minimal	Venezuela	3.9	30.9	3.8	48	64.2	46	4.3	1.42	53.61
Minimal	Kazakhstan	3.2	-	9.3	60.62	33.3	150	8.6	1.17	64.68
Minimal	Kenya	35.6	-	14.8	37.49	47.1	16	1.6	2.11	55.93
Average	-	17.11	65.61	15.5	62.61	52.16	81.36	4	1.8	54.35
Moderate	Albania	4.6	87.5	7.5	78.16	40.2	179	4.6	0.3	67.48
Moderate	Georgia	2.9	95.5	3.1	112.51	43.5	150	4.2	-0.11	75.69
Moderate	Angola	15.1	-	30.6	52.26	32.5	23	4.4	2.78	41.48
Moderate	Bangladesh	4.3	39.7	10.6	35.3	42.5	6	15	1.6	51.26
Moderate	Egypt	2.9	53.2	6.2	45.13	46.7	47	2.5	1.84	66.76
Moderate	Indonesia	3.7	61.6	7.6	39.36	29.4	5	3.9	0.95	63.38
Moderate	Turkey	2.6	57.1	7.6	54.12	43.3	38	10.5	1.12	71.6

Moderate	Brazil	2.1	56.5	2	24.14	47.1	99	9.9	0.8	60.6
Moderate	Ukraine	9.7	97	2.8	103.72	54.4	447	2.7	-0.64	74.87
Moderate	Cambodia	8.1	81.9	18.4	124.79	37.9	18	1.4	1.63	59.22
Moderate	Sri Lanka	0.8	42.1	2	50.54	37.5	34	4.1	0.86	59.56
Average	-	5.16	67.21	8.94	65.46	41.36	95.09	5.74	1.01	62.9
Significant	Argentina	4.2	-	1.5	25.22	40.2	84	14.6	0.95	67.89
Significant	Colombia	3.9	54.2	5.9	35.26	35.6	24	6.4	1.07	56.09
Significant	Costa Rica	1.1	35.5	3.2	66.05	36.2	34	11.6	1.24	72.38
Significant	Tunisia	3	-	5.8	99.48	43.1	23	3.5	0.92	68.05
Significant	Ecuador	4.9	82.3	2.7	42.42	48.7	23	6.1	1.37	61.72
Significant	El Salvador	5.9	47.5	7.7	74.46	51.5	22	3.9	0.27	67
Significant	Guatemala	6.3	58.8	10.1	45.66	54.6	7	4.5	1.86	64.16
Significant	India	1.4	56.4	9.3	40.77	25	6	2	1.25	62.25
Significant	Paraguay	8.2	41.8	5.2	68.68	42.1	19	5.6	1.19	63.15
Significant	Romania	1	-	2.3	85.18	38.1	165	10.9	-0.29	79.81
Significant	Rwanda	5.4	78.9	10.6	51.01	35.8	23	0.7	2.63	52.39
Average	-	4.11	56.92	5.84	57.65	41	39.09	6.34	1.13	64.99
Eradicated	United States	0	0	5	27	15.8	53	64	0.77	82.54
Eradicated	United Kingdom	0	0	1	61	27.3	116	40	0.54	89.97
Eradicated	Sweden	0	0	1	87.01	13.5	419	53	0.79	90.15
Eradicated	Italy	0	0	4	59.42	32.1	111	32.3	0.3	83.37
Eradicated	Qatar	0	0	6	88.3	19	-	60.7	3.58	74.3
Eradicated	Croatia**	0	0	12	99.92	33.7	179	14	-0.12	81.34
Eradicated	South Korea	0	0	3	80.78	28.4	34	30	0.16	79.34
Eradicated	Canada	0	0	0	64.52	7.3	115	45	0.76	84.74
Eradicated	Spain	0	0	3	65.71	35.4	39	28.4	0.81	85.84
Eradicated	Australia	0	0	4	41.75	26	96	55.7	1.09	82.05
Eradicated	Malaysia	0	0	0	135.84	27.5	33	9.8	1.47	81.41
Average	-	0	0	3.54	73.75	24.18	119.5	39.35	0.92	83.18

Table 1: countries are divided into 4 categories of which different variables are examined

Sources: *Bureau of International Labor Affairs-U.S. Department of Labor *Theglobaleconomy.com *www.marsh.com *www.chartsbin.com
 *United nation - Analysis of National Accounts *United Nation - World Population *www.kof.ethz.ch **Minor numbers of child labor has been reported but ILO consider Croatia as a country with 0% of child labor

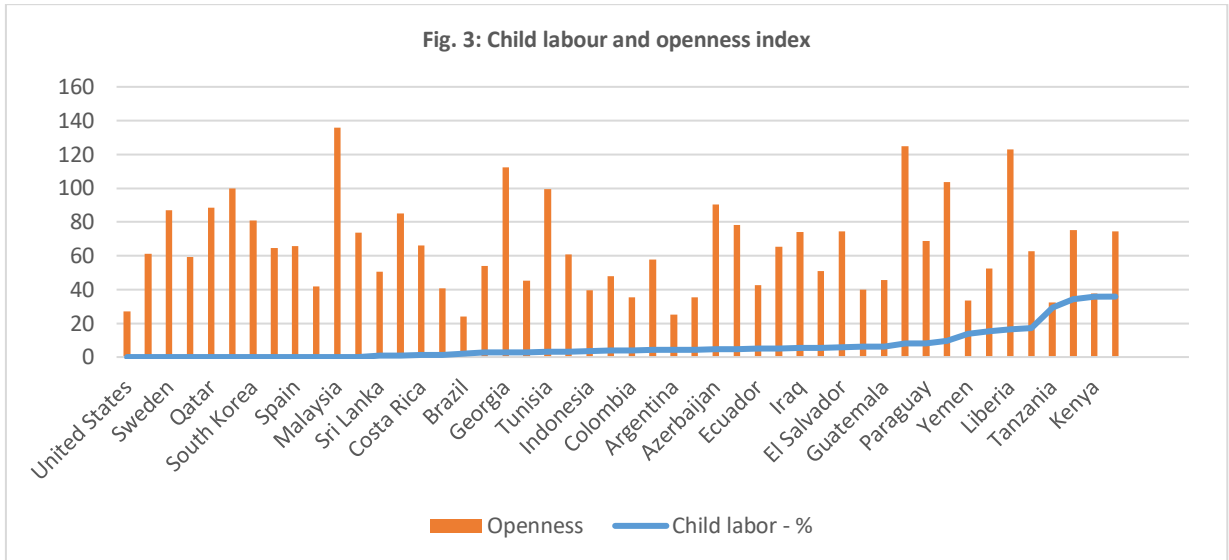
2-1. Trade and Openness

Globalization fuels a conflict for jobs: it is displacing the economic and political focus from the West to the East: Asia's rise is the West's descent. (51) East Asia has benefited greatly from the surge of globalization during the final decades of the twentieth century, whereas Latin America has not. (22) (20) Globalization means an integration of the international economy via trade. (23) But, is globalization through serving more openness and free international trade about to alleviate children's grief specially in some East Asian countries such as Indonesia, Cambodia and India or in growing economies in Latin America such as Mexico, Brazil and Colombia?

It is argued that globalization may increase the employment and earnings opportunities available to poor households in developing countries, through promotion of economic growth. (15) There is a slight negative correlation between trade openness and the incidence of child labor. (Fig. 3) Average openness index increases from 62.61 to 73.75 as child labor decreases from 17% to

almost 0%. Shelburne (2001) undertakes similar empirical analysis, finding that child labor is negatively correlated with income and trade openness. (16)

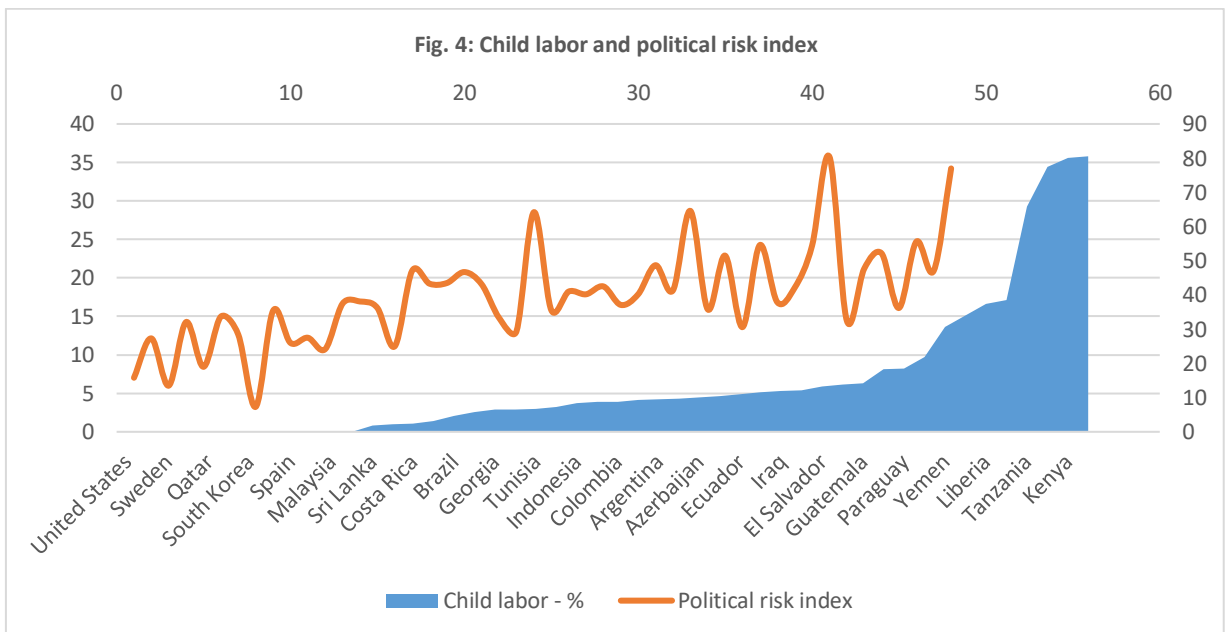
On the other hand, opponents of market integration argue that globalization may increase the wages paid to the working children or increase the earning opportunities of children in poor economies, thereby increasing child labor. (15) However, there is no empirical evidence that trade exposure per se increases child labor in most countries. (39)



Source: Table1

2-2. Social and Political conflict

Globalization is said to dissolve the sources of social and political conflict in the long-run. (24) Children are at risk of not only being exploited as laborers but also in danger during armed conflicts. Today`s warfare in Africa, exploits, degrades and abuses children. (1) In Fig. 4, there is an obvious evidence signifying that as the political risk increases, child labor surges.



Source: Table1

An example of social conflict is Guinea-Bissau where a devastating civil conflict befell in 1999 and people continue to recover from the consequences. As a result, most children, especially in

rural areas, don't have access to an education, and girls face even more obstacles in a conservative society that prevents them from attending school. (38)

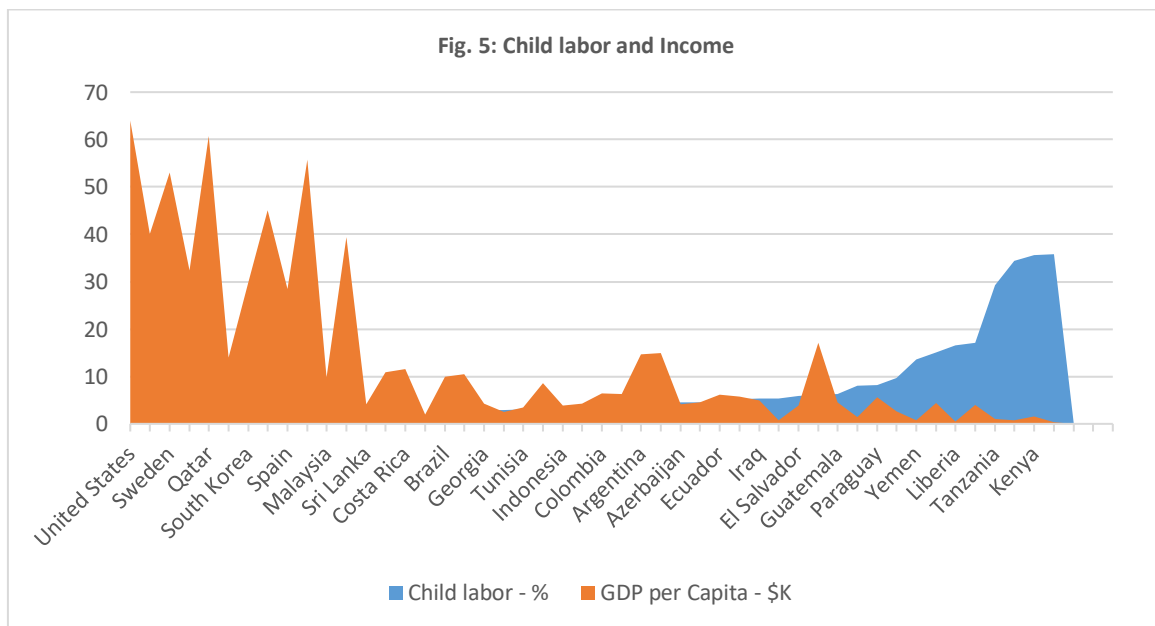
2-3. Unionization or Globalization

Though the labor market is so far the less globally integrated, it has been one of the most affected by globalization. Globalization has created a race to the bottom among the less skilled workers in the developed countries- children will be more prone to child labor phenomenon- and favored a redistribution of income in favor of those at the upper ranks of the salary scale. (21)

Critics of globalization, however, argue that globalization results in weak labor unions: the surplus in cheap labor coupled with an ever-growing number of companies in transition weakened labor unions in high-cost areas. (33) Dreher and Gaston (2007) also proposed that global social integration exerts a negative influence on unionization, since people move more and more freely and transmit attitudes and norms towards the role of unionization in integrated labor markets. (9) Labor organizers in every continent are harassed and in fact killed while profits, drained from local communities by transnational corporations, go to enlarge remote financial empires. (25) Yet, there is no compelling evidence observed testifying a correlation between labor unions weakness and child labor.

2-4. Poverty, Income, and Child labor

Children work because their survival and that of their families depend on it, and in many cases because unscrupulous adults take advantage of their vulnerability. Poverty leads to an intolerable waste of talent. (26) It is certainly the greatest single force driving children into the workplace. Income from a child's work is felt to be crucial for his/her own survival or for that of the household. (4) Child labor is most prevalent in low-income countries but it is by no means only a low-income country problem. According to ILO results and trends (30), 57% of child labor had distributed amongst middle and high income groups. Hence, high income can be expected to reduce child labor incidence in general. (Fig. 5) (41)



Source: Table1

It is clear that income and child labor are negatively correlated, but the correlation is not strong. Countries with similar per capita income can have very different levels of child labor, especially at low levels of income, and even relatively prosperous countries present a high incidence of

child labor. As an example, the income in Uruguay and Argentina as two countries struggling with child labor is respectively 17100 and 14600 dollars per capita which is larger than that of Malaysia and Croatia as two countries with no child labor. What is true rather is that child labor, especially in its more unsavory forms, is part and parcel of the general problem of economic underdevelopment. Does that mean that child labor will only disappear when the general underdevelopment problem is solved? (14) Edmonds (2002) commented on the link between globalization and poverty and argues that since 'Poverty creates child labor' and since globalization tend to usher in growth in the developing countries, the incomes of the hitherto poor parents tend to improve which induces them to send their children to school rather than to work. (15)

2-5. Imposition of policy, and code of ethics amongst multinational firms

Although economic globalization, in its essence, ignores national frontiers, international policy emphasizes the importance of frontiers even as it seeks to reconcile conflicting national aims. (31) Countries with weak protections for children are vulnerable to infestation by rogue companies and criminal gangs who exploit them. (33)

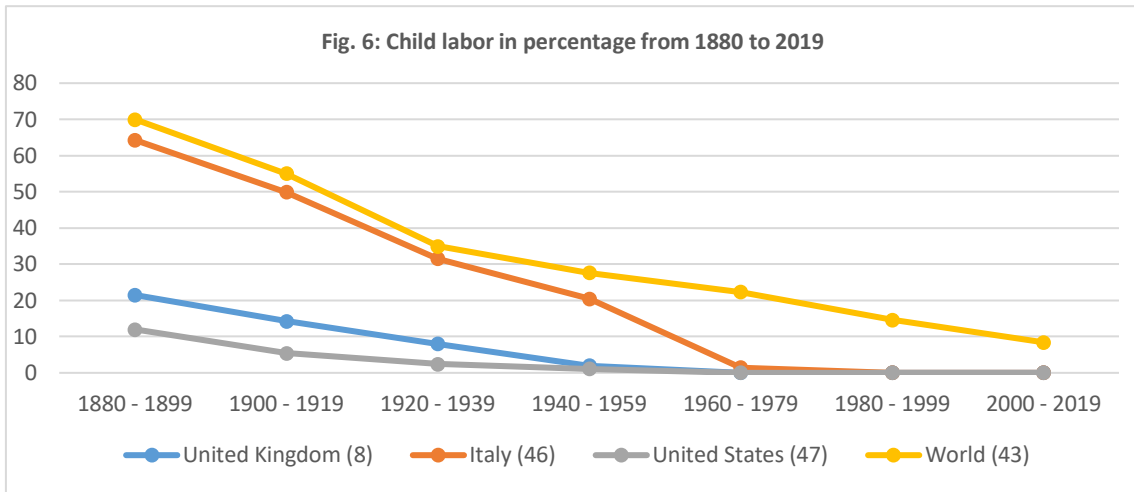
In the Human Rights Watch report in 2015 of European countries, it mentions international brands such as Adidas, Marks and Spencer, Gap and H&M have been exploiting child labors in their 73 factories in Cambodia (36) for the sake of maintaining competitive and cheap price for their customers in countries such as Germany, the United Kingdom, Sweden and etc. Research conducted in 2016 found that over 1,200 companies operating in Canada are known to be importing goods at a high risk of being produced by a child or through forced labor. (37) The development of globalization and delocalization processes caused Western public opinion to become increasingly aware of the abuses perpetrated against child workers by employers from developed countries with production sites in the developing world. (17)

As the developing countries integrate into the world economy and increasingly rely on export markets to sell their products in a globalized market environment, rich countries raise the issue of unfair dumping by the developing nations as they often use cheap child labor in their exportable sector. Therefore, some experts suggest that rich countries should restrict the sale of goods from developing countries that lack or do not enforce child labor laws: In December 2001, EU foreign ministers have approved a preferential tariff scheme for countries that adhere to ILO labor standards including child labor; Siemens announced it would avoid competing in certain known hotspots for corruption or unethical practice, such as Sudan; and the U.S. imposed quotas on Cambodia's garment industry on grounds of use of child labor. Edmonds and Pavcnik (2002) suggested that such protectionist threats by developed nations had a worsening impact on the conditions of child workers, and forced its spread, instead of curtailing the incidence. (15) However, looking at policy implications, it shows how trade sanctions against countries using child labor may fail to reduce the incidence of child labor. (5) (18)

2-6. Historical Study as an evidence for the future globalization

As the United States industrialized in mid nineteenth, factory owners hired young workers for a variety of tasks. Especially in textile mills, children were often hired together with their parents. Many families in mill towns depended on the children's labor to make enough money for necessities. (34) Historical studies suggest that child labor was widespread in Europe and North America in the 19th century, but declined very rapidly at the turn of the 20th century. The available historical evidence seems consistent with the fact that industrialization in western countries initially increased the demand for child labor, but then eventually contributed towards

its elimination. Fig. 6 shows the share of children in employment for Italy, the UK, the United States and the world since 1880. (8)



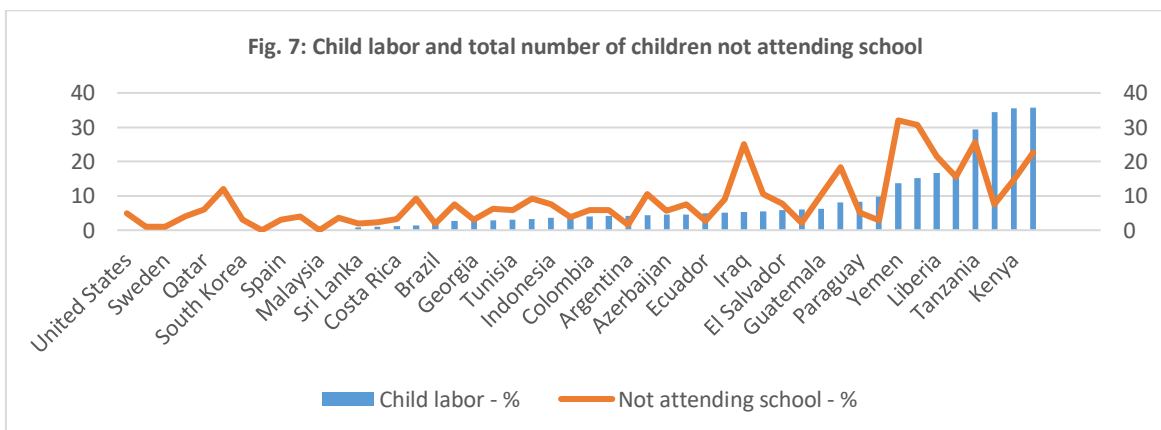
Sources: (8), (46), (47), (43)

These countries are concrete examples of countries that managed to virtually eliminate widespread child labor in the course of a century. (7) Why such states were able to fade this phenomenon despite benefiting less at the time from international laws protecting children; or not being affluent and were rather in need of the money driven from their children as a sparse living. Is there any noticeable correlation between that time and present as we are in a hyper globalization process? Or, is it concluded that globalization will aid to decrease child labors but not contribute to wipe it out completely?

Flashing back to the mid twentieth century after the outbreak of World War II, and study the history of globalization will shed light on the inevitable key role of decreasing family member size, and increasing education in British families.

2-7. Education and school attendance rate

The reduction in fertility rate in the developing world as a whole from 4.1 births per woman in 1980 to 2.8 in 2000 indicates improved education level of women on fertility, and control of fewer children with more parental attention and investment. Consequently, more prosperous and educated parents with fewer children have chosen to withdraw their children from the labor force to give them opportunities to be educated at school (32) Therefore, increase in household income and increased availability of schooling opportunities in low-income countries could help in reducing child labor. Fig. 7 illustrates that the “not-attending school rate” amongst countries with high child labor is larger than those countries were able to wipe out this phenomenon. (15)



Source: Table1

By contrast, child labor increases due to inadequacies and weaknesses in national educational systems. Pulling down trade barriers in countries with a comparatively large endowment of uneducated workers can make the problem worse, because it reduces the incentive to send children to school. (14) A balanced budget policy of taxing the education of skilled families to subsidize the education of unskilled families must reduce child labor without any effect on aggregate welfare. (42)

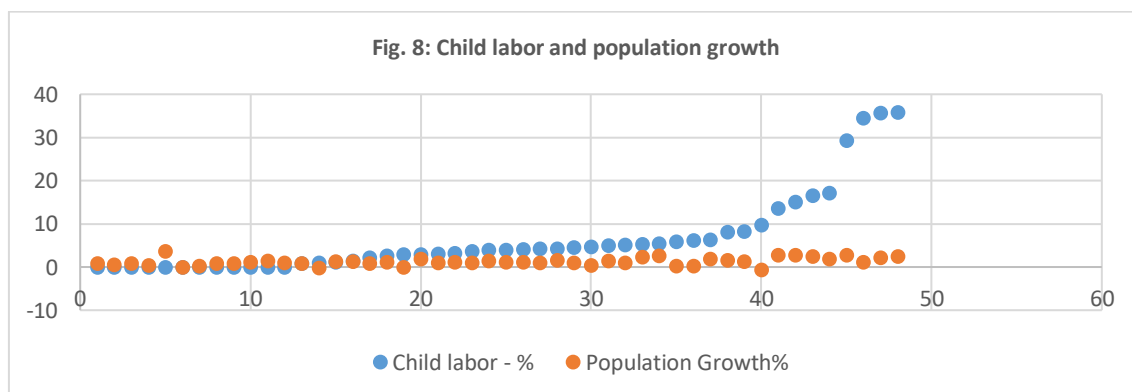
2-8. Cultural diversification and Globalization

Children do not normally choose to work. Most have that decision taken for them, mainly by their parents. Even in the case of a child who was expelled or has run away from home, the reasons for his or her predicament can be traced back to parental actions. (39) In some cultures, children are forced to enter to the working market either due to the lack of transition policies paving the way from school to work, or from the pressure of traditions to learn some know-how. Some cultural traditions also encourage child labor as footsteps to their parents' jobs, and it is deeply ingrained in cultural and social attitudes, and traditions. It is estimated that globalization could not eradicate some of these cultural issues, especially in the Middle East. Therefore, to what extent globalization will be enabled to work equally in different countries to pull down the cultural berries is ambiguous.

2-9. Population growth and on-going demands in agriculture

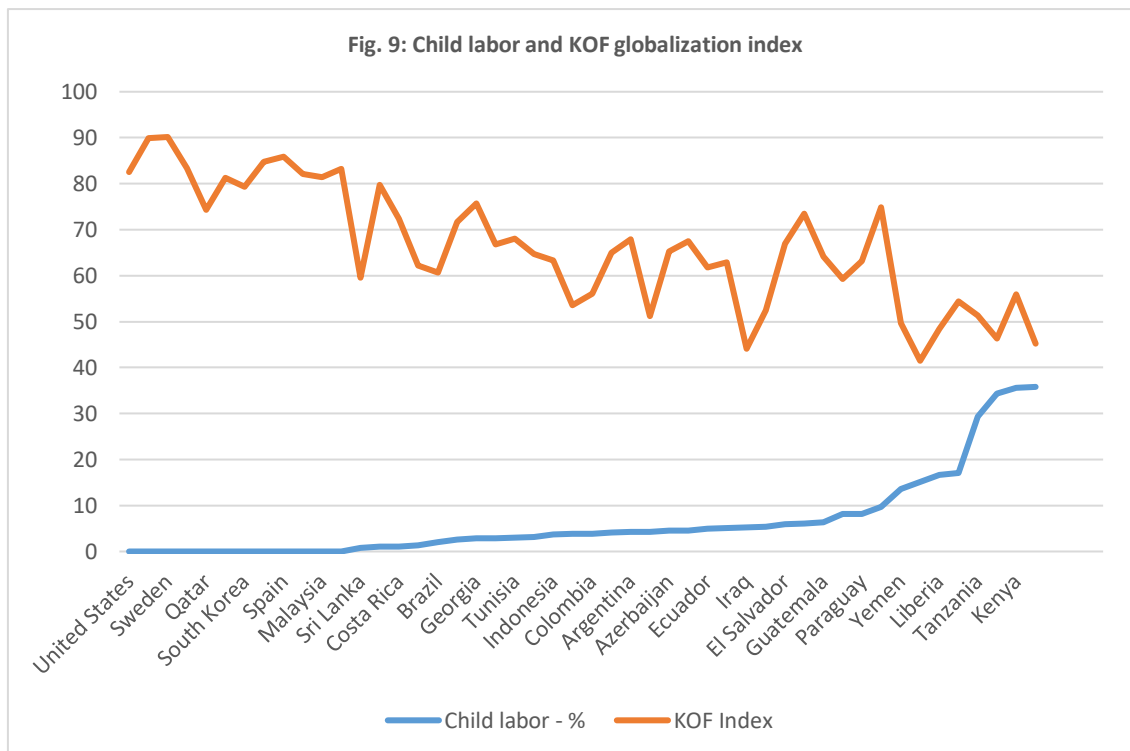
The bulk of child labor is in agriculture, or in the informal sector, and that much of the output of these sectors is not traded internationally. Indeed, child labor is negatively associated with international trade. (14) In the United States, approximately 500,000 children pick almost a quarter of the food produced in 2011. (35) However, this huge number is deducted from ILO child labor census since these children consent to aiding their parents without their study being intervened. Based on the comparison between 44 countries shown in the table 1, in all three classifications most of the children were forced to work mostly in agriculture sector.

A study conducted at University of Qassim in Saudi Arabia estimated that the child labor participation rate in this country is about 11%. It also revealed that 49 percent of these children live in a large family of eight members, followed by the children living in a medium-sized family. (50) These numbers can be compared with historic England figures when in the late-nineteenth century an average British family size was about six members with 14% of child labor incidence. (8) People during 1860s decided for the first time in human history to have fewer children when it was clear that, because of compulsory schooling and factory laws, children were a cost; that is, the fertility decline could be seen as a consequence of other measures that were restricting child labor. (08) Therefore, there is a possibility that growth rate population or family size member has a negative correlation with child labor, however, in Fig. 8 it identifies that there is no such link.



2-10. Child labor participation to KOF globalization index

The KOF globalization index incorporates various economic, social, and political factors, which in combination convey a country's level of globalization. The index runs from 1 to 100 and is a measure of combination of variables and factors. Fig. 9 shows that as KOF globalization index is increasing, the child labor is decreasing in countries and vice versa.



Source: Table1

3. Conclusion:

In a globalized world distances are eroded and that may generate paradoxical results. If, on the one hand, globalization and, in particular, the increased mobility of “*trade and openness*” seems to aggravate the problem of child labor by increasing the need for more labors; on the other hand, the very existence of a worldwide movement against child labor by imposing “*international labor policies*” is in itself a product of globalization. Therefore, it is not clear whether imposing sanctions by more globalized countries or prohibiting blue-chips from investing in such countries would alleviate child labor in the future, or conversely it will affect “*income rate*” negatively which end up increasing in child labor.

Although a clear evidence was found between “*poverty rate, literacy rate and political conflict,*” and child labor, yet there is no universally-accepted transparent link between states with, for example, low attending school rate and high child labor phenomenon. (Case of Qatar and Yemen in not-attending school rate.) Moreover, to what extent globalization will reduce these indices are of controversial debate. Hence, settling a country in a lower dimension of one index does not necessarily signifies that the country will follow the whole trend. (Case of Malaysia and Uruguay in GDP per capita.) However, given “*KOF Globalization Index*” as a barometer with which most of these mentioned social, political and economic indices are scrutinized in order to classify and rate countries, it has revealed that, in almost every country, there is a negative correlation between child labor and globalization.

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