Children at Work

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The existence of child labor has provoked both popular outrage and international legislation aimed at banning child labor markets. At the same time, many developing countries and development economists have cautioned against the universal proscribing of child labor, arguing that such bans will either be inefficient, hurt poor families and their children, or reflect culturally contentious views of what it means to be a child. Some of these writers also caution against paternalistic interference with family strategies that may have rationally evolved in the context of poverty and inadequate education systems. This paper explores the normative issues posed by child labor, in the face of international disagreement. What differentiates child labor from adult labor and how are markets using children’s labor different from other types of markets? Are there circumstances in which we should accept –or at least tolerate – child labor? Which forms of child labor – if any –ought to be legally banned? How should disagreements about child labor be addressed and by whom?

The paper proceeds in four parts. In the first section, I briefly consider the conceptual problems of defining child labor, the empirical obstacles to accurately measuring it, and the most credible recent estimate of its scope. The second section focuses on the assumptions behind standard economic models that treat the issue of child

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1 This paper was originally prepared for a conference on “The Economics of Child Labor” organized by Zafiris Tzannatos and Kaushik Basu in Oslo, May 28-29, 2002. Research assistance on this paper was provided by Joe Shapiro.
labor. I am especially interested in the assumption that economic exchanges are voluntary and informed. In particular, I look at the problems that emerge when we try to apply these assumptions to children’s labor. I argue that the fact that such assumptions often fail to apply generates an important prima facie case for interventions in markets involving children’s labor, even in cases where there is no “market failure” in the standard sense. In the third part of the paper, I develop more fully the reasons for interventions in child labor markets. In the fourth and final part, I look at the problems faced when countries disagree about the nature and weight of these reasons.

I. The nature and measurement of child labor

The magnitude of child labor depends on how one defines it. In the first place, this depends on what we mean by “child.” Many countries categorize who is a child in terms of chronological age. The normative basis of such a threshold for adulthood rests on the assumption that children have a different “status” from adults. The cognitive, moral and affective powers that we identify with “full rational agency” are only partly present in children. But there is no consensus among countries on the exact chronological age to be employed to determine adult status. Complicating matters further, in some parts of the world “child” is not only chronologically but also socially defined: in some African countries, 10-year-old apprentices or brides are no longer considered children. Even the same country may invoke different age thresholds for different purposes; for example, one age for voting, another for employment, and still

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2 It is true that different individuals may reach this threshold at different ages, since people mature at different rates. But there are administrative as well as liberal grounds for enforcing uniform standards within a nation: case by case evaluations would be too time consuming and would give the state too much discretionary power.

3 Tamar Schapiro, “What is A Child?” Ethics, v. 109 no. 4 (July 1999),
another for military service. Finally, the category of child is itself highly heterogeneous: three year olds differ dramatically from sixteen-year-olds in terms of their level of effective rational agency.

The question of which activities of children count as “work” is also contested, especially with respect to the application of legislation aimed at banning child labor. There are so many different kinds of “child labor,” ranging from delivering newspapers, helping out in the household enterprise or farm, and wage work, to child prostitution, bonded labor, and the use of children as soldiers in war. Moreover, no extant official international or national estimates include domestic housework done in the family home, usually performed by girls. This work thus remains largely invisible to researchers, ignored in international protocols concerning child labor, and shielded from public consideration. For the purposes of defining a policy towards child labor, not only the age of the child, but the nature of the work and the relationship between the child and the employer need to be considered. Given the heterogeneity of both children and work, aggregate statistics on child labor are not very useful for thinking about its implications.

Data on the scope of child labor is influenced not only by different definitions and different methodologies of data collection but also by different goals. For example, most international attention has focused on the employment of children in the formal sector of the economy, whereas the vast majority of child labor occurs in the informal sector. This focus reflects, in part, the interest that labor in the developed world has in enforcing

5 This wage work includes: scavenging for recyclables at dumps, mining gold, repairing cars, working as domestic servants, and working in textile and leather factories.
uniform labor standards. Few voices have called attention to work in the informal sector, and the plight of girls taken out of school to perform domestic labor in the home is completely ignored. It also reflects the extreme difficulty in trying to attain accurate data in the informal sector, particularly in poor countries with little administrative capability.

The ILO has recently produced statistics on child labor which do attempt to take some of the heterogeneity of children and work into account. It now defines child labor as: engagement in any economic activity for children under 11; engagement in any activity except for light work for children between 12 and 14; and engagement in hazardous work or other “worst forms” of child labor for children under the age of 17. On the basis of this definition, the number of children engaged in child labor is estimated at 246 million. The majority of these working children are found in today’s poor countries, although they are also re-emerging as a problem in the developed parts of the world. In many countries in South Asia and Africa the participation rates for children at work are high enough (in the 20-60 percent range) for the issue to be of substantial concern.

II. The Limits of Choice Theoretic Economic Models

What, if anything, is wrong with child labor? A dominant story in the economic literature explains the existence of child labor in terms of the decision-making strategies of the household. Households, like firms, are assumed to allocate time and resources to maximize family well being. From the standpoint of neo-classical economics, market exchanges without externalities are assumed to be in the exchanger’s interests. Thus, to

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8 Again, work in the family home does not count as economic activity.
the extent that the allocation of children’s time is efficient, economists hold that it is bad policy to intervene in the market mechanism that distributes it. 10 In this part of the paper, I will show how this neo classical assumption is inappropriate for evaluating child labor markets.

Let us begin with the core neo-classical assumptions as applied to adult labor markets. An employer who hires a worker or a seller who trades a good for money creates a voluntary exchange. Standard economic models assume that such voluntary exchanges are undertaken by fully rational agents who deliberate and transact on their own behalf. A voluntary exchange occurs, as it were, “between consenting parties” with full information. An important and well-known theorem in welfare economics shows that every complete system of such voluntary and informed exchanges, under certain idealized conditions, will be Pareto efficient. A state of affairs is defined as Pareto efficient if it is the case that compared with it, no one’s utility can be raised without reducing someone else’s utility. Thus, this theorem states that under the ideal conditions specified, given any competitive market equilibrium, we can make no non-conflicting general improvements. If we intervene in the market so that somebody now gains, somebody else will lose. 11


10 Of course, neo-classical economics also teaches us that there can be multiple equivalent efficient equilibria and it leaves open that we can prefer one over another on extra-economic grounds such as a concern for equality. I will return to this issue below.

11 The fact that an intervention means that someone will lose is not ipso facto a reason against the intervention. The Pareto criterion is blind to issues of distribution and hence to important dimensions of liberal justice. But even economists who favor more egalitarian distributions tend to treat the Pareto criterion as “sacrosanct” (Basu, 2002) and endorse redistribution ex post rather than direct interference with the market mechanism.
But conditions in the real world are not usually ideal and economists have long recognized that circumstances such as natural monopolies and externalities can justify intervention into a particular market. So, for example, the fact that the effects of pollution cannot be restricted only to the parties whose exchanges produce it opens the door to some kind of policy intervention.\textsuperscript{12} Until quite recently, economists focused on such “externally” generated sources of market imperfection. Prodded by a series of papers by George Akerlof,\textsuperscript{13} among others, economists have shifted some of their attention to “internal” sources of market failure, primarily to asymmetric information held by the contracting parties. Where agents lack adequate information, markets can fail to generate optimal results, even if there are no monopolies or externally generated costs.

But there has been surprisingly little, if any, discussion in mainstream economics regarding another “internal” limitation on the application of the Pareto principle. What exactly does it mean for a transaction to be “voluntary?” This silence by economists on a pivotal assumption of their models contrasts with a vast literature on voluntary actions in criminal law. This lack of attention is especially problematic when it comes to thinking about exchanges involving children’s labor. Child labor can fail to satisfy the Pareto efficiency criteria for “internal” as well as “external” reasons.

\textbf{a. What is voluntary consent?}

Assume, for the moment, that an agent has full information and no cognitive deficiencies in processing that information. (Later, I will relax those assumptions.) Can

\textsuperscript{12} In practice, “externalities” are omnipresent. So we will need to decide which externalities on balance warrant intervention and which do not. Also, note that the Coase theorem suggests that among the policy interventions we consider are those that create new markets in the externalities themselves.

there be constraints faced by such an agent that render her consent to a given contract involuntary in a manner that vitiate her consent?

How, for example, should we understand the nature of the “choices” in circumstances such as the following: (1) an individual driven by her poverty chooses to indenture herself to obtain food and shelter; and (2) an individual chooses to part with her money to a gunman in exchange for her life.

In one sense, of course, both of these exchanges can be viewed as “voluntary.” In the second case, even the individual who is “compelled” to turn over her money when a gunman threatens “your money or your life” is making a choice. As long as a person has the physical capacity to disobey, her obedience is not a matter of necessity but is volitional. Even a slave makes choices: for example, she makes the voluntary movements that her work calls for in order to escape punishment.

Many people instinctively feel that the first choice (to indenture oneself to escape poverty) is voluntary in some way that the second choice (to hand over money to a gunman to escape being killed) is not. In what sense can the second choice be said to be coerced but not the first? There is an extensive philosophical literature that tries to separate cases involving threats (which are coercive) from those involving offers (which are voluntary.) But what we take as a “threat” or “offer” depends on what baseline status quo we are viewing the agent’s actions against. A major difference between these cases is their divergent relationship to our common understanding of what we believe people

14 See the very informative discussion of the issues surrounding “coercion” and “voluntary choice” in Barbara Fried, The Progressive Assault on Laissez Faire, Harvard UP, 1998. I draw on Fried’s discussion here.
are entitled to.\textsuperscript{15} When we object to viewing the victim’s response to the gunman as voluntary, it is against our background understanding that others do not have a right to shoot us to obtain what we have. To the extent that we accept the woman’s choice to be an indentured servant as voluntary, this reflects a common understanding that no one has a right to have others save them from starvation. Indeed if we imagine revising our common understanding, so that others had obligations to prevent us from starving, I suspect that most people would no longer continue to mark a distinction between the two cases.\textsuperscript{16}

To put the point a slightly different way. All human choices take place in a context of constraints. To decide which choices we want to treat as voluntary we must make a judgement about what constraints are justified. Market choices, in particular, take place within a regime of property rights recognized and protected by the state. We cannot decide what acts to view as “voluntary” without a theory of which property rights are legitimate. Bread riots in the 18\textsuperscript{th} and early 19\textsuperscript{th} century suggest a different understanding of the right people have to not starve, an understanding that might lead us to view the two choices above as similar.

Considering the legitimacy of the range of choices that are open to an agent drives home two important points that are often overlooked from the choice theoretic perspective of neo-classical economics. First, by focusing our attention on the range of options people actually have available to them, we raise the possibility that there are

\textsuperscript{15} There is a rather large literature that attempts to separate cases in which an outcome is brought about by an action from ones in which the outcome is the result of other forces. But that distinction will not help in this case to the extent that a person’s command over food and shelter is itself the result of social institutions (established through human actions.) Although I also believe that we should reject the absolute dichotomy some moral philosophers draw between acts and omissions, I do not address that issue here.
interventions with people’s choices that can increase their real freedom by redistributing coercive power or resources. For example, a ban on voluntary enslavement, or a minimum wage law can increase the set of choices that a person can draw from. Laws against addictive drugs claim as part of their rationale that they are needed to prevent an agent’s choice set from diminishing. Importantly, with respect to children, compulsory primary education falls into this category. We “force” children to go to school with the aim of expanding their set of available choices as well as developing their powers to choose.17

Second, looking at the legitimacy of underlying arrangements reminds us why outcomes are not automatically validated by arising from choices. If all the options people face are unjust ones, the option chosen does not by some mysterious process become just. A key input for the moral assessment of an action depends on our views about the moral legitimacy of the actual socially available choices that an agent has.18 Where we think that the constraints people face are unjust, we have reason to view their choices as coerced, however “freely” and rationally they are chosen.

Now consider the choices involved in: (3) a woman makes a choice to sell her reproductive labor, and bear a child for someone else; and (4) a woman, submerged in cultural traditions where women lose status if they work, chooses to remain at home.

These cases draw our attention to additional dimensions of voluntary choice. In case (3), time and uncertainty separate the woman’s choice. When a person agrees to an

16 See Henry Shue, Basic Rights for a powerful example of a challenge to the “common understanding” that we have no obligations to those who are starving as long as we didn’t cause their plight.
17 John Stuart Mill argued in On Liberty – often cited as the manifesto of voluntary choice -- that individuals cannot be free to sell themselves into slavery because such sales were incompatible with the distribution of coercive power required by a democratic society.
exchange that will be completed only in the future, she may lack access to the perspective
needed to ensure that her ultimate compliance will be voluntary. In this example of
commercial surrogacy, a woman who may have never borne a child is being asked to
commit to a choice that having borne the child she might not have wished to make. So,
her distance in time from the exchange as well as her distance from who she will be when
she makes the exchange (e.g., the uncertainty about what she herself may feel at that later
time) raise a flag as to whether or not we should view the exchange as fully voluntary.

In case (4), we confront the important causal role that institutions and norms can
have in shaping our choices. While recognizing this fact does not mean we should
dispense with the idea of human agency,\textsuperscript{19} it does point to the possibility that someone
can “choose” an option without consenting to it. Our judgement as to the degree of
voluntariness in this case will rest on a variety of factors, including: whether cultural
norms effectively deprive the woman of a legitimate entitlement; are sufficiently weighty
to turn her action into unthinking behavior; and whether she has knowledge of alternative
possibilities.

Viewing a choice as voluntary depends then on a complex of factors: (1) on our
view of the appropriate baseline of options an agent has, (2) on the degree of “agency”
involved in the choice, as influenced by the factors of time and uncertainty, and (3) on
features of the agent’s psychology, such as the degree of knowledge she has regarding the
choice and its alternatives and the extent to which she herself endorses the choice. Where
decisions are made in unjust circumstances, are separated by time and uncertainty such

\textsuperscript{18} This is the insight of Amartya Sen’s capability view which focuses not on single choices in isolation but
the quantity and quality of the real options a person has available to them.
that today’s perspective may radically diverge from tomorrow’s, or are mere manifestations of rote behavior or oppression, we have reason to deny or to question their nature as voluntary choices. The Pareto producing properties of such choices cannot be assumed, but have to be shown.

b. What is a voluntary choice with respect to child labor?

If the above argument details the complexity of locating “voluntary choice” in the simple case where an agent transacts on her own behalf, the difficulties are magnified in the case of child labor. Not only does child labor raise all the issues of legitimate background options, time and uncertainty, and the role of cultural norms about children’s value, but it also involves the case of one agent transacting on behalf of another.

In the case of children and especially very young children, parents are the primary decision-makers who exercise authority and control over most aspects of a child’s life. Children, more than any other group, lack control or influence on what happens around them and to them. There is no infans economicus responding to market signals: most children are put to work by their parents.

Following Gary Becker, economists traditionally assumed that households could be represented as a single agent, where parents (or more specifically the head of the household) choose altruistically in the interests of the household as a whole. The maximization of family utility yields equilibrium conditions in which, for each pair of family members, the ratio of their wage rates equals the ratio of their marginal productivity in home production. On this assumption, if parents send children to work,

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19 See Peter Strawson for an argument about why we are simply unable to altogether dispense with the idea of human agency.
then this is a rational response to changes in the real wages of children in comparison with their productivity in the home.

But this assumption in which the head of household acts as a benevolent dictator in the interests of the family as a whole is simply not credible. A number of historians have documented how families, rather than havens of altruism, can reflect power, hierarchy and contempt. 22 Contrary to the assumption that household allocations are optimal for all, mounting empirical evidence suggests that conflicts regarding resources and opportunities are ubiquitous in families. 23 Many of these conflicts pit the interests of fathers against those of children and their mothers. There is credible evidence that many men, even in dire poverty, will spend income on alcohol, cigarettes and other women rather than on their own children’s nutrition. 24 Once the household is recognized as a genuine collection of individuals with diverse interests, the possibility arises that not every individual will be given equal weight in the household decision process; indeed it is possible that some individual’s preferences will be given no weight at all. As Nancy Folbre observes in a somewhat different context, “The suggestion that women and female children ‘voluntarily’ relinquish leisure, education and food would be somewhat more persuasive if they were in a position to demand their fair share.” 25

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21 See Gary Becker, A Treatise on The Family, ....
23 Basu (1999) argues that where child labor is a mass phenomenon it is unreasonable to think that state is more concerned about the well being of children than parents are. But, even if parents are not selfish, they may engage in trade offs between children that the state has reason to enjoin (such as trade offs between boys and girls.) Parents may also overly discount children’s future interests or fail to recognize them.
analyses of child labor, research is now much more focused on the possibility of divergent preferences within households.

Once we open up the “black box” of the family model, we can see that child labor markets involve the agency problem of parents transacting on behalf of their children. Even where families as a whole gain from child labor, they may be unwilling or unable to compensate working children for the costs of their employment. Furthermore, in many contexts there is considerable uncertainty as to whether parental investment in children will be “paid back” in the form of old age support. Such uncertainty may lead families to adopt strategies that tie children more closely to the family. In addition, children themselves pose an “internal” agency problem related to time and uncertainty: neither they nor their parents know who they will grow up to be and what they will care about. But decisions that significantly effect children’s present well being are almost invariably decisions which effect their future well being.

The problems generated by these agency problems are compounded with issues of distribution within households. Even where we have reason to think parents are not selfish (and so do not discount their children’s interests in favor of their own interests) child labor may still reflect discrimination against children within households. For example, some children may be put to work for the additional benefit of other children or other family members. This may sometimes be the case with girls, who are kept out of school to care for other younger children while the mother works. Indeed, girls tend to be systematically undervalued in many countries by their families: such discounting helps

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26 It is important, however, in thinking about child labor, to realize that it can emerge not only without presupposing parents are selfish, but without even presupposing parents. There is child labor in the world that is a consequence of the increasing numbers of orphans created by AIDS and by civil wars.
explain why, as Amartya Sen has dramatically phrased it, “More than 100 Million Women are Missing,” mainly in South Asia and China.

Although the claim is reasonably made that there are circumstances where children benefit from child labor, there has been curiously little attention paid in the empirical literature to the question of whether the child who is working is also the child who is benefiting. This is an especially pressing question in societies where some children’s interests are likely to count less than others (for example, girls versus boys, disabled versus able-bodied, dark-skinned versus light skinned, older versus younger, etc.)

The family model obscures such issues. Data on intra-household trade-offs between children, between men and women and children and between women and children are vital for the normative assessment of child labor.

Moreover, even where such trade-offs are economically rational, they are not immune from moral criticism. From an economic viewpoint, parents inadequately calculate the value of their children when they undervalue the returns from education as considered from a social point of view. Yet even where there is no “under-valuation” because parental reasoning rightly reflects marginal contributions and costs, the decisions parents make about children’s time can still be objectionable insofar as contributions and costs are shaped by political institutions including schools, stigma and social norms. Social norms may lead to girls earning less for their labor than boys, even where they are equally productive, thus making it more likely that girls will be the first ones to be pulled out of school into domestic labor in the family home. Further, social norms devaluing girls can lead to inferior schooling for them, which in turn effects their productivity.
Such social norms may deprive girls of entitlements, represent unthinking rote behavior by parents, reflect social conventions that individual parents do not endorse but are maintained as equilibria, and may be rejected by the girls themselves. Even if girls’ labor is less “marketable” than boys’ labor in every country in the world, it is unreasonable to think that this can justify giving their interests less weight.

The point is that children are not analogous to other economic products – their cost is not only exogenously determined, but is also determined by the choices that parents and society makes, as well as by their own actions. Parents make decisions (admittedly constrained) about how many resources to devote to their children and children effect their own price – they make choices concerning their economic commitments to aging parents. These decisions reflect norms and not only opportunities and constraints.

Child labor adds to and exacerbates some of the dimensions that compromise the voluntariness of choice. It involves time and uncertainty, cultural norms about the value of children, questions about legitimate entitlements, and finally (and necessarily in most cases) decision making by others. The agency problems that arise in the context of decision-making by others are compounded by distributional issues within the family. “Voluntary” choice is thus an especially problematic concept when applied to children’s labor. In addition, as with voluntary choices generally, child labor requires some underlying background theory of the legitimate range of choice to guide us in how to think about the exchanges which govern it. This background theory can be elaborated in terms of either rights or interests. But before I discuss how we might develop such a

27 Many families have stories where one sibling was “sacrificed” for the sake of others. My mother, for
theory, I want to show by example some of the problems with trying to identify “coerced” child labor without it.

c. A digression on forced child labor

It’s worth belaboring some of these points about voluntary agency because the idea that "forced" child labor is particularly objectionable is encoded in numerous international and national codes. The ILO Forced Labor Convention 1930 (no. 29) targets "forced labor," and is seen as covering many forms of child labor. Forced labor is defined thus:

“The term forced or compulsory labor shall mean all work or service which is extracted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”

The absence of forced labor is considered a “core” labor convention by the ILO. The ILO Worst Forms of Child Labor Convention 182 views "forced and indentured labor" as one of the worst forms of child labor.

Similarly, the Sanders Amendment considered by the United States Senate in 1997 specifically targeted "forced " child labor as sanctionable by US trade laws.

What does forced child labor mean in the context in which the decision to put children to work is made by parents? Don’t parents in fact force their children to do many things – go to school, eat their vegetables, etc? Indeed, isn’t it perfectly appropriate for parents to make decisions for their young children given that to refer to someone as a child is to denote an individual who is not yet capable of some threshold level of deliberating and reflecting on her interests? 28 Very young children are

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28 States enact policies that discriminate against those children under a certain age who do have sufficient competency. But the administrative costs of gathering the information in each case as well as some concern...
necessarily dependent on others for their well being because they cannot meet their own emotional, physical or developmental needs.

The conclusion that forcing a child to work, forcing a child to go to school, and forcing a child into total bondage to another person are all equivalent should strike most people as absurd. But this just drives home the point that coercion and choice are normative and relative to the bundles of entitlements that we think people ought to have in different contexts. If parents routinely “force” their children to go to school, and to do many other things that children would not choose to do on their own, we have to look beyond an empty conception of force in evaluating child labor. We cannot identify objectionable forced child labor absent a fuller normative theory that can distinguish between appropriate coercion of children from objectionable forms of coercion.

In elaborating on its definition, the ILO claims that forced child labor can be distinguished from unforced child labor through the presence of one or more of the following elements: (1) restriction of the freedom to move; (2) a degree of control over the child going beyond the normal exertion of lawful authority; (3) physical or mental violence and (4) the absence of informed consent. While this attempt to operationalize the idea of involuntary labor is a step in the right direction, it remains inadequate. Consider the elements in turn. (1) Restricted freedom of movement. Most activities presuppose some restriction on an agent’s freedom to move; for example, compulsory education restricts a child’s freedom of movement by requiring that she remain in the school. Of course, there is a difference between being handcuffed to a machine and

with the dangers of relying on the prerogatives of bureaucrats justify uniform age rules. Also, although such policies lump together 5 year olds with 15 year olds it is clear that as children “grow up” they develop
being required to be present in the classroom, but we cannot simply deduce what this difference is from the idea of “force,” “involuntariness” or “restriction” of movement. 29

(2) The idea of appealing to “lawful authority” does appropriately gesture to the "baseline" entitlements that a child has. But “lawful authority” may be inadequate in cases where laws permit gender discrimination between children, or fail to provide for a child’s basic interests, interests that I will discuss below. (3) The third circumstance of “mental and physical violence” does seem crucial to picking out the most objectionable forms of child labor (although such abuse is obviously not limited to work and can occur in many other venues). Although we have no systematic data on child abuse at work, the ILO estimates that over 55% of children between the ages of 10 and 14 are employed in work that is hazardous to their health, and that millions of children are beaten, raped, harassed and abused. Indeed, this suggests that more than economic motivations are driving the employers (who are often the parents themselves).

Finally, (4) although the ILO conditions unforced child labor on informed consent, it is unclear to what extent children can give informed consent in any meaningful sense. Not only are children not yet fully competent deliberators about their own interests, but they are fundamentally dependent on their parents.

It should be clear by now that objectionable “forced” child labor can only be identified given background interests that we think children have. It cannot be deduced
from the concept of “force” alone. Developing a theory of children’s interests is at least in part a normative exercise.

II. What Fundamental Interests Do Children Have?

We can distinguish two kinds of fundamental or basic interests that children have, which following and adapting Sen, I will call their basic welfare interests and their basic agency interests. Children have both these interests in the present and in the future, but they differ in kind in the two time periods. Take basic welfare interests first. A child’s present basic welfare interests include such things as shelter, food, a clean environment, health, and a stable loving relationship with her parents (or other caretakers). A child needs her parents to protect and provide for these interests, because she cannot yet provide for them herself. Because of a child’s vulnerability, there is a crucial role for the state as a protector – as far as lies within its power—of her basic welfare interests.

A child’s future basic welfare interests are different because she is no longer totally dependent on others. She now must be capable of providing for much of her own welfare, basic and otherwise, in cooperation with others. And her welfare, more generally, will depend on her own values and interests.

With respect to children’s basic agency interests, their immediate basic agency interests also differ from the basic agency interests of adults, that is, from their own future selves.

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30 Also see the discussion in Harry Brighouse, “What Rights (if any) do Children Have? Forthcoming in David Archard, ed.
Very young infants have few if any immediate agency interests at all. They need constant care, supervision, nutrition, interaction with others and sleep.\textsuperscript{31}

But unlike other beings who are dependent and vulnerable (severely cognitively disabled individuals, the very old, domestic animals) children have the capacity to develop the capabilities to reflect on and meet their own needs.

As children grow older, their immediate agency interests expand and they need to make choices within a less restricted range and to develop skills that will help them understand the world and their place within it. As adults, they need the powers to make meaningful choices, to weigh alternatives, to reflect on the values that are important to them and act on them, and to be able to engage in collaborative activities with others by modifying some of their wants.

Protecting the immediate basic agency and welfare interests of a child is necessary but insufficient to protect her developmental and hence future interests. In particular, her capacity for full adult agency requires that she acquire a host of capacities, including numeracy, literacy, a conception of her own self worth and value, knowledge of alternative options, and of the legitimate claims of others.

\textsuperscript{31} Given that the agency of children is weak to begin with, children are more likely to have their interests discounted than are adults. The children of the poor (like the poor generally but even more so) suffer not only from lack of material resources but also lack of voice, power and independence. This makes their risks of exposure to exploitation, inhumane treatment, and harassment, high.
Society cannot be indifferent to the ways children are raised and educated because its legal, political and economic system only functions well if its members are fit to exercise the responsibilities with which they are entrusted as legal, political and economic agents. While it is appropriate for parents to make some decisions for their children, we can also see why societies set limits on parental discretion. Society cannot take it as axiomatic that parents’ interests are identical to the interests of their children; indeed, given the prevalence of child abuse historically, social policies would be most justified in assuming conflict of interest. The securing of children’s present and future basic welfare and agency interests forms a baseline against which a society can judge parental decisions.  

III. Children’s Fundamental Interests and Child Labor

Not all work that children do undermines their basic welfare and agency interests. For example, some work may develop skills that allow children to develop into more independent adults. This is more likely to be true of work that does not interfere with children’s health or education. Indeed, in some countries, given the deficiencies of the public education system, some children work for the explicit purpose of earning the tuition for private education.  

Child labor is problematic when it undermines children’s basic welfare and agency interests, both present and future. The miserable conditions of abuse that children

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32 Some advocates of children (e.g., Bill Myers, et al in What Works for Working Children) have proposed adopting a child centric approach to child labor which adopts as its standard the “best interests of the child” and uses that as the baseline for judging child labor. There are many things to recommend a child centered approach and I largely pursue such an approach here. But the problem with the “best interests” standard is that families have different values and will interpret this standard differently. Rather, than requiring parents to promote the “best interests” of their children, they should be held accountable for securing their basic interests.
suffer in many kinds of work that cannot be seen as in any of the child's interests.\textsuperscript{34}

According to the most recent study by the ILO, over half of the children working between ages 10 and 14 work nine or more hours a day – which is enough to interfere with their personal and social development. Many children who work do not go to school. 171 million working children are routinely exposed to health risks, abuse and probable physical injury. It’s hard to imagine that a day of beatings and exposure to toxic chemicals enhances a child’s welfare. An estimated 8.4 million children are caught in what the ILO refers to as “unconditional worst”\textsuperscript{35} forms of labor, under which it includes slavery, trafficking, debt bondage, participation in armed conflict, prostitution and pornography.

In assessing whether a form of child labor benefits children we need to be sure not only to answer this question with respect to present welfare and agency, but also to take into account a child’s future welfare and agency interests. While protecting the immediate welfare interests of the child is necessary to protect her future welfare and agency interests, it is clearly insufficient. Some forms of child labor that might be questionable from the point of view of her present welfare might build up skills that widen her future set of choices and thus will tend to improve her future welfare. Many of the “worst forms of child labor” are bad precisely because they not only have terrible effects on a child’s present welfare, but they contribute nothing to her future welfare (beyond her mere


\textsuperscript{34} Why is there so much abuse of children? The ILO estimates that over 55\% of children between the ages of 10 and 14 are employed in work that is hazardous to their health and development. Millions of children are beaten, raped, harassed and abused. This suggests that more than economic motivations are driving the employers (who are often the parents themselves). Indeed, children’s lives might be a lot better if only the bloodless impersonal economic motives of an ideal market were at issue.

\textsuperscript{35} I presume the ILO means by this something like “worst in all circumstances.”
survival) and they destroy or fail to develop her future agency. Child prostitution, long term debt bondage, and slavery presumably are not only very bad for a child’s present interests, but also for her future development—both in terms of her future welfare and her future agency interests. Indeed, the use of children in wars, in prostitution and as bonded workers leaves a child so badly off in the present and in terms of her future capacities that these forms of work are universally seen to represent conditions that every society condemns—at least on paper. It is clear in such cases that children do not gain from many forms of child labor, even when others do gain.

Thus, even in the absence of externalities, we have reason to interfere with some child labor markets. Parental decision-making on behalf of children as well as time and uncertainty parameters undermine the internal conditions for the application of the Pareto principle. Additionally, every society has an interest in securing those entitlements that it needs to function: there are also important negative externalities generated from child labor markets, as I will discuss below. While I have emphasized the “internal” problems with applying the Pareto principle to child labor, we should not forget that child labor can have serious external costs to society in terms of an illiterate and minimally productive workforce.

IV. International Disagreement about child labor

Countries actually agree about many “worst forms” of child labor—at least in theory insofar as there are some forms of child labor that are universally proscribed. But they disagree about the nature of other forms of child labor, as well as the legal age at

36Interestingly, some data suggest that young girls who work as domestics are also very badly off—separated from their families in ways that are psychologically harmful, more likely to be abused by
which someone ceases to be a “child.”. Additionally, developing countries often claim that child labor is necessary for their economies, both as a way of providing subsistence for families and as a means of attracting foreign capital. So, the disagreements over child labor turn on both moral and empirical considerations. How should these disagreements be adjudicated?

Let us begin with the moral disagreements. Although as I mentioned, different countries define “child” somewhat differently, all countries do recognize – at least in law – a distinction between children and adults. Leaving aside questions of international trade for the moment (I will return to these shortly) there is no reason why countries should not be free to define the age of adulthood somewhat differently. Thus, for example, different countries may have different age criteria for voting or military service. Differential criteria within a country can be stigmatizing and fail to show equal respect for some citizens (consider, for example, a differential voting age for white and black Americans), but different criteria between countries does not necessarily signal oppression. While “extreme” categorizations will be objectionable – it is unreasonable to consider a five-year-old a competent full agent in any society-- some small differences in thresholds will have arisen as the result of pluralism, historical accident, and the existence of distinct sovereign entities. As long as the globe is divided into different self-governing communities, there is no reason to expect a complete harmonization of the legal definitions of “child” and “adult.” But wherever the legal threshold is drawn, it is important to maintain that there are core interests that children have, both in the present and in securing for them the conditions of adulthood. While many interests that children

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employers than children in other forms of child labor. see Blanchet, Lost Innocence, Stolen Childhoods
and adults have can vary idiosyncratically, these core interests are defined by what every child needs in order to develop into a competent adult capable of taking part in the major social, economic and political institutions of her society.

As I have indicated, these interests should define the baseline against which we judge child labor. But what if a country rejects the existence of these core interests on the part of at least some part of its population? Cultural relativists seek to capitalize on such diversity by arguing that there are no universal standards for societies, only conventional ones. But the welfare and agency interests I have identified here are those whose satisfaction describes what we might call a minimally decent human life. There are a variety of ways that we could support the claim that such interests are in fact universal, features of an adequate human life. We could, for example, appeal to certain physiological and psychological needs that people have, regardless of their cultural circumstances. But we could also usefully draw on the choices people make for themselves when they are in a position to make meaningful choices, within a set that includes choices they would actually endorse. Thus, with rare exceptions that can normally be explained by highly unusual beliefs or circumstances, people strongly prefer life to death, freedom to slavery, health to sickness, literacy to ignorance and they place high value on the resources and capacities that enable them to obtain these things. Indeed, most people endorse life, freedom, literacy and health as good in themselves and not simply in contrast to their negations.

Now let's turn to the empirical disagreements. Some societies and economists some argue that it is not feasible to ban child labor in the short run-- even forms of it that

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quoted in Naila Kabeer, The Power to Choose
are otherwise objectionable. On this “realist” view, child labor is necessary either as a way of attracting foreign capital, building up the capital of developing societies, or because poor countries are too undeveloped to provide safety nets or adequate education to their own poor. The empirical issues surrounding child labor are complex, because there are so many variables that shape an economy.

It is certainly true that the fact that human beings have universal interests does not mean that these interests hold unconditionally. There are, after all, worse things that can happen to children than child labor. We need to make sure children are fed and clothed before we worry about equipping them for participation in political and social institutions. But we should also be skeptical of claims that injurious forms of child labor are actually necessary for poor countries.

The costs of child labor for social and economic development are high, and can encompass lower adult wages, poverty, bad health outcomes, an illiterate and unskilled population and lower rates of growth. Perhaps societies would actually be better off in a context in which child labor was banned and adults were able to command a higher price for their labor. Basu (1999) develops a formal model to explore the possibilities of an economy with multiple equilibria with and without child labor. Although the empirical question of ascertaining whether alternative market equilibria are daunting, we know that poor countries do differ in what they provide to their children. Within India, for example, states with similar levels of poverty have dramatically different levels of educational
performance. For example, in Uttar Pradesh, only 32% of rural 12-14 year old girls have ever been to school, compared with 98% in Kerala.\(^\text{37}\)

While poverty is correlated with the existence of child labor, as it is to low rates of literacy and poor health, societies with very low GDPs can still do a lot for their poor along these dimensions. Indeed, it is possible to suspect that the "flagrant inadequacy in the field of elementary education and the lack of commitment to the widespread and equitable provision of basic education" (Dreze and Sen, 1993) in countries like India is the result of political and cultural ideologies which denigrate the poor. This hypothesis has been most forcibly expressed by Myron Weiner (1991) who argues that Indian elites reject the need for universal education and refuse to enforce legislation against child labor because they believe that educating the poor will lead them to challenge the existing social order.

Suppose that we conclude that, in some cases, child labor that provides no benefit for working children may be necessary under non ideal circumstances\(^\text{38}\) as a short-term measure to help lift a society out of desperate poverty. What criteria should be in place for assessing child labor in such a non-ideal context? I believe that there are several: First, there is a dynamical dimension. Even where child labor contributes to a country’s development, we should condemn child labor that sacrifices a child’s future. Forms of child labor that demolish the child’s agency so that she can not make her way through the world as an effective adult should be prohibited.

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\(^{38}\) Including under “non-ideal” the current circumstances in which the developed world gives extremely little aid to poor countries.
Consider an analogy with clinical trials.\textsuperscript{39} It is true that we allow people to participate in medical trials (sometimes for money) but only under certain demanding conditions (e.g., the drug has to have passed to a certain level of safety and have a certain probability of producing a benefit). If a cure is discovered, the scientist is required to shut down the trial and to give the cure to all the people who are ill and who have been getting the placebo as well as to protect the people who were simply taking a risk. Even in cases where there is a possibility of enormous positive benefits, we thus set limits on how people can be used. Thus, even in very non ideal circumstances, children’s basic interests provide powerful reasons to place limits on its use, to ban some forms of it, and to shut down all the forms that remain problematic once they are no longer necessary.

Second, there are some interests which have priority and which should be maintained as near absolutes. Most people would not agree with the proposition that the abolition of slavery in a given country has to await significant economic improvement and would be unmoved by the observation that slaves in the United States were often better fed before than after Emancipation. The use of children in wars, as bonded laborers, and as prostitutes, threatens the core of their lives and represents an outcome so bad that it is hard to think of any worse. Moreover, no society should legally recognize such treatments -- the collective power of the state should never be put behind such immoral purposes. Indeed, one important function of laws is to articulate a baseline against which choices and actions are to be judged. It is now well known that this baseline can have important effects on how people view different alternatives.\textsuperscript{40} For example, a legal decision which gives employees a right to organize, women a right not

\textsuperscript{39} Suggested to me by John Ferejohn.
to be sexually harassed, and children a right not to work will have an effect on social attitudes towards labor organizations, sexual harassment and child labor. Thus, conventions such as the UN Convention on the Rights of the Child may have positive effects on children’s welfare by reinforcing the idea that children have a right to call on the state and society for their protection. This baseline can be important, then, even in circumstances where the right cannot be immediately and fully realized, as a “weapon of the weak.”

International trade raises distinct normative questions for it opens up the possibility of conflict between different societies views of child labor. While exploration of the issues raised by trade are beyond the scope of this paper, there are two considerations which I believe should anchor the debate. The first is that it is important to focus on what happens to the most vulnerable parties (children) in assessing different trade rules. If a country’s objection to child labor is the “extreme outcomes” such markets generate, then we have to ask whether restricting the market will produce even more extreme outcomes.41 There are, after all, worse things that can happen to a child than working in a factory or on a family farm. This is a sad fact about the condition of children in many parts of the world. Child labor, like other kinds of markets we deplore, is often a symptom of underlying poverty, poor schooling, ethnic conflicts and weak states, little or no access to credit, inadequate health care, and badly protected human rights – problems that will not go away by banning child labor.

40 See Thaler et al
41 Naila Kabeer provides a (much-cited) example of the poor outcomes of Bangladeshi children pulled from the garment industry in anticipation of US trade sanctions under the proposed Child Labor Deterrence Bill (1993) by Senator Harkin.
The second consideration is that where there is a clash of labor standards between countries, we should strive to create democratic institutions for resolving that clash. Globalization undermines the conditions for democratic sovereignty by making countries more dependent on the actions of each other without creating new ways of reasserting democratic control. Countries need to try to find new institutional ways of resolving their differences: unfortunately, many of the world’s current global institutions such as the IMF and the WTO are hardly democratic.

It is often forgotten that the operation of markets presuppose background entitlements, backed up by the state. Neo-classical economics assumes (in theory) that everyone has sufficient alternatives to transact with, so that no one party can determine the terms of the transaction. But in the circumstances in which child labor operates, this assumption is a fantasy. Much of South Asia does not have functioning labor markets but a system of bonded labor, serfdom, debt peonage and outright slavery. Indeed, there is some evidence that children are attractive to employers precisely because they are more vulnerable, less aware of their rights and more willing to follow orders than are adults.\(^{42}\) Even if we grant that in some circumstances children must work, there is no doubt that children are vastly worse off than they would be if laws created and enforced genuinely free markets – including a right to exit without any other consequence than a loss of wages from the employer one has quit.\(^{43}\)

V. Policies, Future Directions

\(^{42}\) Cf. Anker and Barge (1998)

\(^{43}\) Economists might argue that they are involved in a positive project of predicting how child labor markets function in given contexts. But since there work is used in policy recommendations, the models
In thinking about child labor, it is appropriate to rely on a variety of moral and empirical considerations in crafting policies.

First and foremost, policy makers need to be focused primarily on the interests of the child, who is the most vulnerable party in child labor markets and who is rarely the agent transacting. Even if child labor is necessary for some societies, we should aim to protect children's welfare and agency interests. Reliance on the family model and aggregate data obscure what is actually happening to children --- we need more ethnographic studies of work and its effects on the working child.

Second, we need to be attentive to the trajectory of societies using child labor. It makes a great deal of difference whether child labor is a transitional strategy which can deliver future benefits to the child or is a strategy of exploitation, propping up the profits of multi-national corporations. There is a need to draw out the lessons of those poor societies and educational planners who have managed to deliver adequate education to their most vulnerable children, thus belying the claim that child labor is inevitable in the context of poverty.

Third, we need to focus on the worst cases of child labor and work to secure international agreement and cooperation on eradicating them. Securing such agreement will be more likely in the context of open and democratic institutions where the voices of poor countries are more likely to be heard. But even here, we must not lose sight of...
individuals: the voices of poor countries may be corrupt dictators. We need to hear more from the poor themselves, including poor children.