

# Determinants of Child Labour: The Case of Andhra Pradesh

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Most children in developing countries work. They engage in domestic tasks, such as caring for other dependants in the household and helping with the family farm or business. While these children are not involved in 'hazardous' forms of child labour, the tasks they undertake may have adverse effects, including earlier marriage and negative impacts on education. In this study, I examine the extent to which child labour is explained by the main determinants proposed in the literature. I focus on three determinants: income shocks, household composition and parental preferences and examine the role of child-specific characteristics, such as psycho-social abilities and nutritional endowment.

## Methodology

I use two rounds of data from the Young Lives project on a cohort of children living in Andhra Pradesh, India who were interviewed at the ages of 7 and then 11 to examine the effects of inter- and intra-household factors as well as child-specific characteristics on child labour in a unified empirical framework.

I examine the relevance and relative importance of three main sets of child labour determinants while controlling for an extensive range of community, household and individual level characteristics: (a) the household's ability to cope with income shocks; (b) household composition; and (c) the distribution of bargaining power among key decision makers in the household. I include an extensive set of controls for household and individual time-variant characteristics, such as education and occupation of the household head and primary carer of the child, household wealth proxies and household composition variables. Unobservable household and individual characteristics are also controlled for.

## Findings

- The age and sex composition of other children and the relative education of adult women and men in the household have significant and different effects on subgroups in the sample. Household composition has an impact on middle children relative to the youngest or oldest children. This effect appears to work primarily through girls, who work significantly more if

there are older girls living in the same household. There is, however, no cross-gender effect, i.e. the presence of older siblings of the opposite sex does not have an impact on child labour.

- The largest household composition effect is experienced by children living in households with more than one older sibling and at least one younger sibling. Children in this position work six hours more per week on average than the oldest child in the household, which is a 100 per cent increase relative to the average hours worked in the whole sample.
- In wealthier urban households, a one standard deviation increase in women's relative education index reduces how much children work by about 5 hours a week. In poorer rural areas the effect is the opposite, increasing child work by 2 hours a week. The significance of bargaining power effects appears to be mainly driven by boys.
- The workload of girls is more affected by income shocks than that of boys. Loss of crops due to pests, fire or theft as well as natural disasters result in, on average, a three hour increase in how much girls living in rural households work per week.
- Girls with a greater height for age z-score work more than those with a poorer nutritional status.
- More sociable children are likely to work more.

## Policy implications

For child labour policies to be effective, it must be recognised that some groups of children are more vulnerable than others. I attempt to carefully identify such groups, highlighting the complexity of the mechanisms at work. The results suggest that girls especially would benefit from policies that would provide households with means of coping with agricultural shocks, such as better access to insurance and credit. They also show that policies need to be sensitive to the local labour markets and target larger households separately from smaller households, as child labour trends in these may be different.

