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Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas

A National Policy Study on Child Labour and Development in the Philippines

Fernando T. Aldaba, Leonardo Lanzona and Ronald Tamangan

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Abstract

The alarming number of children engaged in labor as released by the National Statistics Office from the years 1995 to 2001 gave rise to a timely national policy study to review all the important studies available on child labor and assess key government policies affecting child labor in the Philippines. The paper provides an overview of the nature, extent and predominant forms of child labor in the country based on available data disaggregated by age, sex, geographic distribution, industry, and occupation. Previously done literature about child labor is examined to identify determinants as to why children work despite low wages and poor working conditions and the possible consequences and implications socially and economically. A review of the international and national policies operating in the Philippines concerning child labor is conducted to identify best practices and replicable approaches as well as to assess the adequacy of policy responses in eliminating child labor. The paper ended with proposals and recommendations on what else needs to be done and an agenda for possible future researches.

Keywords: child labor, ILO, labor policy

A National Policy Study on Child Labour and Development in the Philippines

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I. Rationale and Objectives of the Study

Just recently, the National Statistics Office (NSO) released alarming figures on child labour – about one of six Filipino children need to work to support his or her family. Four million of the 25 million Filipino children aged 5 to 17, or around 16 percent of the total, were "economically active," according to the survey covering Oct. 1, 2000 to Sept. 30, 2001. This was almost unchanged from the figure recorded in a similar survey for 1994-1995. Most of the working children were male, aged 10 to 17 years old. Seven out of 10 children worked in rural areas. The majority of them worked as unskilled, unpaid laborers in family farms. Given this situation, it is very timely to undertake a national policy study to review all the important studies available on child labour and assess key government policies affecting child labour in the Philippines.

Specifically, this National Policy Study aims to:

- provide an overview of the nature, extent and predominant forms of child labour in the country based on available data disaggregated by age, sex, geographic distribution, industry, occupation
- analyze, with a gender-sensitive perspective, of the underlying causes of child labour, particularly economic factors (macroeconomic situation, poverty, labour market conditions) and issues relating to education (non-availability of schools, quality of education, etc.).
- perform an econometric and statistical analysis of the determinants of prevalent forms of child labour at the cross section level
- review the international and national policies operating in the Philippines concerning child labour and assessment of the adequacy of policy responses towards the elimination of child labour
- examine the implications of the current child labour situation for the achievement of national development objectives
- review of some IPEC or other child labour interventions in the country with a view to identifying best practices, replicable approaches and lessons learnt
- propose policy recommendations and an agenda for further research

The National Policy Study will be based on a review of the literature, including policy and plan documents, analysis of micro and macro data, as well as discussions with key informants. The review will be based on the analyses and findings of existing studies already prepared under various initiatives, notably those of the ILO or of other agencies such as the World Bank and the regional development banks.

III. The Situation of Working Children and Child Labour in the Philippines: General Statistical Trends, 1995 and 2001

This part of the paper looks at the trends in the situation of working children over the past six years, 1995 to 2001. The *National Survey on Children* which was administered by the National Statistics Office in 1994-1995 and then in 2000-2001 provide a comprehensive sketch of the plight of child labor situation in the Philippines. This section however presents only the key statistics on child work and child labor. The complete data set can be accessed from the National Statistics Office and through their website.

1. Incidence of Child Work, 1995 and 2001

According to the most recent survey, the incidence of child work in the Philippines has not changed in effect. The most recent survey in 2001 revealed that 4 million working children aged 5-17 years old constituted 16.17 percent of the total population of children in the same age group. The situation in 1995 was similar as 3.6 million working children represented 15.98 percent of the total population in the age group. This is below the reported incidence in the Asia-Pacific region of 19% for economically active children from 5-14 years old[1] (Global Report, 2002). The incidence of female child workers have increased by .35% over the six year period while for the males, this has decreased by16%. Although the child labor incidence in 2001 was only marginally higher than in 1995, the absolute number of child laborers grew by about 12 percent over the six-year period or about 2 percent annually.

Table 1: Incidence of Working Children (5-17) by Sex, 1995 and 2001

Survey Source	Survey of Children (1995)	Incidence	Survey on Children (2001)	Incidence	Difference: 2001 and 1995
Philippines	22,381,517	100.00%	24,850,943	100.00%	
Working	**3,577,363**	**15.98%**	**4,017,886**	**16.17%**	**0.19%**
Non-Working	18,804,153	84.02%	20,833,057	83.83%	
Male	11,523,148	51.49%	12,830,232	51.63%	
Working	**2,329,556**	**10.41%**	**2,547,666**	**10.25%**	**-0.16%**
Non-working	9,193,592	41.08%	10,282,566	41.38%	
Female	10,858,368	49.51%	12,020,711	48.37%	
Working	**1,247,807**	**5.57%**	**1,470,220**	**5.92%**	**0.35%**
Non-working	9,610,561	44.06%	10,550,491	42.45%	

Source: National Statistics Office Survey of Working Children, 1995, 2001

2. Other Key Trends in the Child Work Statistics, 1995 and 2001.

The most economically active children are found in the 10-17 age range for both survey periods. In 1995, there were 1.6 million (about 44 percent of child laborers) and 1.7 million (around 49 percent of child laborers) working children in the 10-14 age range and 15-17 age range, respectively. And in 2001, 1.9 and 1.8 million working children (or about 48 and 45 percent) constituted the 10-14 and 15-7 age ranges, respectively. Incidentally, the number of working children in the 10-14 age range grew the fastest at around 3 percent annually. Regarding the distribution by sex,

[1] the direct comparison is 8.7% incidence for the Philippines for 5-14 year olds in 2001

about 6 out of every 10 working children were male. This proportion was rather consistent during the period. Nevertheless, the number of female child workers had been growing at a faster rate of about 3 percent annually. Female child worker incidence worldwide is higher at 45% (Global Report, 2002). In addition, child labor continued to be a rural phenomenon as about 7 out of 10 working children in the 5-17 age group resided in rural areas in 2001. This proportion was marginally higher than in 1995, with around 6 of 10 working children residing in rural areas. And the number of child workers in the rural areas rose the fastest during the period.

Table 2: Working Children: Age-Sex Composition, Geographic Distribution and Exposure to Hazards, 1995 and 2001 (000)

	1995	**% to working**	**2001**	**% to working**	**Average Annual *Growth rate***
1. Total number of children 5-17 years old	22382		24851		*1.76*
2. Number of working children 5-17 years old	3577		4018		*1.96*
3. Percentage of working to total	*15.98*		*16.17*		
4. Age-sex composition:					
4.1 Distribution of working children by age					
5-9 years old	215	*6.01*	246	*6.12*	*2.27*
10-14 years old	1600	*44.73*	1934	*48.13*	*3.21*
15-17 years old	1762	*49.26*	1837	*45.72*	*0.70*
4.2 Distribution of working children by gender					
Male	2339	*65.40*	2548	*63.41*	*1.43*
Female	1238	*34.60*	1470	*36.59*	*2.91*
5. Geograpic Distribution:					
5.1 Distribution of working children by location					
Rural	2400	*67.10*	2805	*69.81*	*2.63*
Urban	1177	*32.90*	1213	*30.19*	*0.51*
5.2 Distribution of working children by region					
NCR	118	*3.30*	168	*4.18*	*6.06*
CAR	86	*2.40*	65	*1.62*	*-4.56*
Region I	253	*7.07*	156	*3.88*	*-7.74*
Region II	232	*6.49*	202	*5.03*	*-2.28*
Region III	266	*7.44*	262	*6.52*	*-0.25*
Region IV	448	*12.52*	461	*11.47*	*0.48*
Region V	292	*8.16*	344	*8.56*	*2.77*
Region VI	422	*11.80*	327	*8.14*	*-4.16*
Region VII	203	*5.68*	388	*9.66*	*11.40*
Region VIII	219	*6.12*	349	*8.69*	*8.08*
Region IX	188	*5.26*	166	*4.13*	*-2.05*
Region X	222	*6.21*	294	*7.32*	*4.79*
Region XI	364	*10.18*	342	*8.51*	*-1.03*
Region XII	177	*4.95*	232	*5.77*	*4.61*
Caraga	_	_	176	*4.38*	
ARMM	86	*2.40*	85	*2.12*	*-0.19*
6. Number of working exposed to hazards:	3442	*96.23*	3669	*91.31*	*0.93*
6.1 Chemical hazards	916	*25.61*	833	*20.73*	*-1.57*
6.2 Physical hazards	1831	*51.19*	2032	*50.57*	*1.75*
6.3 Biological hazards	695	*19.43*	774	*19.26*	*1.81*

7. Number of working exposed to:					
7.1 Work-related illness	624	*17.44*	754	*18.77*	*3.20*
7.2 Work-related injury	664	*18.56*	942	*23.44*	*6.00*

Source of basic data: Survey on Working Children, 1995 and 2001, National Statistics Office.

Note: 1) Details may not add up to totals because of rounding off.

2) not available.

Around 50 percent of the working children were found in regions IV, VI, XI, V and III. Region IV had the most number of working children with about 13 percent of the total population in the age group. This was followed by regions VI (12 percent), XI (10 percent), V (8 percent) and III (7 percent). The annual growth rate of working children during the period was highest in region VII at around 11 percent. This was followed by region VIII (8 percent), NCR (6 percent), region X (4.79 percent), and region XII (4.61 percent). Interestingly, the period saw negative growths in the number of working children in eight regions. These regions were: region I (-7.74); CAR (-4.56); region VI (-4.16); region II (-2.28); region IX (-2.05); region XI (-1.03); region III (-0.25); and ARMM (-0.19).

The survey period saw the continued exposure of working children to work-related hazards, such as chemical, physical and biological hazards, and to work-related illnesses or injuries. Child workers exposed to work-related hazards increased from *3.4 million in 1995 to 3.6 million in 2001*. These figures represented over 90 percent of the working children. *These children working are automatically categorized as consisting the form of child labor which needs to be abolished immediately.*[2] In addition, around 50 percent of working children in the age group have been exposed to physical hazards for both survey periods. Work-related illnesses and work-related injuries have also been increasingly experienced by child workers. In particular, work-related injuries have increased from around 600 thousand in 1995 to close to 1 million in 2001.

In terms of the major industries, working children were found mostly in agriculture, then services and finally, industry for both 1995 and 2001. However the percentage of working children in agriculture had declined from 64.9% in 1995 to 58.4% in 2001. This decrease however was shifted to services which increased from 26% to 31.7%

Table 3: Working Children, Major Industry Groups by Sex, 1995 and 2001

Major Industry	No. of Working Children, 1995, M&F	% to Total	No. of Working Children, 2001, M&F	% to Total
Agriculture	2,321	64.9	2349	58.4
Industry	298	8.3	266	6.6
Services	931	26.0	1275	31.7
Not reported/others	27	0.8	128	0.3
Total	3,577	100.00	4018	100.00

Source, National Statistics Office Survey of Working Children, 1995 and 2001

[2] There were around 246 million child laborers all over the world in 2000 as estimated by the ILO in its Global report 2002. The Philippines' 3.6million child laborers is around 1.5% of the global total.

In terms of working children who are out of school, the percentage had declined from 35.31% in 1995 to 31.35 in 2001. This was also true for both male and female.

Table 4. Number of Out of School Working Children 5-17 Years Old by Sex, 1995, 2001

	Both Sexes 1995	**Both Sexes 2001**	**Male 1995**	**Male 2001**	**Female 1995**	**Female 2001**
Working Children out of School	1,262,998	1,259,495	906,766	902,652	356,233	356,843
Total Working Children	3,577,363	4,017,886	2,329,556	2,547,666	1,247,087	1,470,220
Percent Out of School to Total	35.31	31.35	38.92	35.43	28.57	24.27

Source: National Statistics Office Survey of Working Children, 1995 and 2001

Table 5. Number of Working Children by Nature of Employment of Primary Occupation by Sex, 1995 and 2001 (multiple responses)

	Both Sexes 1995	**% to Total**	**Both Sexes 2001**	**% to Total**
Total	3,577,363	100.00	4,017,886	100.00
Permanent	1,020,723	28.53	997,633	24.83
Short term/casual	1,268,454	35.46	1,259,176	31.34
Seasonal/school vacation	1,598,124	44.67	1,468,998	36.56
Worked for different employers				
on a day-to-day/week-to-week basis	155,505	4.35	166,592	4.15
Others	12,494	0.35	13,868	0.35
Not reported	624	0.02	111,619	2.78
	Male 1995	**% to Total**	**Male 2001**	**% to Total**
Total	2,329,556	100.00	2,547,666	100.00
Permanent	699,492	30.03	631,176	24.77
Short term/casual	825,492	35.44	788,583	30.95
Seasonal/school vacation	1,045,315	44.87	919,801	36.10
Worked for different employers				
on a day-to-day/week-to-week basis	116,551	5.00	132,570	5.20
Others	6,801	0.29	8,500	0.33
Not reported	624	0.03	67,039	2.63
	Female 1995	**% to Total**	**Female 2001**	**% to Total**
Total	1,247,807	100.00	1,470,220	100.00
Permanent	321,230	25.74	366,457	24.93
Short term/casual	442,962	35.50	470,593	32.01
Seasonal/school vacation	552,809	44.30	549,198	37.35
Worked for different employers				
on a day-to-day/week-to-week basis	38,953	3.12	34,022	2.31
Others	5,693	0.46	5,369	0.37
Not reported	0	0.00	44,580	3.03

Source: National Statistics Office Survey of Working Children, 1995 and 2001

Upon examining the nature of employment by these working children, we find that the dominant forms include short-term, casual and seasonal work which comprised 65-80% of the total number. It was also noticeable that the percentage for permanent types of work had declined over the last six years especially for the males.

3. Recent Statistics from the 2001 Survey of Working Children

The following are selected statistics from the 2001 Survey of Children which give us more details on the characteristics of child work in the Philippines.

3.1 Earnings and Benefits of Working Children

In terms of compensation, around 6 of ten working children receive less than 500 pesos per week and almost 2 of ten get less than a thousand. This clearly shows the very low costs of child labor. However, almost the same number reported that they received meal allowances.

Table 6. Earnings and Benefits of Child Workers

Earnings and Benefits	***Number of working children***	***% to total***	**Male**	***% to total***	**Female**	***% to total***
Gross earnings per week	1504		975		529	
Less than 500	984	*65.43*	648	*66.46*	336	*63.52*
500 to 999	245	*16.29*	164	*16.82*	81	*15.31*
1000 to 1999	86	*5.72*	46	*4.72*	40	*7.56*
2000 to 2999	12	*0.80*	8	*0.82*	4	*0.76*
3000 to 4999	9	*0.60*	6	*0.62*	3	*0.57*
5000 to 9999	5	*0.33*	3	*0.31*	2	*0.38*
No reported income	162	*10.77*	100	*10.26*	62	*11.72*
Additional benefits received	1504		975		529	
With additional benefits	484		253		231	
Meal allowance	348	*71.90*	184	*72.73*	163	*70.56*
Clothing allowance	122	*25.21*	50	*19.76*	72	*31.17*
Housing allowance	69	*14.26*	26	*10.28*	42	*18.18*
Medical/hospitalization	53	*10.95*	29	*11.46*	24	*10.39*
Education/training allowance	78	*16.12*	32	*12.65*	46	*19.91*
Annual bonus	33	*6.82*	12	*4.74*	21	*9.09*
Sick/vacation leave with pay	10	*2.07*	3	*1.19*	7	*3.03*
Social security	11	*2.27*	5	*1.98*	6	*2.60*
Transportation allowance for work purposes	41	*8.47*	19	*7.51*	22	*9.52*
Others	77	*15.91*	45	*17.79*	31	*13.42*
Without additional benefits	1020		722		298	

Source: National Statistics Office Survey of Working Children, 1995 and 2001

3.2 Working Children in terms of Household Economic Profile

From the Working Children Survey for 2001 some characteristics of households having working children can be derived. The survey included a total of 10,440 households and only 2741 or 26.25% had members who were working children. Around 80% of the households with working children had five or more members, 65% six or more members. This shows that increased dependency burden also heightens the possibility of a household sending its children to work. In terms of incomes, only around half of the households had incomes below P5,000 per month which is near the poverty threshold. This implies that a low income is not a sufficient reason for households to make their child members work. With regard to expenditure, about six of ten households with working children spent below P5,000 per month. The following table summarizes these household characteristics.

Table 7. Working children and household size, income, expenditures

Total number of household with		
working children 5-17 years old:		
a) By household size	**Number**	**Perecent**
Less than 3 members	28	*1.02*
Three members	157	*5.73*
Four members	316	*11.53*
Five members	455	*16.60*
Six members	532	*19.41*
Seven members	466	*17.00*
Eight member	363	*13.24*
Nine members	199	*7.26*
Ten members and over	225	*8.21*
b) By average monthly income		
Less than 2,000	270	*9.85*
2,000-2,9999	476	*17.37*
3,000-4,999	748	*27.29*
5,000-9,999	745	*27.18*
10,000 and over	503	*18.35*
c) By average monthly expenditures		
Less than 2,000	296	*10.80*
2,000-2,9999	497	*18.13*
3,000-4,999	819	*29.88*
5,000-9,999	735	*26.82*
10,000 and over	393	*14.34*
Source of basic data: NSO, 2001 Survey on Children		
Note: Details may not add up to totals because of rounding off.		

3.3 Reasons for Working

The surveyed children were asked their motivations on why they are engaged in employment or work activities. Almost four of ten children cited the opportunities of

earning money to establish their own business as the main reason for working. This was followed closely by the need to augment family or household income. This finding confirms the fact that there are other reasons aside from the objective of supplementing family income that push children to work. (See Table 8 below for more details.)

Table 8. Reported Reasons for working

	Philippines		**By Sex**			
Main Reason for Working, By Rank	***Number of working children***	***% to working***	**Male**	***% to working***	**Female**	***% to working***
Number of working children	4018		2548		1470	
To earn money to establish own business	1596	*39.72*	968	*37.99*	628	*42.72*
To supplement family income/important to family well-being	1196	*29.77*	816	*32.03*	380	*25.85*
To gain experience/acquire training	350	*8.71*	244	*9.58*	106	*7.21*
To help in own household enterprise	274	*6.82*	139	*5.46*	135	*9.18*
To appreciate value of work	170	*4.23*	99	*3.89*	71	*4.83*
To earn money to establish own business	46	*1.14*	36	*1.41*	11	*0.75*
To help pay own family debts	41	*1.02*	23	*0.90*	18	*1.22*
Others	233	*5.80*	157	*6.16*	76	*5.17*
Not reported	112	*2.79*	67	*2.63*	45	*3.06*

Source: National Statistics Office Survey of Working Children, 1995 and 2001

3.4 Exposure to Hazards by Industry

Almost sixty percent of the working children n 2001 were exposed to the various types of environmental hazards-chemical, physical and biological. Physical hazards were the most common among the working children. It is noticeable though that males were relatively more exposed to hazards than females as almost half of working girls are free from such hazards. In terms of industries, the most hazardous physically was mining and quarrying followed by construction and transport and communication. The most hazardous chemically were the transport and communication and construction industries. For biological hazards, mining and quarrying and agriculture posted the highest incidence. See the following two tables for more details.

Table 9. Exposure to Hazardous Environments

	Philippines		By Sex			
Exposure to Hazardous Environment	*Number of working children*	*% to working*	Male	*% to working*	Female	*% to working*
Number of working children	4018		2548		1470	
Children exposed to hazardous environment	2388	*59.43*	1673	*65.66*	714	*48.57*
Chemical hazards	833	*20.73*	620	*24.33*	214	*14.56*
Physical hazards	2032	*50.57*	1428	*56.04*	604	*41.08*
Biological hazards	774	*19.26*	536	*21.04*	238	*16.19*
Not exposed to hazardous environment	1519	*37.80*	807	*31.67*	711	*48.37*
Not reported	112	*2.79*	67	*2.63*	45	*3.06*

Source: National Statistics Office Survey of Working Children, 1995 and 2001

Table 10: Number of Children 5-17 Years Old During the Past 12 Months Prior to Enumeration Types of Hazard by Major Industry Group by Sex, 2001

	Total	Physical	% to Total	Chemical	% to Total	Biological	% to Total
Agriculture, Hunting and Forestry	2,140,995	1,315,678	61.45	441,639	20.63	589,008	27.51
Fishing	207,952	134,571	64.71	23,762	11.43	36,633	17.62
Mining and quarrying	17,980	16,536	91.97	5467	30.41	10,188	56.66
Manufacturing	186,434	66,417	35.62	43,185	23.16	15,515	8.32
Electricity, Gas and Water	3,669	1,420	38.70	444	12.10	0	0.00
Construction	58,308	45,288	77.67	38,026	65.22	8,548	14.66
Wholesale and retail	746,681	242,062	32.42	141,588	18.96	51,974	6.96
Hotels and Restaurants	94,898	34,414	36.26	12,299	12.96	3,940	4.15
Transport, Storage and communication	101,729	77,099	75.79	67,002	65.86	20,545	20.20
Financial Intermediation	1,706	0	0.00	0	0.00	0	0.00
Real estate	13,305	8,935	67.16	4,678	35.16	965	7.25
Public administration and defense	8,549	2,251	26.33	2,029	23.73	655	7.66
Education	2,641	1,467	55.55	0	0.00	0	0.00
Health and Social Work	2,237	489	21.86	489	21.86	0	0.00
Other community services	72,363	31,960	44.17	15,647	21.62	16,111	22.26
Private households with emp. Persons	230,021	46,732	20.32	34,137	14.84	17,164	7.46
Not reported	128,458	6,322	4.92	2,821	2.20	2,362	1.84
Total	4,017,926	2,031,641	50.56	833,213	20.74	773,608	19.25

Source: National Statistics Office Survey of Working Children, 1995 and 2001

3.5 Other Work-related Problems, Injuries and Illnesses

In terms of other work-related problems, around six of ten working children were affected and that boredom and stress were reported as the more important concerns of working children. With regard to illness and injuries, two of ten working children were affected. Females again had lower incidence of work related problems, injuries and illnesses. See the following tow tables for more details.

Table 11: Work Related Problems

	Philippines		**By Sex**			
Work-related problem	*Number of working children*	*% to working*	Male	*% to working*	Female	*% to working*
Number of working children	4018		2548		1470	
With problem encountered	2387	*59.41*	1671	*65.58*	716	*48.71*
Doing heavy physical work	1085	*45.45*	883	*52.84*	202	*28.21*
Stressful work	1438	*60.24*	1011	*60.50*	428	*59.78*
Bored with work	1510	*63.26*	994	*59.49*	516	*72.07*
Risky/dangerous work	828	*34.69*	660	*39.50*	168	*23.46*
No problem	1520	*37.83*	810	*31.79*	710	*48.30*
Not reported	112	*2.79*	67	*2.63*	45	*3.06*

Source: National Statistics Office Survey of Working Children, 1995 and 2001

Table 12: Injuries and Illness During Work

	Philippines		**By Sex**			
	Number of working children	*% to working*	Male	*% to working*	Female	*% to working*
Number of working children	4018		2548		1470	
Children who suffered from work-related injury	942	*23.44*	680	*26.69*	262	*17.82*
Children who suffered from work-related /illness	754	*18.77*	524	*20.57*	230	*15.65*

Source: National Statistics Office Survey of Working Children, 1995 and 2001

3.6 Statistics on Working Children and Schooling

Of the 4 million working children in 2001, around 30% or 1.3 million are not attending school. In terms of the age bracket, 9.6% of the working 5-9 years old, 18.2% of the 10-14 years old, and 48% of the 15-17 years old were reported not

attending school. Note that the older the working children, the less probable they are in school. This might also be affected by the general high drop-out rates. The major effects of work on school cited were low grades, absenteeism and tardiness. The top two reasons for dropping out according to both parents and children are that the children are not interested in school and that the cost of schooling is high.

Table 13: Schooling Status of Working Children

Schooling/Status	Total (all ages)	5 to 9			10 to 14			15-17		
		Total	Male	Female	Total	Male	Female	Total	Male	Female
Philippines	4017866	246326	143866	102460	1934239	1233855	700384	1837321	1169945	667376
Schooling Status										
Attending School	2646773	216760	122519	94241	1542902	931043	611859	887110	524414	362696
Not attending	1259495	23781	18190	5591	352955	278748	74207	882759	605714	277045
Not reported	179070	5785	3157	2628		24065	14318	67451	39817	27634
Effect of work										
Low grades	234,339	18807	12934	5873	139848	97301	42547	75683	54971	20712
Absenteeism	178,046	13212	6255	6957	106484	66140	40344	58350	46452	11898
Tardiness	151,266	12346	7896	4450	85797	60448	25349	53122	34546	18576
Others	26835	465	465		11115	6274	4841	15255	7095	8160
None	2,056,286	171930	94969	76961	1199656	700879	498777	684700	381350	303350

Source: National Statistics Office Survey of Working Children, 1995 and 2001

Table 14: Top 5 Reasons Why Working Children 5-17 Years Old Dropped Out of School Based on Children and Parents Response

	Children's Response	Parents/Guardians's Response
Rank		
1	Not interested in school	Child not interested in schooling/training
2	Cannot afford to go to school	High costs of schooling/training
3	To engage in paid/self-employment	Others
	to augment family income	
4	To help in family business/farm	To work for wages/salaries
5	Others	To help in household enterprise

Source: National Statistics Office Survey of Working Children, 1995 and 2001

III. A Review of Literature of Child Labor in the Philippines

This part of the paper provides a review of the current and relevant literature on child labor in the Philippines. Section 1 describes the various definitions of child labor utilized in the literature. Section 2 elucidates an integrated conceptual framework on the determinants and consequences of child labor. Sections 3 and 4 provide greater detail on the factors affecting child labor and its various consequences. Section 5 looks at the typology of current responses based on the existing literature. Finally, Section 6 presents a household decision model from which three recent empirical studies are reviewed.

1. Definitions of Child Labor

The literature on child labor underscores that the negative consequences of specific work situations and abuses on the child worker make for the defining elements of child labor. Thus, not all child work is considered as child labor. The conceptual, general definition of child labor encompasses all occupations that are detrimental to a child's overall welfare. Any market work, therefore, that does not undermine the general well being of children is not considered as child labor.

The Ateneo Human Rights Center (1998) defines child labor in more economic terms as "the participation of a child in a variety of work situations, on a more or less regular basis, to earn a livelihood for himself or herself or for others."

The ILO-IPEC defines child labor more categorically and comprehensively as "work situations where children are compelled to work on a regular basis to earn a living for themselves and their families, and as a result are disadvantaged educationally and socially; where children work in conditions that are exploitative and damaging to their health and to their physical and mental development; where children are separated from their families; often deprived of educational and training opportunities; where children are forced to lead prematurely adult lives."

The national definition of child labor is consistent with the above descriptions as Republic Act No. 7658 (amending Republic Act No. 7610 of 1992) defines child labor as the "illegal employment of children below the age of fifteen, where they are not directly under the sole responsibility of their parents or legal guardian, or the latter employs other workers apart from their children who are not members of their families, or their work endangers their life, safety, health and morals or impairs their normal development including schooling. The Department of Labor and Employment (DOLE)'s Department Order No. 4 Series 1999 includes the situation of children below the age of eighteen who are employed in hazardous occupations, such as: 1) work which causes exposure to physical, psychological, or sexual abuse; 2) work underground, under water, or at dangerous heights; 3) work with dangerous machinery, equipment and tools, or which involves manual handling or transport of heavy loads; 4) work in an unhealthy environment; and 5) work under particularly difficult conditions.

Simply, the determination of whether child work is indeed child labor boils down to three important considerations: hazards faced by the child, age and parental supervision (Alonzo and Edillon, 2002 and see Table 1 below). Operationally, all child workers engaged in occupations characterized as the "worst form," based on Article 3 of ILO Convention 182, are child laborers. The worst forms of child labor are largely all occupations that undermine the general welfare and the long-term development of a child. Age is a secondary consideration regarding child labor. Child work not categorized as the "worst form"[3] will still be considered as child labor if the child is below fifteen years old and not supervised by his or her parents at work. A

[3] ILO (2002) defines the unconditional worst forms of child labor as slavery, trafficking, debt bondage and other forms of forced labor, forced recruitment for use in armed conflict, prostitution and pornography, illicit activities, and work which, by its very nature or the circumstances in which it is carried out, is likely to harm the health, safety and morals of children. In the Philippines, the worst forms of child labor are the occupation types mentioned in DOLE Order No. 4 Series of 1999.

child works outside parental supervision if he or she works for a private household other than his or her own; works for a private establishment; works for the government or a government corporation; and is self-employed.

Table 1: Operationalization of the Definition in the Philippines

Child Laborer		Child Worker	
Worst Form	Not in Worst Form		
Regardless of Age	5-14		15-18
	No parental supervision	With Parental Supervision	

Source: Alonzo and Edillon (2002)

2. A Household Model on the Determinants and Consequences of Child Labor

To facilitate the review, we first present a framework using a household model. In the literature, the determinants of completed family size and household labor allocation are seen as operating through a household preference for present and future consumption, children, and human capital, and through three constraints:

a) A budget constraint that reflects the opportunities and limitations implied by the market prices of goods and services, the wage rate of family members, any non-labor income and time at the disposal of household members;
b) The household technology which enables it to convert market goods and the time of the family members into basic commodities, including food consumption and human capital; and
c) The household's budget that is dependent on the children's future production and income, and the income of the resources that were bequeathed by the parents.

The last constraint indicates the inter-generational aspect of household decisions. Figure1 shows the diagram of the parent-child dynamics and the general equilibrium model of household decisions. At the center of the diagram is the set of decisions that the household makes, with the assumption that the parents rationally choose the most preferred combination of options. At the end of these choices are human capital stocks which ultimately determine the household's welfare and future security, and ultimately the economy's productivity and growth.

The constraints are represented by the three different factors that ultimately determine them. These are (a) the invariable genetic structure and background of the family; (b) the short-run macroeconomic environment; and (c) the more permanent local conditions where the family resides and that ultimately determines the human capital of the household, including education. The difficulty of analyzing and identifying the determinants of child labor arises from the fact that the outcomes themselves determine the conditions that initially lead to such outcomes. The broken lines show heuristically how these final outcomes, e.g., the productivity of children and the security of parents, can reinforce the poor conditions, both local and national levels, from which these originated. Ultimately, as parents decide to use more child labor, rather than spending more resources on human capital per child, the productivity of

the new generation is reduced and the security of the succeeding parents is endangered. Given this feedback process, the households' demand for children increases as poverty continues.

The short-run effects of macroeconomic policies are particularly important for two main reasons: their effects on prices affecting the opportunity costs of children and their effects on household's and investment behavior. Moreover, these influence the parents' preferences and expectations directly, especially in terms of increasing wage rates. The short-run conditions can also be determined by the long-run conditions as macroeconomic stability raises the returns from human capital or the expected wage rates of children. The main focus of our paper is that such policies improve the effectiveness of local conditions in raising labor productivity and human capital investments.

The welfare of parents and children are thus inextricably linked in our model in the sense that while children depend on their parents for their upbringing, the parents can rely on their children's labor for their present and future income. With the increase in expected life span of individuals, social security for the adults has become important. Because of this, there will be a greater dependence on child labor.

The analysis assumes that, with the improvements in economic growth and the associated changes in economic structure, the parents may be induced to substitute quantity for quality, opting for more investments in education in return for greater productivity in the future. The second piece of the argument is that, with a static local economy, the use of child labor will be self-enforcing or self-equilibrating. The increase in present income from child labor presumably overcomes the production constraints, but in turn may cause lower future labor productivity and lower wages for the children.

In this framework, improving access to schooling facilities in the local communities will have three key transmission mechanisms to reduce child labor in the short-run and will result in a higher level of welfare. *First*, schooling induces technological innovations that raise the rate of return to human capital and hence emphasize quality over quantity of children. The improved technological conditions will ease the households' budget constraints, allowing parents to have more resources to invest in their children. Furthermore, the adoption of modern technology is dependent on the availability of human capital. Hence, with human capital-induced technological improvement, the returns to child quality will rise, leading to a more significant shift away from greater child quantity along with greater output.

Second, access to schooling causes a more educated work force which generally causes further demand for human capital in the adults. There will be a change in parents' preference, limiting the desired number of surviving children easier to achieve. The preference for child labor is effectively decreased.

Furthermore, with a more educated and more productive work force, greater production in the local economy will mean lesser time to recover the costs of human capital investments, thus subsequently further raising the returns of other forms of human capital, such as health. Thus, a low return to education is not a cause of low

educational outcomes, but a consequence of the poor access to education.[4] It will be less likely that households will allow their children to engage in hazardous activities. This further stimulates investments in human capital as quantity-quality tradeoffs are being made. Ultimately, each child is productive enough to meet the parents' expectations and the costs of child labor to parents become greater.

Third, improved access to schooling leads to greater access to funds and capital. As the productivity increases, opportunities for both men and women will be greater, and the dependence on child labor is ultimately reduced. In the process, the increased productivity of labor will also lead to an increased productivity of capital. Without increased labor productivity, increases in capital will only lead to diminishing marginal returns

The incorporation of capital, a fixed factor of production, into this basic model serves as a unifying component that is consistent with the overall view of controlling child labor. If existing stock of adult labor is unskilled and unproductive and if capital is scarce, child labor is the only other alternative left to raise production. Investments or capital formation will be limited since capital requires some modicum of labor productivity or technological improvements. Moreover, since land is fixed, an increasing use of child labor only reduces the land-labor ratio, thereby leading to a further deterioration of wage rates. However, a greater use of capital, the slide in the wage rates will be minimized if capital is also used in raising labor productivity. Changes in capital in the short-run thus serve as the basis for a unified model that completes the transition from an equilibrium with inefficient child labor to an equilibrium without child labor. With more physical capital, the prevalent demand of children as a productive input for both present and future income[5] is minimized. Nevertheless, it is important to note that capital accumulation should not be used to substitute for the long-term increases in labor productivity. Capital should be seen as complementary to labor inputs since fertility reductions are always grounded in improving the returns to human capital.

More importantly, the model highlights the important role that schooling decisions have in the determining the causes and consequences of child labor. Presumably, the family decides to stop the schooling of their children for a number of reasons. For one, the cost of schooling may be too high. While the primary and secondary schooling are supposed to be free, there are other incidental costs such as allowances, transportation, and other school fees, that may make it too expensive.

However a more compelling reason is that the returns to education may be too low relative to the opportunity costs of sending the children to school. In other words, the future returns of education are viewed to be lower than the wage that is offered in the market. Lanzona (1996) notes that, in Bicol, the greater the importance of irrigated land for the family, the greater is the investment in schooling of sons, holding constant for the parent's education and community school infrastructure. One hypothesis for this pattern is that the major irrigation projects in the Bicol Region

[4] Lanzona (1998) show that the returns to education are lower in communities where the educated individuals have migrated outside. This means that the returns to education will be higher if the decision to migrate is controlled.

[5] The usual view is to consider children as labor input. What differentiates children from the adult labor is the need to invest in children's development to make them productive inputs. Parents will initially have to endow children with resources, which is not necessary in hiring additional labor.

facilitated the adoption of profitable high yielding varieties. Where these new agricultural inputs held the most immediate promise, families sacrificed more to educate their sons, preparing them to evaluate and profitably adopt these promising new production possibilities. The education received by daughters prepared them for employment in nonagricultural activities.

The problem thus is not so much the imperfect labor markets but the imperfect capital markets that are unable to evaluate the returns to education. Given more access to credit, the households could have properly allocated their resources to allow their children to go to school. Because of imperfect credit markets, as is the case in most developing countries, child labor arising from lack of access to schooling is seen to be inefficient. Nonetheless, the outright banning of child labor without improving access to schooling is also seen to be inefficient.

In summary, the conceptual framework's main focus is that the household decision to send children to work (the supply of child labor) is influenced by various factors at the macro (national), meso (local and community) and micro (household) levels. For the macro determinants, weak economic policies and programs result into low employment levels and incomes (and high underemployment) resulting to extreme poverty situations. Aggravating this is weak social service delivery and safety nets which if adequate could have cushioned certain sectors of the population from economic risks and vulnerabilities. In addition, the failure to formulate effective population policies and programs have increased dependency burdens of households which in turn raises the probability of child work. The inadequacies of the educational system affect the decision on child work in two ways: first through the parent's value system which tolerates child labor as they themselves were victims of this educational system and secondly, through a bias against schooling because of low returns. Most of these macro factors also operate at the local and community levels and affect the supply of child labour. The consequences of child labor are divided into the short term and long term effects. Included in the former are schooling and health effects plus psychological trauma and lowering of self-esteem. Long-run effects include lower productivity of these children leading to the perpetuation of poverty and other negative externalities resulting from poor education and health.

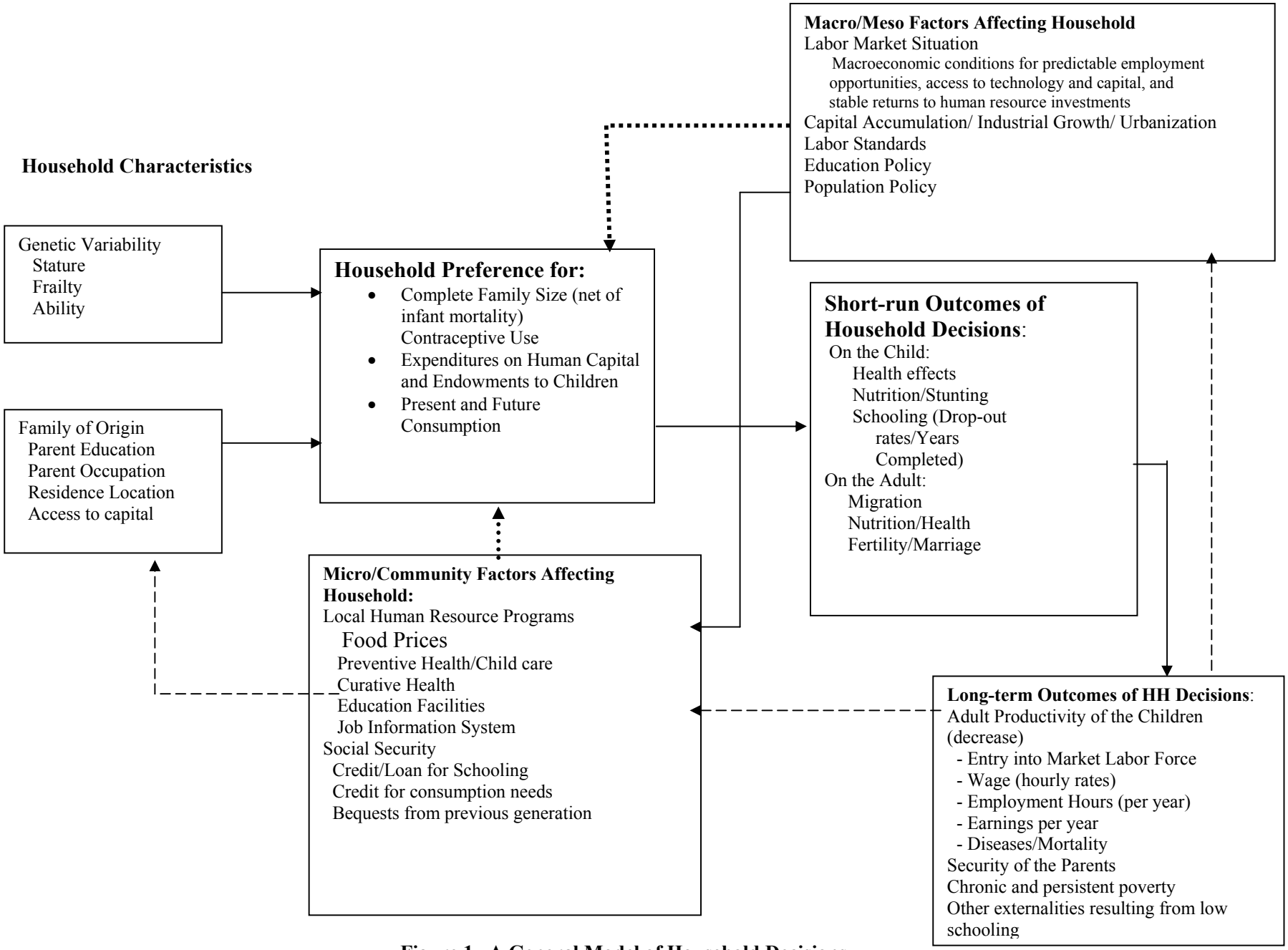

Figure 1. A General Model of Household Decisions

3. The Determinants of Child Labor

The Philippine child labor literature presents determinants of child labor that can be generally categorized as either economic or sociocultural. Essentially, the economic factors can be considered as circumscribing the social factors at play. It is important to note that these factors are interrelated and not entirely mutually exclusive as the paper will always emphasize. Another strand in the literature (i.e., the Villamil framework) analyzes child labor determinants within the immediate environment of the child or the household level (micro), in the community and even regional level (meso) and in the national and international level (macro). The literature presents a skein of interrelated factors that contribute to the incidence of child labor. Expectedly, the apparent complexity and interrelations of the determinants of child labor have many-sided consequences on the child. And thus, policies that deal with the comprehensive prevention of child labor require both economic and noneconomic interventions.

3.1 Micro Level (within the immediate environment of a child)

The household is the starting point of analyses dealing with the determinants of child labor at the most basic level. Analyses presented in this review of literature proceed by looking at factors that push households to make decisions regarding the participation of the child in school or work (supply side) and factors influencing the decision of enterprises to hire child laborers (demand side). These decisions matter as the participation of a child in worst forms of child labor is made at this level.

<u>Supply-side of child labor</u>

> *General poverty, low household income and the lack of work opportunities affecting poor households*

Children are forced or pressured to work, interfering with their education and exposing them to health risks, because of poverty. In fact, case studies cited in Del Rosario and Bonga (2000), and more recent studies by Lim (2001), Alonzo and Edillon (2002), Esguerra (2002), Sta. Maria and Chiongson (2002) and Villamil (2002) put to the fore poverty as the foremost determinant of child labor in the Philippines.

According to Balisacan (2001), poverty in the Philippines is mostly rural. Rural poverty accounts for about 75 percent of national poverty. This is because the poverty in the agricultural population, which accounts for about 60 percent of total population, largely determines rural poverty.

Consistently, child labor statistics reveal that poverty incidence among families with child laborers was about twice the national incidence rate. Child labor is yet again rural. Eighty-five percent of children engaged in child labor were found in rural areas, and most of these children were found in Northern Mindanao, with about 22 percent child labor incidence (Alonzo and Edillon (2002)).

Income from child labor, therefore, is welcome to very low-income households, whether it be in the rural or urban setting. These households need their children's earnings to augment their households's income. Simply said, child labor is necessary for the survival of the household as resources and economic opportunities are not sufficient to meet the household's minimum basic needs.

There are enough case studies and anecdotes in the documentations of ILO/IPEC regarding child labor and poverty. Studies about selected sectors, such as Cabaero and Imperial (1996) on garments, Rollolazo and Logan (2002) on selected agricultural activities and Remedio (2002) on fishing, mention that poverty and the need for additional income by poor families contribute to the decision of households to allow or even force children to work

Related to poverty is the lack or absence of economic opportunities in the household's localities. Ano (2002) studied the situation of child labor in the pyrotechnics industry. He finds that there are no other viable enterprises that can serve as livelihood sources for the community, thus the alternative to engage in a rather dangerous work. Edralin (2002)'s in-depth studies on the situations of children in the pyrotechnics industry and prostitution maintain that limited economic opportunities impel children to work in these worst forms of child labor. Brillantes (1996) mention that employment of children in domestic service is spurred by their impoverished households. Children who participate in domestic service come from economically depressed regions and provinces in the Philippines, which are characterized by lack of income earning opportunities. The lack or absence of income-providing economic opportunities pushes the already poor household to deeper poverty.

Cycle of low education and poverty, high costs and low returns of education for poor households

The high costs of education for poor families is the overriding reason mentioned in the literature why children of poor households do not attend school. Poor households cannot simply afford to send their children to school even with free primary and secondary education. This is because the attendant costs of sending children to school are too much for a low-income household. Another reason which Edralin (2002) mentions in her study was the lack of access to schools. Particularly in rural areas, the distant location of schools relative to the child's place of work or dwelling becomes a factor to consider.

Studies point to the mutual feedback between lack of education and child labor and the vicious cycle of low levels of education and child labor, which resonates to future generations. The heads of poor households are likely to have low levels of education, and often, household poverty can be ascribed to the heads' having low educational attainment. Statistics corroborate the aforementioned as Alonzo and Edillion (2002) reports that heads of families of child laborers were males, aged 25 to 64 years. About 60 percent of the head of the families went beyond the elementary level, yet about 10 percent of them finished high school.

Interestingly, Lim (2001) points out that the educational levels of the parents, household head or mother of the family have a strong bearing on the decision whether to send children to school or to allow, or even force, the children to work. Villamil (2002) provides evidence through probit

regressions for the Philippines. His analysis of the results suggests that low educational level of the household head contributes strongly to the probability of a child both working and not going to school.

The "hand-to-mouth existence" (Lim (2002)) of poor households implies that without a strong value for education, lowly educated household heads will definitely prefer child labor to schoolwork because it augments household income. The need to survive on a day-to-day basis far outweighs the long-term benefit of education. In addition, Villamil (2002) finds that, based on the estimated earnings functions of adult workers (operationally defined as those 15 years and above), the differentials in earnings between primary school graduates and secondary school graduates, especially in the rural and agricultural sector, were very small and marginal. For many poor families, therefore, letting children enter high school after compulsory primary education has low returns and thus they will opt for the children to work.

Household values systems

The values systems of parents may be a factor regarding children's engagement in market work. It is safe to say that values systems are largely shaped and determined by education. Ignorance and lack of information, which may lead to distorted values, result in decisions that are not always in the best interest of children.

On the extreme, some household heads with distorted values systems contribute to child abuse and child labor. A study commissioned by the Department of Social Welfare and Community Development (DSWD) of the Philippines in 1997 found that a major cause of female children going into commercial sex work is "poor or strained family relationships." (Lim (2002))

The tolerance to child labor may be related to how parents perceived child labor. Camacho et al. (1997) reveals that child domestic work is perceived by some parents as lighter and less arduous task than other employment opportunities available for children in their community. It requires no formal training or special skills or qualification yet it provides the guaranteed and regular income needed by the household.

Although clearly a gender issue, allowing boys to participate in work is an acceptable practice in poor households. Villamil (2002) reveals that girls have higher enrolment rates than boys and boys have higher child labor participation and employment rates than girls. This finding presents that boys are expected to engage in work to help the family and girls are expected to do schoolwork to a certain point or to stay at home to help care for their younger siblings when the female head of the household participates in market work.

Short-term horizon of poor households and credit constraints

Related to the values systems of parents, children may be regarded as a form of social insurance, particularly in poor households. Jacoby and Skofias (1994) regard child labor as a hedge against risk and uncertainty, an insurance against unforeseen losses in income that may threaten the survival of the household. Child labor therefore is a good recourse, as a child laborer becomes an insurance against fluctuations and losses in adult income.

Regarding children as a form of insurance speaks of the "short-term time horizon" of many poor families, who have limited or no savings at all and have no assets which will ultimately allow them to have access to credit (Lim (2002) and Villamil, (2002)). Thus having more children and allowing and even forcing children to engage in work is a risk-reducing strategy for most poor families and underscores that the daily need for subsistence is more immediate and of paramount concern. In economic jargon, intense poverty shrinks the time horizon of households to the short run. This means that households are willing to forego future income for current consumption; thus, future benefits have very little value to households whose immediate concern is survival. In the review of recent empirical studies, a key solution to child labor is the provision of liquidity to poor households.

High fertility rate and high dependency burden

Lloyd (1994) suggested that a larger household size reduces the investment of parents in education of children and therefore increases the likelihood that children will engage in market work. Thus, high fertility rates among the poor, which in turn leads to high dependency burden among poor families, will likely result in higher incidence of child labor. Villamil (2002) in the probit regressions for the Philippines finds that the probability of going to school and not working is negatively and strongly related to the number of children in the family aged 0 to 4 years and to the number of children aged 5 to 14. In addition, the probability of not going to school and working is positively and significantly related to the number of children aged 0 to 9 years. These findings suggest of a social reality in the Philippines that older children of poor households engage in child labor to support their younger siblings.

Demand-side of child labor

Characteristics of children

Children may be favored over unskilled adults in some lines of work because of their physical characteristics. For example, drug traffickers prefer to use children in their operations because the latter are harder to detect. Children are more agile and quick, which are indeed useful in detonating explosives in quarrying activities. Children's nimble, little fingers are useful in folding small pieces of paper in the pyrotechnics industry. Children, because of their small sizes, are favored in fishing expeditions because the boat used in such expeditions will have more area for fish. And prostituted women are now younger because of men's increased demand for younger women.

Children may also be favored over unskilled adults because the former are more docile, compliant and are willing to work for lower wages. They are easy to manage, control and discipline; they know less about their rights and do not know where to turn to for complaints, help and rescue (Lim (2002)).

Relative importance of the informal sector

Child labor is associated with the unregulated informal economy, which is largely beyond the reach of formal institutions. The relative importance of the informal sector also determines the demand for child labor. "Many children are employed in family-based enterprises where they work as unpaid laborers. These informal household activities include farming, retail trade or small-scale manufacturing undertaken directly by the children's households or subcontracted to them by other enterprises" (Lim 2001).

Although children are self-employed in some instances, Lim (2001) mentions that a large section of demand for child labor occurs in family-based activities where the families themselves are the employers. These informal household activities, particularly in agriculture, are the biggest employers of children.

Short-tern horizon of firms and backward production technologies

The general macroeconomic situation may push firms to have a more short-term horizon, which in turn leads them to limit or not invest at all in skills and capital equipment, and to employ child laborers. An unstable macroeconomy, low profit and poor economic development may discourage small firms to hire skilled labor and invest in capital equipment. This significantly contributes to the perpetuation of backward production technologies and low productivity economic activities that are conducive to the employment of child labor. Lim (2002) posited that backward production systems are likely to rely more on unskilled, manual labor rather than on skilled labor or more capital intensive processes because of cost-effectiveness.

Structure of the labor market and low cost of employing children

Esguerra (2002) cites Basu and Van (1998)'s position that completely flexible wages in competitive markets can, in principle, encourage substitution of child labor for unskilled adult labor. The labor market may be characterized by situations wherein wages are low and children work and another in which wages are high and children do not work. Considering the above-described attendant advantage of hiring children, having low market-clearing wage is likely to increase the incidence of child labor because they become good substitutes to unskilled adult workers whose reservation wages are likely to be higher.

3.2 Meso (at the community and regional level)

The meso level is where households and firms are situated. At this level, the interplay of economic, social and even institutional factors become evident and their level of interaction has bearing on decision of households to allow children to work and the decision of firms to hire child laborers.

Although, this section primarily deals with the determinants of child labor, it is important to note that set national policies regarding child labor and the interplay of the national government, local

government and civil society are operationalized at this level. Thus, the interplay of factors suggests there are linkages among the factors presented in the literature.

Weak social safeguards

Households may also respond to the situations of the community. Within the immediate community of the child, a child is likely to engage in work under conditions where economic development is low, where poverty is pervasive, and when social insurance programs are weak or nonexistent. Poor economic conditions lead to families entering poverty and experiencing credit constraints, which as above-described likely result in the incidence of child labor. This situation is exacerbated by weak or lack of social protection, which presumably forces people into poverty when desperate situations happen. Lim (2001) mentions that the lack of social assistance and welfare services by the government add to the desperation of families as free and subsidized health, education and social services are wanting and of very low quality. He also pointed out that child labor becomes a profitable alternative when the cost of employing children is low because laws on child labor are below acceptable standards or when enforcement of existing laws is weak.

Society's values systems

Society's sociocultural practices, inculcated values systems and biases may encourage, reinforce and aggravate child labor in its worst forms. Alonzo and Edillon (2002) mentions of the influence of social values on the private decision of household to allow their children to engage in market work. "These values can occupy the whole spectrum from the negative to the positive. On the positive, child labor is seen as acceptable because a good child is defined as one who helps his parents earn a living for the family. Sometimes, parents are told to even teach their child to work so that they would learn to value work." Boltron (2001) affirms the above-mentioned, stating that working children can help their families in terms of financial support or physical assistance. Work is valued because parents believe that it helps the children become independent and gain positive traits such as responsibility and industriousness.

However, warped distorted values and its impacts bring about the incidence of child labor. Edralin (2002) in her study on children in prostitution points to the values systems inculcated by the child from the family or even the community as a contributory factor to his or her decision to engage in prostitution. This is because the child is expected to support the family particularly during difficult economic and social and social situation. Arcilla (2002) adds that prostituted children may hold the belief that young people should be subservient in the family. Other practices make children believe that making money by selling their bodies is not an issue.

Guiam (2002) reveals that the participation of children in armed conflict in the Maguindanao, Basilan and Cotabato provinces may not be entirely because of poverty. According to her, the earliest age of entry to being a child soldier is 11. "Forty percent of the children in the purposive survey decided on their own to join armed groups, such as the Abu Sayaf, while 22.3 percent were invited to join by family members like parents, siblings and relatives. Eighty-one of the 85 child-respondents said they do not get paid for their services as child soldiers." Some of the Abu Sayaf members get paid in cash. The pay, however, is not a fixed amount as it depends on the

nature of assignments. While some others said they do not get paid because they work on a voluntary basis, it is their contribution to the armed struggle against oppression and their desire to fulfill their obligation to do *jihad* made them decide to join armed work.

The sense of altruism of employers may also be a factor. Employers think that they are rendering a useful service by providing jobs to children from poor families (Albao and Tinio (1998)). For example, Camacho et al. (1997) pointed out the employers generally perceived that they are doing a philanthropic act by employing a child from a poor family to work in their households, perceiving themselves as benefactors rather than as exploiters of children.

3.3 Macro Level (international and national levels)

The macro level is the avenue where national and international conditions meet to bring about the constraints and possibilities of checking poverty, which foregrounds household decisions to allow child to participate in market and even household work. It is also at this level where social, economic, political and legal conditions affect the decisions of firms to engage in backward production technologies and hire child laborers.

Economic and social programs are formulated at this level to have direct impact on child labor. "It is also at this level where governance structures and the political will of the state and the civil society ultimately shape and form an entire society's response to the child labor problem" (Lim 2001).

Lack of economic growth and child labor

Villamil (2002) posits that the incidence and participation of children in market work to augment household income is reduced when economic growth results in an increase in poor household's income. Economic downturn, hence, has the opposite effect on the incidence and participation of children in market work. The household copes with the decreased income of the household head by encouraging or even forcing children to work. This is known as the "added worker" effect; and this leads to an increase in the labor force participation of children.

An economic downturn, however, which results in a decreased labor demand, may also result in the unemployment of both adults and children. This may also induce a "discourage worker" effect, that is children and adults regard searching for work as futile. The incidence of child labor and the labor force participation rates of children decline as a result, therefore.

Statistical data analysis at the aggregate level is consistent with the poor household reality that a fall in income increases the likelihood of child labor. In a simple regression between GDP and child labor incidence, Villamil (2002) reveals that there is a significant and negative association between the two variables, suggesting that the added worker effect is at play in poor household decisions.

Macroeconomic fluctuations, moreover, affect school participation of children in poor households. Villamil (2002) states that "for low-income households, the schooling of children is quite costly in terms of school materials, transportation and meal allowances. When incomes fall

from an economic downturn, children face the risk of being forced to stop schooling (at least temporarily) to look for [market] work or to do household chores as the female head of the household engages in a job search." Lim (2001)'s discussion corroborates the above-described situation. He reports that during the economic crisis in 1998, participation rates in elementary schools fell from 99.2 percent in schoolyear 1997-1998 to 98.1 percent in 1998-1999. Participation rates at the secondary level significantly dropped from 80.7 percent in schoolyear 1997-1998 to 72.8 percent in schoolyear 1998-1999. To present another piece of evidence, Villamil (2002) estimated regression equations for elementary and secondary school participation rates and per capita GNP for the period 1982-1998. The results show that there is a positive relationship between elementary school participation rates and GNP per capita and also a strong positive relationship between secondary school participation rates and GNP per capita.

Conditions in the macroeconomy

Grootaert and Kanbur (1995) and Basu (1999) mention factors within the external environment of the household that influence poor household decisions regarding child labor. These factors are economic growth, technological change, adult labor market conditions, poverty and social policy. One can therefore say that the incidence of child labor is likely high under conditions of low economic development, pervasive poverty and weak or nonexistent social protection programs, which, in turn, are strongly affected by government policies.

Studies by Lim (2001), Villamil (2002) and Alonzo and Edillon (2002) point out other conditions in the macroeconomy that affect the incidence of child labor. These conditions are: 1) inadequate population program, together with the lack of economic development, which perpetuate large families and high dependency burdens; 2) poor and inadequate education and transportation infrastructure, lack of free and subsidized schooling for the poor, lack of qualified teachers and classrooms, as well as inadequate curricula and low quality of education programs in the primary and secondary levels; 3) structural adjustment programs which incorporate reductions and reallocations of government expenditure, particularly on social expenditures, with damaging implications on poverty alleviation; 4) misdirected spending on education which impede the goal of reducing the costs of education for the poor; and 5) low cost of employing children because laws on child labor are below acceptable standards or when enforcement of existing laws is weak.

Globalization and child labor incidence

A number of studies by the DOLE-Institute of Labor Studies (1995) in the Philippines have attributed the incidence of child labor to globalization. However, the child labor literature has a dearth on empirical evidence regarding the consequences of globalization on child labor. And most of the studies purporting this linkage rely on documented cases on the incidence and conditions of child laborers in industries engaging in export-oriented strategy, possibly as a response to the effects of globalization.

Cabaero and Imperial (1996) surveyed selected industries to look at the consequences of globalization on child labor incidence. The findings show that the country's export-oriented

strategy poses aggravating influence on the increasing incidence of child work, particularly in the garments industry.

3.5 Linkages of Factors

Esguerra (2002) presents a general discussion on the linkage of factors affecting the incidence of child labor. He states that poor or low-income households are extremely vulnerable to income shocks in the macroeconomy because of the largely weak system of organized social protection in the country. The poor or low-income households, generally characterized as lacking in savings and physical assets that may be sold or used as collateral, may resort to allowing or even forcing their younger members to participate in market and even household work. The cost of the decision to allow children to work becomes lower because of ineffectual safeguards at the macro and meso levels, such as poor enforcement of child labor laws by a weak bureaucracy. The recourse, to allow child labor, augments household income during desperate times. Altogether therefore, the above-described situation suggests that child labor incidence is higher in poor households and the incidence comes about because of economic constraints and poor social safety nets and safeguards.

4. Consequences of Child Labor

Certain forms of child labor, particularly those done outside of the households, have known effects on the well-being of child laborers. The impact of child laborer's exposure to various forms of work-related abuse may encompass the physical, psychological and emotional dimensions, and ultimately undermining the child's welfare.

The short-term effects of engaging in child labor, particularly the worst forms, are the ones more immediately experience by the child and the household. Evidently, the short-term positive impact of child labor is the increase in household income because of the "added worker" effect. The literature, however, emphasizes more on the negative consequences of child labor by taking into account schooling affects, health effects and psycho-emotional effects on the child.

Expectedly, these short-term effects resonate in the long term. And the literature emphasizes socioeconomic long-run effects on the macroeconomy, which are consistent with the effect of child labor on the household level.

4.1 Short-run consequences

The general short-run consequences mentioned in the literature are thus:

4.11 Schooling Effects

There is universal agreement in the literature about the negative impact of child labor on the education of a child laborer. Child labor interferes with school attendance and school performance, and it increases the probability that the child becomes a school dropout. In the medium and long run, this leads to low education and skills and low capacity to earn, thus

bringing about the mutual feedback between child labor and education in the medium and long runs.

As a case in point, de Vries et al (2001) reports that children working in the pyrotechnics industry feel exhausted at the end of the day after long hours of work in a squatting or standing position. Children lost their interest in schoolwork because of the psychological benefits of earning their own income. In addition, their working overtime does not make it possible to continue their studies.

Alonzo and Edillon (2002) provide an evidence to the aforementioned, revealing that school participation decreases with age of the child laborers. "About 53 percent of the surveyed child laborers do not attend school. School participation among child laborers aged 5 to 12 was about 80 percent. This drops to 60 percent by age 13 and to 22 percent by age 17."

4.12 Health and Safety Effects

The Institute for Labor Studies (1994)'s comprehensive study on child labor mentions that many child laborers are underdeveloped, undernourished, underweight, and are more susceptible to respiratory diseases. The study underscores that various child work expose children to health hazards, which are not only diseases and ailments affecting the children but also hazards that endanger their limbs and ultimately their lives.

More recent studies affirm the above-mentioned findings. Estrella-Gust (1997) reveals that children involved in the processing of minerals in small-scale mining operations are constantly exposed to mercury. These children also suffer respiratory diseases, muscular-skeletal and gastro-intestinal disorders and skin diseases.

Cacabelos (2000) mentions that child laborers in the Philippines are indeed exposed to chemical, biological and physical hazards, especially those engaged in the worst forms of child labor.

Considering health and safety, Rollolazo and Logan (2002) who did an in-depth study on child labor in agriculture reveals that child labor in selected sub-industries in the agricultural sector, namely, rubber, sugar, banana and pineapple, are engaging in danger-prone and accident-prone activities.

Remedio (2002) reports that children engaged in fishing expeditions face work hazards such as drowning, burns, getting entangled in the rope or net and losing a limb. Many children survived mishaps with lost limbs. Moreover, these children experience typhoid fever, gastroentritis, beri-beri, respiratory ailments, bronchitis, headaches, fever, cough, dysentery, ruptured eardrum, damaged auditory nerves and shark/needlefish attacks.

Ano (2002) reveals that aside from being exposed to accidents, such as mashed fingers, foot being struck by hoe, head struck by tools or foot being pinned by adobe, child laborers in quarrying suffer headaches due to rain and heat, fever, coughs and colds. They also experience skin allergy to marble dust and stunted growth.

Arcilla (2002) mentions that prostituted children are exposed to sexually-transmitted diseases. As coping mechanisms, child prostitutes may also indulge in substance abuse, with may have insidious effects on their physical and mental states if left unchecked.

Pacis (2002) reports that child domestic workers experience physical abuse—many are being injured, beaten, or tormented, some even to death. Others were forces to drink poisonous fluids such as bleach and anti-clog liquids.

4.13 Psycho-emotional Effects

The worst forms of child labor also expose children to psychological and emotional abuses and harm. This in itself is a crime against the child's rights, which should be prevented at all costs.

From a psychosocial viewpoint, the reality of child labor essentially leads to the loss of the child's semblance of childhood. De Vries et al. (2001) points out that, socially, the children felt that they have less time for recreation, play and even to socialize with other people outside of their work. This lack of socialization at play may have both psychological and emotional effects on child laborers.

Villamil (2002) posits that the concern for child labor is not misplaced and justifiable because a good number of people find child labor objectionable on moral and humanitarian grounds. Anker (2000) provides a counterpoint to Villamil's, stating, in effect, that certain societies regard child work as part of the socialization process and is highly valued for imparting discipline and survival skills to the young. But those who find child labor objectionable feel that childhood should be devoted entirely to learning and play. Rollolazo and Logan (2002) points out that the child workers are deprived of their educational and social rights to socialize and play with their peers, which may hamper their psychological and emotional developments.

Edralin (2002) reports that the effect prostitution on children cuts across the different areas of their lives: physical, psychological, social and spiritual. Psychologically, majority of the children are ashamed and full of self-hate and guilt. Arcilla (2002) maintains that there are psycho-emotional impacts on prostituted children. Children suffer traumatic experiences—physically, developmentally, socially and psychologically. Their trade makes the children vulnerable to distorted sense of values and a negative outlook of people in general.

Pacis (2001), who did a study on internal trafficking for child labor pointed to testimonies revealed during focused group discussions that child laborers experienced deplorable working condition; as physical, verbal and sexual abuse; long working hours; non payment of wages; no day offs and other hazards. These abuses started immediately after they were deployed to their work.

Pacis (2002) said that many child domestic workers have stunted intellectual, emotional and physical development. Some have experience rape, molestation and other acts of sexual abuse.

4.2 Long-run consequences

Child labor is basically the short-run coping mechanism of poor families during times of crises. The child is considered as insurance during desperate situations because of the lack or weak social protection programs in the community and in the macroeconomy, by and large.

In the medium and long run, the practice of child labor provides a coping mechanism of the poor and disadvantaged in a community and society that is wanting in economic development and social protection.

As it were, the negative consequences of child labor experienced in the household level, resonates on the aggregate level and in the long run. The costs of foregone education and the lack of skills acquisition and health, emotional and psychological damages will surely have an effect on current and future efficiency and productivity. As it were, work abuses likely result in psychoemotional problems experienced by the child laborer, which leads in the medium and long run to stunted growth, psychological and emotional problems and incapacity as well as dysfunctional behavior and sometimes criminality.

The employment of child laborers by firms may suggest that these firms, adopting "backward production technologies," may seem to be cost-effective in the short term. However, without investments in long term assets such as skilled labor and capital assets, future efficiency and productivity will be undermined.

It is important to stress that the literature on child labor underscores that on the macroeconomic level, the long-term effect of child labor are the perpetuation of poverty and low education and the negative externalities of low education, poor health, and poor psychoemotional development of these children (Villamil 2002 and Lim 2002)).

Macroeconomic, endogenous growth theory argues that the contribution of human capital to economic development results in increasing returns to scale and positive externalities which are keys to economic development and sustained growth (Romer 1986 and Lucas 1988). This theory provides a counterpoint to realities and consequences of child labor. Lim (2002) says that Child labor leads to reduction in human capital and reduction in skilled and educated labor, a reduction in healthy and productive labor, and a reduction in the quality of the labor force by reducing socialization and interpersonal skills. High incidence and prevalence of child labor, therefore leads to massive productivity and efficiency losses in the medium and long-term. The high incidence of child labor creates a sort of hysteresis—a quicksand, which drags the economy and society down to lower and non-optimal growth paths.

5. Current Responses to Child Labour

Illo and Bagadion-Engracia (1998), Abrera Mangahas (1999) and Esguerra (2002) describe various responses to eliminate child labor in the Philippines in the 90's to the present. Alonzo and Edillon (2002) specifies the important characteristics and components of a direct action program based on lessons learned from five current programs of nongovernment organizations.

They even arrive at estimates of the program costs based on assumed targets.[6] Villamil (2002) discusses the "good practices" in the action against child labor: clearly set goals, priorities and strategies, enactment of key legislation and policies, awareness raising and social mobilization, community involvement and the provision of alternatives (e.g., school subsidies, livelihood programs). Table 2 gives a taxonomy of the current responses to child labor, the sectors involved and some specific examples.

Table 2: Taxonomy of Responses to Child Labour

Forms of Responses	Main Sectors Involved	Examples
1. Macroeconomic Stability and Growth	National Government and Private Sector	Medium Term Philippine Development Plan 2001-2004
2. Legislation and National Policy, Local ordinances	National and Local Government (i.e. Department of Labour and Involvement)	R.A.7658, Ratification of ILO Convention 182
3. Awareness Raising and Social Mobilization and Fund raising	Civil Society Groups, International Institutions	PRRM Radio Program, ILO-IPEC Programs, Bantay Bata, Children's Hour
4. Enforcement, Surveillance and Monitoring	Local Government and Civil Society	DOLE, Kamalayan Development Foundation
5. Community Organization and Livelihood Programs	Civil Society and Private Sector	PRRM
6. Provision of educational assistance and Scholarships	Civil Society and Private Sector	ERDA Foundation., World Vision Development Foundation
7. Advocacy	Government and Civil Society	Visayan Forum
8. Coordination and Networking	All stakeholders	National Child Labor Committee, DPNet
9. Policy Research and Statistical Analysis	Academe, Government, and International Institutions	ILO-IPEC studies, UNICEF studies, NSO surveys

6. Review of Recent Empirical Studies on Child Labor

The motivation of this section is to examine whether any kind of child labor is indeed detrimental to the children and thus inefficient. Inefficiency in this case refers to social losses resulting from the failure to form human capital in the form of schooling. Because of this, the children fail to develop their productivity and can cause persistent poverty. Although these losses may be compensated in the form of labor, the future benefits are given up in favor of the present.

[6] Under a low cost scenario and a 20 year program, the estimated costs is P 157 billion in 2002 prices, medium cost scenario, P161 billion, and with a high cost scenario, P 167 billion.

With the absence of any assets, including human capital, the children's future welfare is imperiled.

The main weakness of recent Philippine empirical studies on child labor[7] is their apparent failure to categorically conclude that certain forms of child labor are inefficient. The notion that child labor can be efficient supports the ILO's view that only some form of child labor is detrimental to the child's welfare. In particular, if poverty is the reason for the use of children or if the survival of the family is at stake, then a ban on child labor is not welfare enhancing (Basu and Van, 1998). On the other hand, if the cause of child labor is the absence of credit or insurance markets, then child labor even in poverty is seen to be inefficient since the child is used as a second-best alternative to the absence of these markets (Baland and Robinson, 2000). For instance, in face of capital market imperfections where the financial agencies cannot evaluate the returns to education, families may not be able to borrow from possible future earnings. In this process, they employ child labor but are prevented from generating assets (including human capital), thus failing to internalize the negative externalities of child labor. Even though the parent's intertemporal welfare is maximized, this is accomplished at the expense of the child's future. Poverty itself may not justify the existence of child labor; we need to know what it is about poverty that causes child labor to be inefficient.

Recent empirical studies in the Philippines (Esguerra, 2002 and Villamil, 2002) have formed a consensus that poverty plays a significantly direct role in determining child labor. The conclusion then is that child labor can be merely another facet of poverty, necessitating various economic measures, except for the outright banning of children, to solve the problem. However, other studies in certain countries (e.g., Canagarajah and Coulombe, 1997, for Ghana) find that poverty is not the main cause of child labor although this may have an impact on the quality of schooling. Bhalotra (1999) also shows that an increase in the returns to education (i.e., wage rates) do not necessarily result in a lower level of child labor. The failure to provide children with the enough access to education is both a sign of capital market imperfection and the lack of asset formation.

Four main issues from the above discussion have some implication on empirical analysis. The first is the consideration of poverty and its effect on child labor. The second is the possible influence of the missing capital market and thus government intervention on the use of child labor. Third is the consideration of the effects of household assets on child labor. The fourth and last is the impact of specific public policy on child labor.

There have been three recent studies that try to analyze statistically the factors leading to the use of child labor and to assess its impact of child labor on the economy and society in general. In light of these key issues, this section will provide a critical review of these studies.

[7] A distinction is often made between child labor and child work. Child labor is defined as the specific situation where children are compelled to work on a regular basis to earn a living for themselves, and in the process adversely affecting their schooling and health. Child work refers to conditions that are acceptable to society in general. Because of the difficulty of measuring these distinctions, the paper will use these terms interchangeably, and, unless stated otherwise, presume that the every child work has the potential of being classified as child labor.

The paper of Esguerra (2002) has sought to prove that, despite its adverse effects, child labor remains critical to the survival of poor households and thus efficient given their present situation. The following observations taken from the Labor Force Survey (LFS) data from 1988 to 2000 are noteworthy. First, the incidence of child labor is generally stable over the year, only exhibiting a significant increase in the second quarter. This occurs during the summer months when children are on vacation from school. Second, as expected, older and male children have a higher incidence compared to their younger and female counterparts. However, the share to total child employment by age groups 10 to 14 years old and by 15 to 17 years does not differ significantly. Third, child labor is more dominantly found in the agricultural sector. For women in the 15 to 17 age group, the majority is engaged in some service-related activity. Fourth, children in the 10 to 14 age group are mostly unpaid family workers, while quite a number in the 15 to 17 age group become wage and salary workers, especially for females where 70 percent are found. Fifth, the children in the 10 to 14 age group are equally involved between permanent and seasonal contracts, while the majority of those in the older age group are engaged in the permanent arrangements (lasting to about a year). Female children in the 15 - 17 age group also tend to find more regular employment than their male counterparts. Sixth, for the 15-17 age group, the males and females engaged in permanent arrangements are employed mainly in the agricultural sector, while those in the younger age group working in the permanent contracts can equally be found in agricultural and services. Finally, children were found in mostly hazardous activities, especially those engaged in agricultural and fisheries.

Two econometric analyses were utilized in the paper. The first was an estimation of an ordinary least square equation that aimed to analyze the change in the incidence of child labor using macroeconomic variables, such as changes in the national unemployment and the growth rates in key sectors, i.e., agriculture, service and manufacturing. The results showed a negative but insignificant effect of unemployment on child labor. To some extent, this indicated that child labor will only be used if there is a shortage in the labor market. The insignificant sign can be to probably high correlation between unemployment and the sectoral growth rates. Nonetheless, the significant coefficients for the growth rates in the agriculture and service sectors also support the idea that children are hired in periods when the demand for labor is high.

The second econometric analysis involved a binary analysis of child labor, using microeconomic, i.e., both household, child and locational, variables. In effect, these variables measure the probability of engaging in child labor. The following results are significant. First, as expected from the descriptive analysis, older, male children tend to participate more in child labor. Second, the attainment of a high school degree by the parents has a negative effect on the probability of child labor. Third, child labor is more likely to be found in households with many children, and is less likely in households with more adults. Fourth, although the employment of the household head is observed to draw children away from child labor, the ownership and the operation of household enterprise increases the incidence of child labor. Fifth, households whose incomes were lower than the poverty line in 1997 are observed to have children who are participating in child labor. Sixth, child labor appears to be less predominant in the urban rather than the rural areas. Seventh, households residing in the provinces that have a higher poverty incidence are surprisingly observed to have the lower incidence in child labor, perhaps because lesser economic opportunities.

Esguerra's analysis all seems to point to poverty as the cause of child labor. The problem is that because the variables used are either correlated, such as lower household income and province of residence, or endogenous, such as household size or the employment variables. There is also the confounding result of households with lower poverty incidence reporting lesser child labor incidence. These problems make it difficult to attribute the real causes of child labor. All these estimates can establish are correlations, thereby making it difficult to design specific policies.

Moreover, the efficiency and inefficiency of child labor still remains in question since poverty by itself is not sufficient to establish the efficiency of child labor. The analysis will need to establish that markets are perfect so that the absence of resources will be the only reason for hiring children. The observation that households with more children tend to have more children employed seems to suggest a case where children are simply viewed as production inputs by the households. Unless it can be clear that households do not face liquidity constraints or that the children's human capital formation is not deterred, the case for efficiency of child labor cannot be determined.

One way of showing credit market imperfections and inability to form assets is to determine if poor access to schooling leads to greater child labor. Villamil (2002) specifically considers this interface of schooling and child labor. Using the Child Labor Survey (CLS) conducted in 1995, this paper has the following interesting observations with regards the time allocation of children. First, younger children engaged in child labor (from 5 to 6 years old) use almost 3 days and 6 hours per week at work, while the older children (from 12 to 14 years old) spend 3 days and a half. Second, the hours of work depend on the nature of the work. Children in mining and construction spend 31 hours per week at work, while those involved in domestic activities have 27 hours per week of work on average. Children working in the business activities of their families spend 10.7 hours per week. Second, other than working, the waking hours of the children surveyed are devoted to studying, and doing household work. On the average, both boys and girls devote mainly almost the same hours of work per year on the average, the latter spend more time doing housework (14.2 hours) compared to the former (3.9). Working girls average to about 9.9 hours of working relative to only 8.2 hours for the boys who are also working. At the same time, girls are also more likely to be enrolled in school than the boys.

Villamil presents estimates of sequential probit model of the determinants of child labor. Children are assumed to have three choices: (a) going to school and not working; (b) going to work and not to school; and (c) going both to school as well as working. The following observations are noteworthy. First, the low education of husband drives children towards child labor. Second, the increasing number of young children in the family leads to less schooling and more child work, but the opposite if older children are found in the family. Third, ownership of agricultural land is positively related to greater schooling or combined activity of both working and schooling. The ownership of a residential lot leads to more child labor and lesser schooling. Fourth, the ownership of an enterprise draws children to more work or to the combined activity. Fifth, children in the households with income lower than the poverty threshold are engaged more in child work and less schooling. Sixth, living in an urban area leads to an increase in child labor, except when one is female. In the latter case, there is an increase in child labor for households residing in urban areas. Seventh, locational factors seem to indicate rather mixed results. Residing in regions that are fairly developed, especially in educational facilities and physical

infrastructure, however does not lead to a significant decrease in child labor, but significantly decreases the probability of engaging in combined activities. Other regions also which seem to have basically the same educational infrastructure can have conflicting results. Nevertheless, children residing in areas in Mindanao where a poor state of infrastructure are found all to have less schooling and more child labor.

Unlike Esguerra, Villamil provided a conceptual framework which seems to view macroeconomic and institutional variables as the principal factors that determine child labor. Yet in text (p. 11), he claims that the effect of macroeconomic variables, such as economic growth, on child labor is ambiguous. Its impact is seen to be conditioned by the distribution of income, as well as the impact of upturn or a downturn on household labor which can go either way because of its substitution and income effects. This seems to put in a quandary the interpretation of the regressions made on the child labor incidence and participation using real GDP growth as an independent variable. A higher growth rate in GDP is noted to be correlated with a lower labor incidence and participation for different age groups. Assuming that distribution does not change, it would seem that the increases in GDP has led to a high income effect, causing a lesser demand for child labor, or to a substitution effect so that more adult labor is used, instead of child labor. Which of these mechanisms is actually operating has an important implication for policy. At the same time, Villamil suggests that another mechanism is the possibility that with higher GDP, schooling may increase. This explanation ties in with the income effect hypothesis, and may be easier to test given the available data.

With the same problems of multicollinearity and endogeneity, Villamil's paper is affected by the same diffficulty of attributing causes found in Esguerra's paper. Both papers also have some rather surprising results for the locational factors. These results may be explained by the fact that these locational factors also affect the other included variables in the equations, making it impossible to determine their real effects on the dependent variable, i.e., child labor.

A major conclusion of these papers is the negative correlation between poverty and child labor. Yet, there are confounding results that households with enterprises and capital also send their children to participate in the labor market. Simple associations between child labor and poverty cannot shed light on how child labor responds to the exogenous changes in the impoverished environment that are brought about, for example, by poverty reduction transfer strategies. Also, even when exogenous prices and socioeconomic variables have been controlled, there remain unmeasured differences in tastes and household endowments as confounding sources of the observed poverty-child labor associations. In the presence of severe collinearity, parameter estimates of the model are sensitive to which variables are excluded from the regression. This also implies that one has no a priori specification of the model in mind, calling into question the meaning of classical hypothesis testing. Or, they are asking much of the data to require them to tell us of the causal structure which they were generated. The empirical models implicitly assume that the returns to education are either the same or lower than the implicit wage earned in child labor. Studies nonetheless that returns to education are higher. The difficulty is not returns to education but the access to education, the failure to account for this factor leads to the nonconsideration of the possibility that returns to education may be high but beyond the reach of the household.

The paper of Alonzo and Edillon (2002) presents more of basically the same observations using primarily the APIS data. The key contribution of the paper is the more enhanced analysis of the link between schooling and child labor. Their findings on the experiences of civil society groups point to the importance of educational programs in eliminating child labor. They view that the over-all solution to the problem is the establishment of schooling facilities and assistance to the child laborers. This insight is quite distinctive from the two previous papers which focus on the schooling outcomes as consequences of the use of child labor. In the successful civil society interventions studied by Alonzo and Edillon, the educational assistance and skill training have become indispensable components.

The main components for the elimination of child labor are noted as follows: (a) the reduction of worst forms of child labor over the next five years especially for impoverished households (presumably by outright banning or persuasive collaboration); (b) the transfer of children from work to education resulting in full primary education in 11 to 15 years; and (c) the achievement of participation of child in education up to lower secondary school, with no work that interferes with schooling. This program points to three main principles. First, even in situation of poverty, an outright banning or any form of elimination of child labor can be justifiable, in the sense that this enhances social welfare, as a way of guaranteeing the future of children. Second, this absolute elimination of child labor is however not sufficient. The elimination of child labor should be complemented by educational assistance that offers them a higher return over the long-run. Third, the returns to education can be improved by making sure that there are no distraction that interferes from the educational process.

What is missing from the last paper however is the systematic measurement of how much is the trade-off between schooling and child labor. Since there are varied factors affecting schooling and child labor, the measurement of the impact of schooling on child labor is needed in order to determine the social benefits of investments in schooling intended to eliminate child labor.

IV. Poverty, Schooling and Child Work

This chapter aims to specify the key empirical determinants of child work in order to identify more specifically the impact of poverty relative to other factors. The focus is on the possible linkage between schooling and child labor. [8] Because of impoverishment, parents are not able to send their children to school and thus can force them to engage in child labor. However, poverty has many dimensions, including the absence of household assets that can support the basic needs of the household such as education. This chapter will find out whether child labor is ultimately affected by the lack of household resources and by the higher costs of education.

The chapter is thus interested in determining whether there is any evidence of a trade-off between working and going to school. Specifically, it aims to look at factors that prevent children from going to school and in the process to see whether this can lead to more child labor.

[8] A distinction is often made between child labor and child work. Child labor is defined as the specific situation where children are compelled to work on a regular basis to earn a living for their families, and in the process adversely affecting their schooling and health. Child work refers to conditions that are acceptable to society in general. Because of the difficulty of measuring these distinctions, the paper will use these terms interchangeably, and, unless stated otherwise, presume that the every child work has the potential of being classified as child labor.

If so, it leads to the question of what policy is most appropriate to encourage these households to invest in their children's education. This analysis hopes to emphasize where this trade-off is coming from and how this should relate back to current policy issues.

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In order for this model to work, the key challenge here is how to identify schooling from child labor decisions from the given data. The failure to provide children with the enough access to education is both a sign of capital market imperfection and the lack of asset formation. In addition, as earlier work has left unclear the empirical importance of income or poverty status in determining child labor intensity, we investigate this issue by looking at how poverty indirectly affects the decision to go to school and then how this ultimately influences child labor.

1. Empirical Model: Trade-off between Schooling and Child Labor

The section considers a household utility maximization problem over arguments that are of interest. Hence, we do not assume child schooling as an investment good (in the standard Beckerian approach), but instead as an argument of the utility function. Nonetheless, the interpretation of this assumption should be broader in the sense that education is expected to generate income in the long-run, i.e., one can regard this demand for schooling as a demand for quality children.[9]

The household's decision to send children to school depends upon their wage and the amount of subsidies given by the government. To simplify the model on child work, we assume that children do not work when they are in school. Furthermore, suppose that the child can have at the maximum 14 years of schooling. Moreover, she can devote 14 years of schooling if she receives the subsidies coming from the state. Assuming that schooling starts at age seven, the present value of the amount of money the needs if she takes this option,

$$PV_7 = B_7 + \frac{B_8}{(1+r)} + \frac{B_9}{(1+r)^2} + \ldots + \frac{B_{20}}{(1+r)^{13}}$$

where B_i refers to the amount of benefits received at age i, and r is the discounting factor. In other words, if the child begins schooling at age seven and decides to take 14 years of schooling, the family may be able to purchase PV_7 pesos worth of consumption goods. In lieu of subsidies, the household can also be given access to some form of assets (including credit) which in turn provide incomes and in effect internally "subsidize" the child's schooling.

[9] Nevertheless, the idea of schooling as a consumption good is not contradicted by ethnographic evidence. There is a large amount of anecdotal evidence showing that for some households is at least partly a consumption good.

As an alternative, the child can choose to participate in the labor market for 14 years (so that she never studies). The present value of her income stream, starting from age sever, would then equal to the discounted sum of labor earnings, the opportunity costs of schooling:

$$PV_{20} = W_7 + \frac{W_8}{(1+r)} + \frac{W_9}{(1+r)^2} + \ldots + \frac{W_{20}}{(1+r)^{13}}$$

where W_i gives the child's labor earnings at age i. If the child never goes to school, she can purchase PV_{20} pesos worth of consumption goods.

Suppose that $PV_{20} > PV_7$, i.e., incomes are greater when the child is working than when the child is in school.[10] The worker can then choose to study at any age between seven and 20. She would receive labor earnings while employed and schooling subsidies when he is in school. By calculating the present value of the incomes associated with each age, we can derive the child worker's "budget line." This budget line indicates that if the worker wants to achieve more schooling, she will have to give up some goods. Given this tradeoff, one can determine the child's optimal number of schooling by introducing her utility between schooling and consumption. The worker maximizes utility by choosing level of schooling, and this then indicates whether he will participate in the labor market or note.

A central factor in this model for schooling is the availability of subsidies and accessibility to assets that will induce greater incomes and reduce the opportunity costs of not schooling. As an income effect, the increase in these factors expands the child's opportunity set, increasing the demand for schooling. As a substitution effect, the increases in these factors reduce the price of schooling as the difference between the earnings received from schooling and not schooling is decreased. This discourages the child from working. Thus, an increase in the accessibility to schooling, through subsidies or household assets, leads to a longer schooling period. The absence of such subsidies will force households to look for some other form of earnings to spend for their consumption.

Empirically, this model suggests the following two-stage model where the families first decide the amount of schooling, and recursively chooses the level of child work, given the schooling decision.[11] The decision for child labor depends mainly on the labor market conditions. Children decide whether to participate in the labor market or not depending on how their reservation wages compare with the given market wage rates net of the costs of transacting in the labor market. Their reservation wages in turn are determined by individual and household characteristics, including the assets that the parents have already invested earlier in their schooling.

Based on the above framework, the following equations will be used in the estimation:

[10] This assumption is reasonable assumption since the child worker's salary is typically greater than the schooling subsidies.

[11] This suggests that child labor decisions are separable from the over-all consumption-schooling decisions and are considered ancillary or an outcome of this process.

$$S_i = f(Child\ Characteristics,\ Community\ Variables, Household\ Assets,\ \varepsilon_i)$$
$$L_i = g(Child,\ Household\ and\ Community\ Variables,\ Predicted\ Schooling, \mu_i)$$

where S_i and L_i refer to some index of the child's schooling and labor decisions, respectively. The terms ε_i and μ_i are error terms for the two equations.

The objective is to measure how the probability of schooling structurally affects the decision to work. Hence, the empirical challenge of this paper is the identification of variables that are distinct between schooling and labor.[12] The estimates of the above equations are only possible if there is at least one independent variable in the schooling equation but not in the labor equation. Based on the theoretical model, factors that affect the household's ability to "subsidize" their children to school make the schooling decisions distinct. The child characteristics determine to some extent how parents may be distributing the assets to their children, e.g., girls may be given more assets than the boys. Community variables refer to some measures of accessibility to schooling. Finally, household assets account for the resources or subsidies that households may invest in their children's schooling. In the theoretical model found in the previous section, the first equation explains the process that will lead to the formation human capital stocks within the household.

On the other hand, the decision to participate in the labor market in turn is determined by factors that affect the market wages and the reservation wages of the children. In addition to child, household and community variables, predicted schooling (based on the estimates of the schooling equation) captures the inability of the household to gain access to some assets that support their schooling expenditures. Thus, it accounts for the assets that will potentially raise the reservation wages of keeping children in school, and out of the labor market. The presence of such variables raises the opportunity cost of working.

2. Institutional Setting and Data

In general, the Philippines has achieved significant gains in terms of access to education. Enrolment in the elementary and the high school system has expanded by 2.5 and 3 percent per annum, respectively, from 1985 to 1998. This means that the growth of enrolment in basic education is greater than the population growth, a significant feat considering that the country has one of the highest population growth rates in the world. In effect, the country registered a participation rate of 95 percent at the elementary level, while in the secondary level a participation rate of 64 percent, in school year (SY) 1997-98, from 85 percent and 55 percent, respectively, in SY 1990-91.

Reyes et al. (1999) however showed lower enrolment rates and higher drop out rates as the primary effects of the Asian Financial Crisis in 1998. This is specially so in the depressed communities such as the urban poor, sustenance farming, and upland and fishing communities. Among the reasons cited were the financial difficulties, inability to cope with higher tuition rates,

[12] A two-stage empirical model is required since the error terms, ε_i and μ_i, are correlated. The inclusion of a predicted schooling index purges ε_i from the child work equation.

and school expenses, higher out-of-pocket expenses (e.g., transportation and school projects), and the need to give priority to more essential items such as food.

The households generally coped with the crisis by prioritizing expenditures to essential items such as food since medical/health, education, transportation and housing expenditures were beginning to cover a higher proportion of their incomes. To meet their financial needs, a majority of the households surveyed also resorted to borrowing, or availing of credit, mostly from the informal sectors or from relatives and friends. When credit is no longer available, some households have no choice but to raise cash by selling assets.

In trying to keep up with these expenses at a limited budget, education became the first casualty. In this case, education was the first asset that households were willing to give up. The increase in drop out incidence was more greatly felt in public secondary schools, and did not seem to be very large in elementary and private secondary schools. Based on the government's administrative reports, there was a slight growth in enrolment rates in public elementary schools between SY 1997-98 to 1998-99, but a considerable decline for the secondary level. There was however a decline in enrolment in Grade 1, and a slowdown in the first year high school level (Reyes et al., 1999). This implies that households have postponed the enrolment of new entrants both to elementary and secondary levels. Further, enrolment in private schools showed significant decreases, perhaps due to household decisions to transfer their children from private to public schooling.

These changes in education during the financial crisis can be also attributed to the significant movements in the labor market. Lamberte and Yap (1999) noted that many manufacturing companies resorted to cutting down work hours or days to minimize on the losses while some implemented cost-cutting measures like freezing of salary increases, imposing forced vacation, and enforcing compressed work week. A few firms also implemented salary cuts. Because of this, many households who lost their jobs tried sought some part-time work, mainly in retail and doing odd jobs. There was an observed increase in the number of women looking for jobs or undertaking self-employment mechanisms such as direct selling or retail. In some households, children were made to work either as laborers (for the boys) or as domestic helpers (for the girls).

These observations clearly show the plausibility of our assumptions and conclusions. The effects of the income shocks on household welfare, particularly in education enrolments, food consumption, work decisions and savings, are clearly evident from the observations. It may also be asserted that much of these results are due to the inadequacy of social protection, in particular the subsidies on schooling that would have lowered the opportunity cost of the education. Hence, given the importance of education in the distribution of income and the ability to obtain higher wages, the presence of social protection that are tied to schooling would contributed significantly in reducing poverty.

Using the experiences of other countries in conducting of child labor survey, the National Statistics Office (NSO) adopted questionnaires to suit local situations in the 2001 Child Survey. The Survey of Children (SOC) is a nationwide survey of children 5-17 years old. Two questionnaires were completed. The first obtained the socioeconomic characteristics of households with children aged 5 to 17years and the second gathered the characteristics of all

working children found in the sample households. These two questionnaires consist largely of pre-coded type of questions for convenience in gathering data and at the same time facilitate in the processing of information gathered.

Table 1 presents the main results of the 2001 Survey of Children in relation to the 1995 Survey. The following points are noteworthy. First, more than 10 million households were reported to have children 5-17 years old during the period October 1, 2000 to September 30, 2001, an increase of 9.3 percent from the 9.6 million households reported during the period July 1, 1994 to June 30, 1995. Second, more than twenty-six percent (2.7 million) of these households had children 5-17 years old working either in their own household operated business or in other households or enterprises. However, this proportion showed a decline of 1.3 percentage points from the proportion of households with working children 5-17 years old (27.6% or 2.6 million) recorded in July 1995. Third, the households with working children 5-17 years old had more than one member. Approximately 78 percent of these households had 4 to 8 members. Fourth, the total number of children 5-17 years old during the period October 1, 2000 to September 30, 2001 was recorded at 24.8 million, which was 2.5 million or 11.0 percent higher than what was recorded during the period July 1, 1994 to June 30, 1995. Finally, four million (16.2%) of these children 5-17 years old were economically active. This percentage was slightly higher than the proportion (16 percent or 3.6 million) of economically active children that was reported in the 1995.

Table 1. Results of the Child Survey, 1995 and 2001

Data Items	October 1, 2000 to September 30, 2001 (In Thousands)	July 1, 1994 to June 30, 1995 (In Thousands)
Number of households with children 5-17 years old	10,440	9,553
Number of households with working children 5-17 yrs. Old	2,741	2,638
Proportion of households with working children 5-17 yrs. Old	26.3%	27.6%
Number of children 5-17 yrs. Old	24,851	22,382
Number of working children 5-17 years old	4,018	3,577
Proportion of working children 5-17 years old	16.2%	16.0%

Source: Survey of Children, National Statistics Office, 2002.

The key issue in the study is the possible trade-off between schooling and child labor. One of the main arguments against child labor is its potential to substitute for schooling as one of the

children's daily activities. The results of the survey (shown in Table 2) indicate that only 29 percent of those who reported worked were not studying within the last 12 months at the time of the survey. However, the table also reveals that roughly more than 40 percent of the children in the survey were still taking their only elementary schooling. The next highest proportion of students is those who still in high school (at 32 percent). This suggests that a substantial number of those working were still studying to complete their elementary or secondary schooling. At the same time, the higher proportion of those children who had dropped was those who have already completed these levels: 42 percent for the elementary school and 51 percent for high school. The above data indicate that those who finished either elementary or secondary schooling, but were unable to move to a higher level of schooling, were more prone to engage in child labor. This may seem to indicate that the absence of opportunities to embark on a higher level of schooling.

Table 2. Household Survey: No. of Children, Highest Grade Completed, Worked and Studied

Highest Grade Completed / Studied	Number of Children Worked	Percentage
Total	4,017,886	100.00
Studied	2,857,383	71.12
Did not study	1,160,503	28.88
No grade	115,741	2.88
Studied	62,478	53.98
Did not study	53,263	46.02
Elementary level	1,608,268	40.03
Studied	1,186,937	73.80
Did not study	421,331	26.20
Elementary graduate	712,850	17.74
Studied	413,243	57.97
Did nor study	299,607	42.03
HS level	1,291,346	32.14
Studied	1,044,260	80.87
Did not study	247,086	19.13
HS graduate	258,827	6.44
Studied	125,854	48.62
Did not study	132,973	51.38
College Undergraduate	30,855	0.77
Studied	24,611	79.76
Did not study	6,244	20.24

Source: Survey of Children, National Statistics Office, 2002.

One difficulty with this table is the difficulty of controlling demand for labor. The table may only be capturing the supply of child work. As they completed either elementary or high schooling, the wages offered may offset the opportunity cost of work, and schooling may have stopped. Employers may particularly favor those who completed their degrees, and offer higher wage rates. Hence, while a number of students may have wanted to stop their schooling (due to foreseen lack of opportunities for even higher education), the wages offered may not be commensurate to the opportunity cost of not going to school.

Table 3. Child Living Away from Home: No. of Children, Highest Grade Completed, Studied and Worked

Highest Grade Completed / Studied?	No. of Children Worked	Percentage
Total	170,533	100.00
Studied	36,372	21.33
Did not study	134,162	78.67
No grade	2,448	1.44
Studied	-	0.00
Did not study	2,448	100.00
Elementary level	48,856	28.65
Studied	9,882	20.23
Did not study	38,974	79.77
Elementary graduate	38,233	22.42
Studied	3,857	10.09
Did not study	34,377	89.91
HS level	54,752	32.11
Studied	16,572	30.27
Did not study	38,179	69.73
HS graduate	25,988	15.24
Studied	5,804	22.33
Did not study	20,184	77.67
College Undergraduate	257	0.15
Studied	257	100.00
Did not study	-	0.00

Source: Survey of Children, National Statistics Office, 2002.

To get a better sense of the demand for child labor, one can examine the working children who left their parental home. These data will involve cases where the demand for child labor already exists, and the children in some period or another have responded to this demand. The data here is found in Table 3.

Table 3 shows that the roughly 79 percent of these children who reported work at the time of the survey were not studying. Moreover, it seems that the higher the level of schooling completed, the lower the probability of dropping school. The percentage of children disclosing work decreases substantially as they reach 10 years of schooling (or as they reach and graduate high school). Thus, in cases where the demand for child labor is present, the employers of child labor seem to prefer those with lower years of schooling. Again, this seems to point out that increasing access to higher education is correlated with lesser child labor.

Table 4. Household Survey: No, of Children Ever Stopped or Dropped Out of School, Sex and Highest Grade Completed

Sex / Highest Grade Completed	Total No. of Children Surveyed	Dropped Schooling	Did Not Drop Schooling
Total			
Total	3,906,268	1,467,318	2,438,950
No grade	107,675	26,603	81,072
Elementary level	1,581,151	629,210	951,942
Elementary graduate	681,204	331,208	349,996
HS level	1,254,296	364,147	890,149
HS graduate	251,975	110,634	141,341
College Undergraduate	29,966	5,516	24,450
Male			
Total	2,480,628	1,038,402	1,442,226
No grade	72,862	21,673	51,190
Elementary level	1,087,776	479,809	607,967
Elementary graduate	432,868	235,585	197,283
HS level	742,449	237,962	504,486
HS graduate	129,296	60,426	68,869
College Undergraduate	15,378	2,946	12,432
Female			
Total	1,425,639	428,916	996,723
No grade	34,813	4,930	29,883
Elementary level	493,375	149,400	343,975
Elementary graduate	248,336	95,623	152,713
HS level	511,848	126,185	385,663
HS graduate	122,679	50,208	72,471
College Undergraduate	14,589	2,570	12,018

Source: Survey of Children, National Statistics Office, 2002.

Table 4 provides some indication of workers who has dropped out or stopped schooling. A number of observations are important. First, two in every five working children 5-17 years old stopped/dropped out of school. Second, the ratio of male working children to female working children in terms of dropouts was 2:1. Third, the highest drop-out rates are found for those who completed their primary and secondary schooling.

The above findings in Table 4 seem to correspond with Table 3. These observations provide some evidence of the trade-off between schooling and child work, as indicated in the empirical model.

3. Results of the Econometric Tests

Table 5 presents the regression coefficients and t-values of the logit estimates for the probability of dropping school. A probit estimate is used since the dependent variable is limited between zero and one. Using maximum likelihood, the method considers the occurrence and non-occurrence of the event through a chance mechanism determined by a probability.

The coefficients show the effect of the regressors on the probability of dropping school at some time in the children's lives. Individual characteristics such as the age, highest grade attained, and health conditions are all significant factors in deciding whether to continue schooling or not. Children seem to have an increasing propensity to drop out of school as they become older, due perhaps to increasing labor market opportunities. With higher education, however, the probability of dropping school is decreased since the family may be more willing to invest in children who have already reached a high level of schooling. In the same manner, boys also have a greater tendency to drop schooling since girls are perhaps given more assets to complete their schooling. Parents in effect may prefer to invest more in the schooling of girls, than with the boys. This means that greater schooling incentives should be offered to children, particularly the boys, while they are still young, and as more income opportunities are offered to them as they get older, they will already have attained a higher level of schooling. By which time, the opportunity costs of dropping out of school is fairly high.

Poor health implies a lower likelihood of dropping school. This can mean that accessibility to health facilities is a key factor of whether children stay in school or not. These findings on education and health seem to confirm the hypothesis that greater availability of human facilities will cause households to invest more in further building their human capital. Complementarities between schooling and health investments can thus be found.

The other variables are used to assess the importance of household assets in the decision to continue schooling. The children living in predominantly salvaged houses show a greater tendency to drop schooling, and those living in households with greater incomes (measured in terms of monthly expenditures) tend to stay longer in schools. These findings support the hypothesis that access to assets lead to greater schooling. The accessibility to funds or credit for schooling may thus be more available with more durable assets and greater incomes.

Table 5. Probit model estimates for Dropping School

Dependent variable: Probability of Dropping school	**Coefficient**
Age	0.3127** (6.82)
Age squared	0.0030* (1.71)
Sex (male=0; female=1)	-0.4156** (16.19)
Highest grade obtained	-0.5380** (34.58)
Poor health	1.2559** (20.84)
Poor housing materials	0.0199** (2.45)
Household monthly expenses	-0.0529** (5.62)
Ownership of agricultural land	0.0082 (0.3)
Ownership of other assets	-0.0126 (0.34)
Region	-0.0014 (0.52)
Constant	-4.4801** (14.81)

Number of observations = 41924
LR Chi squared(10) = 6008.69
Prob > Chi squared = 0.0000
Pseudo R-squared = 0.3239
Notes: Figures in parentheses are absolute values of asymptotic t-values. **,* refer to 5% and

Table 6 presents three specifications of the probit estimates for child work. The first specification considers simply the child, household and community variables that affect both the reservation wages of and offered wages to the child. The first four variables are the often used variables in the Mincer equation to estimate wages. Wages are expected to increase with age (though non-linearly) and with education, as the older and educated children are expected to have higher reservation wages. The results show the expected signs for age. With greater experience, wages

are expected to rise to some extent until some diminishing productivity with age sets in. Consequently, as shown by the results, the probability of work increases initially and then decreases with rising ages.

The result for highest education obtained is rather surprising. With higher education, wages are expected, causing a substitution effect away from leisure and other activities toward work activities. However, the coefficient seems to show that education also has an asset or income effect that reduces the child's propensity to engage in child work.

The results also indicate that boys are offered higher wages than the girls, thereby inducing them to engage more in the labor market. At the same time, there may also be some asset factor effects incorporated in these coefficients since as we observed in the previous estimates on schooling, parents seem to invest more in their daughters in terms of education. In which case, the reservation wages of the girls are higher.

Income poverty is also another factor that captures the reservation wages of the children. Those living in the lower income bracket (less than P10,000 monthly) are considered poor. In this case, their reservation wages are lower, and children belonging to these households have a greater propensity to engage in the labor market. The results thus show that those who reside in poor households have a greater likelihood for working.

The other variables included are meant to capture the community variables that will reduce the transaction or information costs of engaging in the labor market. The presence of a recruiter and the location of the work, i.e., whether or not it is within the community or barangay, are expected to reduce whatever uncertainties and risks involved in the work arrangements. The results show that these factors help in increasing the likelihood of engaging in the labor market. To some extent, other incidental costs, such the transportation, are also captured by these variables.

Table 6. Probit model estimates for Working

Dependent Variable: Probability of working	**Specification 1 Coefficient**	**Specification 2 Coefficient**	**Specification 3 Coefficient**
Age	0.4508**	0.6202**	0.4502**
	(20.11)	(25.68)	(20.08)
Age squared	-0.0078**	-0.0222**	-0.0078**
	(8.51)	(21.21)	(8.47)
Sex (male=0; female=1)	-0.3042**	-0.1292**	-0.3040**
	(18.05)	(7.21)	(18.03)
Highest grade obtained	-0.2556**	0.0748**	-0.2553**
	(21.44)	(6.64)	(21.38)
Income Poverty (Poor=1)	0.0687**	0.0046	0.0165
	(3.31)	(0.22)	(0.54)
Recruiter	0.0534**	0.0503**	0.0521**

	(5.96)	(5.52)	(5.79)
Within the community	0.0364**	0.0382**	0.0364**
	(2.21)	(2.29)	(2.21)
Region	0.0029	0.0030*	0.0025
	(1.53)	(1.61)	(1.35)
Predicted drop-out rate		3.3026**	
		(30.48)	
Poor housing materials			0.0202**
			(3.66)
Monthly expenditures			-0.0206**
			(2.21)
Ownership of Agricultural land			0.0903**
			(4.98)
Ownership of other Assets			0.0333
			(1.35)
Constant	-4.47953**	-5.3084**	-4.4373**
	(32.52)	(35.99)	(30.07)
Number of Observations	41924	41924	41924
LR Chi Squared(8)	7107.34	7922.09	7150.42
Prob > Chi Squared	0.00	0.00	0.00
Pseudo R2	0.1961	0.2185	0.1973

See Notes in Table 5.

The second specification already incorporates the predicted drop-out rates using the estimates found in Table 5. A number of notable changes can be observed. First, the effects of age factors are significantly increased. This can be due to the observed fact that parents in tend to invest less on older children. This factor then pulls down the coefficients found in the first specification. Second, the effect of sex is also significantly lower in absolute value. As shown in the previous results, parents prefer to invest less in their sons for their education. Hence, the greater difference found between boys and girls in the first specification can be attributed to this asset formation preference. Third, education, measured by the highest grade obtained, is observed to have a complete shift in the sign in the second specification. The asset or income effects of education, i.e., the preference of parents to provide more assets to their already educated children, is now controlled with incorporation of the predicted. The coefficient in the second specification only features the expected substitution effect arising from higher education or higher wages, drawing children towards more work. Fourth, the effect of income poverty is smaller and statistically insignificant. Income poverty for this particular sample is correlated with the household asset formation on education. This means that addressing the household's basic needs for education will influence both poverty and child work simultaneously.

The effect of the probability of dropping out of school on child work is seen to have the most substantial effect. The assets invested for the schooling of the child results in an increase in the reservation wages of the child. Thus, a one percent decrease in the likelihood of dropping is thus expected to lead to a three percent reduction in the propensity of children to work. The key factor then that will help to mitigate child labor will be the creation of assets that will be used specifically to the formation of education.

The third specification is an attempt to determine whether the asset formation is simultaneously decided with child labor decisions, as is assumed by the recent empirical work. If this assumption were true, the incorporation of key variables that influenced asset formation should cause significant shifts or changes in the estimated coefficients found in the first specification. Interpretation should look at how these factors will affect both decisions, causing changes in the statistical tests as more variables are included.

Otherwise, asset formation and child work decisions are separable, as is assumed by this paper where decisions in the former recursively influence the latter, but not vice versa. Note that, except for poverty, all the coefficients in the first specification are largely left untouched. Poverty is not significant for the simple reason that these are correlated with the other incorporated variables. In which case, no new information is added from the first specification. Even the ownership agricultural land, which is significant in this third specification, has no influence on the other variables, aside from being negatively correlated with income poverty.

V. International and National Policies & Programmes on Child Labour[13]

This section gathers the key international and national policies and programmes on child labor. As will be gleaned from the discussions, the country does not lack the relevant policies and programmes responding to the issue of child labour. Previous advocacies within and outside government have been instrumental in the drafting of such policies and programmes. However, even our fundamental law, the Philippine constitution recognizes the rights of the child and the need to protect him/her from neglect and exploitation. The major development policy framework, the Medium Term Philippine Development Plan 2001-2004 has also incorporated the importance of child protection in its chapter on protecting the vulnerable sectors.

The Philippines also has a dynamic alliance and network of government, employer, trade union and civil society organizations which are united in the implementation of a comprehensive programme – National Programme Against Child Labour. The resource mapping done by the Philippine Time Bound Programme (PTBP) also shows the presence of coordinating structures in the various regions, provinces and cities which could implement campaigns against child labour. Thus, from policies to structures, there seem to be in place both the hard and soft infrastructure to launch anti-child labour campaigns. One is tempted to say that the lacking ingredient is the sufficiency of financial resources to launch the campaigns and programmes. The actual results of the PTBP or the UNICEF fifth country programme in the next few years could gauge the

[13] The website of the Bureau of Women and Young Workers provide a very good listing and description of policies and programmes on child labor. This section borrowed much from the said website.

effectivity of this current infrastructure. The following sections discuss in detail the various international and national policies and programmes dealing with child labour.

1. Commitments to International Agreements and Conventions

1.1. The United Nations Convention on the Rights of the Child

The UN Convention on the Rights of the Child (CRC) is a comprehensive code of international standards and measures which recognizes a child's vulnerability. It specifies the civil and legal rights of children, as well as their social, economic and cultural rights. Children as defined in this document are those persons below 18 years of age except when they have attained their majority (through emancipation) at an early age according to their national law. The CRC was unanimously adopted by the UN General Assembly on 20 November 1989and was ratified by the Philippine Government on 26 July 1990. *The basic principles of the CRC include:*

- *Non-Discrimination* (Article 2): All rights apply to all children without exception and that it is the State's obligation to protect children from any form of discrimination and to take positive action to promote their rights
- *Best Interest of the Child* (Article 3): All actions concerning the child shall take full account of his or her best interest
- *Implementation of rights* (Article 4): The State must do all it can to implement the rights contained in the Convention.

In addition, the CRC, the provides for the right of the child to be protected from work that threatens his or her health, education or development and mandates the State to set minimum ages for employment and regulate working conditions.

The rights of the child include:

- To be born, to have a name and nationality
- To have a family who will love and care for me
- To live in a peaceful community and a wholesome environment
- To have adequate food and a healthy and active body
- To obtain a good education and develop my potential
- To be given opportunities for play and leisure
- To be protected against abuse, exploitation, neglect, violence and danger
- To be defended and given assistance by the government
- To be able to express my own views

1.2 International Labor Organization (ILO) Conventions

1.21 ILO Convention No. 138: Minimum Age for Admission to Employment

The International Labor Organization adopted Convention No. 138 which regulates the admission of children to work in June, 1973. The Philippine government ratified this only in October 1997. The Convention seeks to effectively abolish child labor by specifying a minimum age for admission to employment or work, which shall not be less than the age of completion of compulsory schooling and in any case shall not be less than 15 years except for developing countries which may set this at 14 years initially. Governments must pursue a national policy that

will aim at the effective abolition of child labor and must raise progressively the minimum age for admission to employment to a level that ensures the fullest physical and mental development of young persons. The minimum age shall not be less than 18 years - or 16 years under certain conditions – for any type of employment or work which is likely to jeopardize the health, safety or morals of young persons. The Convention provides that limited categories of employment or work may be excluded from its application where special and substantial problems of application arise.

1.22. ILO Convention No. 182: Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor

In June 1999, the International Labor Organization adopted Convention No. 182. The Philippines ratified this Convention on 18 November 2000 which mandates governments to take effect immediate and effective measures to secure, as a matter of urgency, the prohibition and elimination of the worst forms of labor carried out by all persons under the age of 18. The worst forms of child labor comprise:

- all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict;
- the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children
- Effective and time-bound measures to eliminate the worst forms of child labor include preventive measures, removal from work, rehabilitation and social reintegration through, among others, access to free basic education and reaching out to children at special risk and taking account of the special situation of girls.

Organizations of employers, unions, nongovernment organizations must be also be consulted by government in determining the worst forms of child labor, designing and implementing programs of action, and establishing monitoring mechanisms.

1.3 The Oslo Agenda for Action of 1997

An International Conference on Child Labour was held on 27-30 October 1997 in Oslo, Norway. An Agenda for Action was formulated aiming at the effective elimination of child labor through the protection of the child from all forms of economic exploitation and from performing any work that is hazardous, to interfere with his education or to be harmful to his total development. Urgency was noted in terms of the immediate removal of children from the extreme forms of child labor and their physical and psychological rehabilitation. The Oslo agenda identified key action points at the national and international levels.

At the national level, these include the implementation of social and economic policies aimed at combating poverty, the design of strategies which integrate long, medium and short term, social, political and economic measures for the elimination of child labor, and ensure the necessary

resource allocation for their sustainable implementation, the formulation and drawing up of a time bound programme, support tripartite cooperation among government, workers and employers organizations and NGOs in their efforts to reduce incentives for using child labor and in the implementation of labor legislations in all areas of work, the advancement goal of equal access to education by taking measures to eliminate discrimination at all levels, the strengthening and improvement of the judiciary and the legal enforcement processes by sensitizing and training such personnel on child labor related legislation.

At the international level, working to promote overall poverty orientation in aid programs that target economic growth, the encouragement for the ratification and implementation of relevant international instruments and the support of follow up actions aimed at the elimination of child labor by initiating informal consultations among governments, UN funds and programmes and specialized agencies, the World Bank and other financial institutions, workers' and employers' organizations, private sector and NGOs.

1.4 1996 Stockholm Declaration and Agenda for Action Against Commercial Sexual Exploitation of Children

Another important Agenda for Action was adopted by United Nations country members and related organizations in Stockholm to bring an end to commercial sexual exploitation of children. This agenda reconfirms its commitment to the rights of the child as embodied in the UN Convention on the Rights of the Child and declares that commercial sexual exploitation of children is a fundamental violation of their rights. Also, it identifies priorities for action and implementation in the following areas:

- Coordination and cooperation by all sectors of society at the national, regional and international levels to set goals and to develop implementation and monitoring mechanisms towards the eradication of commercial sexual exploitation of children.
- Prevention through the provision of education, health services, training and recreation for children
- Protection through the development or strengthening and implementation of national laws, policies and programs that prohibit commercial sexual exploitation of children and encourage networks and coalitions to protect children from commercial sexual exploitation.
- Recovery and Reintegration through the adoption of a nonpunitive approach to child victims and judicial procedures that do not further aggravate the trauma experienced by the child, Provision of counseling and support to child victims as well as to the medical personnel, teachers, social workers, and others working to help child victims
- Promotion of the participation of children, including victims, young people, their families, peers and others who are willing to help so that they can be able to express their views and assist victims to be reintegrated into society

2. National Laws/Policies

2.1 1987 Philippine Constitution

In the Constitution, the State officially recognizes the Filipino family as the foundation of the nation. Article XV, Section 3, item 2 of the Constitution ensures the right of children to assistance and protection from neglect, abuse, cruelty, exploitation and other conditions prejudicial to their development, to wit:

2.2 Labour Code of the Philippines

Article 139, Chapter II, Title III, Book III of the Labor Code specifies the minimum employable age and disallows the employment of a person below eighteen (18) years of age in an undertaking which is hazardous or deleterious in nature as determined by the Department of Labour and Employment. Article 140 prohibits the discrimination against any person in respect to terms and conditions of employment on account of age.

Book II of the Labor Code allows a child of at least 14 years of age to be employed in apprenticeable occupations in highly technical industries, subject to the approval of the Secretary of Labour. (As amended by Section 1, Executive Order No. 111, December 24, 1986.)

Book III, Chapter III of the same code allows children under 18 years of age to be employed as household helpers, provided that their employer gives them the opportunity for at least an elementary education, the cost of which shall be part of the helper's compensation, unless otherwise stipulated.

2.3 DOLE Department Order No. 4, series of 1999: Hazardous Work and Activities to Persons Below 18 Years of Age

This Department Order was issued pursuant to Article 139(c), Book III of the Labor Code of the Philippines, as amended, and its implementing rules and regulations, and Republic Act No. 7658 (Special Protection of Children Against Child Abuse, Exploitation and Discrimination Act). It prohibits the employment of a person below eighteen (18) years of age in an undertaking which is hazardous or deleterious in nature as identified therein. In addition, the employment of children below fifteen (15) years of age in any undertakings is prohibited, except only in employment that would not endanger their life, safety, health and morals, or impair their normal development, and in any event subject to the requirements of Republic Act No. 7658.

2.4 Department Order No. 33-02, Series of 2002: Guidelines and Operational Procedures on Masterlisitng Child Labourers

In accordance with the National Programme Against Child Labor (NPACL or the Programme which will be discussed below) goal of making the invisible visible, the Guidelines and Operational Procedures on the Master Listing of Child Laborers, was issued around March 2002 for adoption and implementation by the DOLE, including the attached agencies, its Regional Offices and the NPACL Partners.

The development of a database of child laborers through a systematic collection, analysis and evaluation of data on working children is needed to address the "invisibility of the child labourer". Master listing child laborers will assist the NPACL implementers to identify particular child laborers in specific areas, their immediate needs and the appropriate interventions necessary. The databank will include the number of beneficiaries of the Programme, their socio-economic profile, geographical distribution, as well as the nature, extent and effect of services availed of, established by end of June 2003. These shall be done in all regions and in all areas or localities with existing/on-going activities or services aligned with the goals of the Programme.

2.5 Presidential Decree No. 603: The Child and Youth Welfare Code

P.D. 603 contains the rights and responsibilities of children who are defined as persons below twenty-one years of age except those emancipated in accordance with law. The terms "child" or "minor" or "youth" as used in this Code refers to such persons. According to the Code, the child shall enjoy special protection and be given opportunities and facilities, by law and by other means, to ensure and enable his fullest development physically, mentally, emotionally, morally, spiritually and socially in a healthy and normal manner and in conditions of freedom and dignity appropriate to the corresponding developmental stage.

2.6 Republic Act No. 7610: Special Protection of Children Against Abuse, Exploitation and Discrimination Act

In its Declaration of State Policy and Principles, the State shall provide special protection to children from all forms of abuse, neglect, cruelty, exploitation and discrimination and other conditions, prejudicial to their development; provide sanctions for their commission and carry out a program for prevention and deterrence of and crisis intervention in situations of child abuse, exploitation and discrimination. It shall also be the policy of the State to protect and rehabilitate children gravely threatened or endangered by circumstances which affect or will affect their survival and normal development and over which they have no control. The best interests of children shall be the paramount consideration in all actions concerning them, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities, and legislative bodies, consistent with the United Nations Convention of the Rights of the Child.

REPUBLIC ACT NO. 7658: An Act Prohibiting the Employment of Children Below 15 Years of Age in Public and Private Undertakings, Amending for this Purposes Section 12, Article VIII of RA 7610

3. Policy Frameworks

3.1. Medium Term Philippine Development Plan (MTPDP), 2001-2004

The Medium-Term Philippine Development Plan (MTPDP) is the government's development framework and blueprint which is the basis of all government programmes and projects. The

MTPDP's current vision is to promote economic growth with equity through a partnership among a dynamic and internationally competitive business sector, a vigilant and responsible civil society, and an efficient and impartial government. The success of this partnership shall be measured by achievement in the reduction of poverty, thereby mirroring the administration's preferential option to the poor. The MTPDP provides a comprehensive set of social and economic policies that directly address the needs of the poor coupled with good governance and institutional reforms are all geared towards expanding and equalizing access to economic opportunities, inculcating receptivity to change and promoting personal responsibility. The current MTPDP has thirteen (13) key chapters:

- ensuring sustained growth with equity and macroeconomic stability;
- promoting full, decent and productive employment;
- enhancing capacities through health, education and housing;
- protecting vulnerable groups;
- accelerating comprehensive rural development;
- gearing for international competitiveness in industry and services;
- putting the Philippines in the international tourism map;
- strengthening public-private partnership in infrastructure development;
- bridging the digital divide: information and communications technology;
- reducing regional disparities: regional and spatial development;
- creating competitive and livable cities and urban areas;
- pursuing sustained peace and development in Mindanao;
- improving the quality of life through good governance.

A parallel document to the MTPDP is the Medium Term Public Investment Program (MTPIP) which specifies the indicative financial resource requirement of prioritized government programmes and projects.

3.2. Medium Term Youth Development Plan (MTYDP), 1999-2004

The enactment of Republic Act 8044 (Youth in Nation-Building Act) in 1995, apart from strengthening government support for the youth through the creation of the National Youth Commission, provided for the formulation of a Philippine Medium-Term Youth Development Plan (MTYDP). The MTYDP envisions a generation of a more enlightened and empowered Filipino youth, who are value-driven, active as well as innovative, obedient to a Supreme Being, patriotic but at the same time open to global competition and cooperation. Approved on 17 March 1998, the MTYDP serves as the government's blueprint for youth development from 1999 to 2004. The youth sector, given its legal definition of 15-30 years old is a very diverse group. Thus, to ensure that the Plan is truly responsive to particular needs of these various groups, the sector is divided into four (4) major sub-sectors namely: in-school, out-of-school, working youth and youth with special needs. Key strategies are outlined for each sub-sector.

3.3. The Philippine National Strategic Framework For Plan Development for Children, 2000-2025 (Child 21)

Child 21 is as a strategic framework paints in broadstrokes a vision for the quality of life of Filipino children in 2025 and a roadmap to achieve the vision. As part of the country's

commitment to the Convention on the Rights of the Child (CRC), it builds upon the gains of the Philippine Plan of Action for Children. It pursues the same goals and targets set forth in the country's Medium Term Philippine Development Plan. It was a product of a variety of processes from the convening of experts to conduct of consultations nationwide, review meetings, writeshops, presentation and consultation among sectors including children. Child 21 has gone through the review and approval of several relevant bodies and acquired a "legal personality" with the issuance of Executive Order No. 310 (November 5, 2000), adopting Child 21 as the country's framework for plan and program development for children. Child 21 gives prime importance to the natural development of the child and recognizes the need for appropriate, integrated, holistic interventions per a particular life stage.

The Vision of Child 21 for the Filipino children:

- Born healthy and well, with an inherent right to life, endowed with human dignity;
- Happy, loved and nurtured by a strong, stable and God-loving family;
- Living in a peaceful, progressive, gender-fair, and child-friendly society;
- Growing safe in a healthy environment and ecology;
- Free and protected by a responsible and enabling government;
- Reaching his/her full potential with the right opportunities and accessible resources;
- Imbued with Filipino values steeped in his/her indigenous cultural heritage;
- Assertive of his/her rights as well as those of others;
- Actively participating in decisionmaking and governance, in harmony and in solidarity with others, in sustaining the Filipino nation.

Child 21's primary goal is to create an enabling environment for children to grow and develop their full potential at every stage of development. Child 21 has defined objectives at every stage of the child's development making sure that there are programmes and interventions at every stage of the life cycle. By this, the convergence of services of different sectors would be easier, identifying the most critical life stage where interventions are most needed - targeting the FAMILY being the primary care-giver and from where the child learns his/her values. The objectives are best achieved through the promotion of theChild Friendly Movement.

3.4. Education For All (EFA)

The Philippines was also a signatory to a global plan that aimed to give every child in the world quality basic education by the year 2000 which was adopted at the World Conference on Education For All (EFA) held in Jomtien, Thailand. This commitment was translated into a 10-year EFA Philippine Plan of Action (PPA) covering 1991-2001. The plan specifies the country's national goals, objectives, policies and strategies, as well as regional programs for implementation. It also serves as the guide of the education sector and its partners in attaining the EFA goals and targets. EFA's basic thrusts consist of early childhood development, universalization of quality primary education, adult literacy, and continuing education. From a distinct and special program, it became the overarching philosophy and integral strategy of basic education in the Philippines. Eighteen (18) core EFA indicators were devised under the auspices of the International Consultative Forum on EFA which would be monitored by the government.

4. Key Government Programmes

4.1 National Programme of Action Against Child Labor (NPACL)

The National Programme Against Child Labor (NPACL) is a comprehensive programme which consolidates the efforts of various social partners to eliminate the worst forms of child labor and to transform the lives of child laborers, their families and communities, towards their sense of self-worth, empowerment and development. The guiding principles of the NPACL include demonstrated caring quality service delivery, continuous learning, competency-building and service innovation, rights-based and needs-driven advocacy and action, partnering, supportiveness, convergence of resources, both financial and human, strong sense of social responsibility, results orientation, diversified resource base. The NPACL's strategic directions include:

- Make the invisible visible
- Broaden and strengthen alliances with social partners
- Focus advocacy and action on child laborers, their families and communities.
- Expand educational opportunities for child laborers.
- Improve quality of care-giving.
- Increase access to economic opportunities
- Improve quality of service delivery.

The National Program Against Child Labor is implemented through a multisectoral coordinating body in congruence with the goals enunciated in the Medium Term Philippine Development Plan (MTPDP) and the Philippine National Strategic Framework For Plan Development for Children, 2000-2025 (Child 21). Institutional mechanisms of the NPACL at the national and regional levels involving inter-agency efforts have also been established, with the Department of Labor and Employment (DOLE) – Bureau of Women and Young Workers taking the lead role. The NPACL is being implemented by partners at different levels:

At the Local Level - The *Program Implementation Committee (PIC)* is composed of representative(s) from local government units (LGUs), local representatives of the partner agencies, NGOs and community or people's organizations, the working children themselves and their family

At the Regional Level - The Regional Child Labor Committee (RCLC) is composed of regional representatives of the partner agencies and the chairperson of the PIC

At the National Level - The National Child Labor Committee (NCLC) is composed of national representatives from member agencies: Department of Health (DOH), Department of Education (DepEd), Department of Social Welfare and Development (DSWD), Department of Interior and Local Government (DILG), Philippine Information Agency (PIA), Employers Confederation of the Philippines (ECOP), Trade Union Congress of the

Philippines (TUCP), National Council for Social Development (NCSD) and the Department of Labor and Employment (DOLE), with its Undersecretary as Chairman

4.2. ILO-IPEC Programmes: National Surveys of Working Children and Time Bound Programme (Resource Mapping)

In June 1994, the Philippine government and the ILO formalized a Memorandum of Understanding on the implementation of the former's International Programme on the Elimination of Child Labour. In 1995, interagency partners signed a Joint statement for a Unified and Intensified Action Against Child Labour and also clarified interagency responsibilities under an integrated progarmme. It was also the same year when the NSO sponsored by the ILO-IPEC conducted the first national survey on working children. The following years also saw an ILO sponsored documentary "No Time for Play" by the PCIJ highlighting the plight children in the mining industry. Another documentary done by the Ateneo Center for Social Policy and Public Affairs entitled "Minsan lang sila bata" was able to mobilize greater attention and cited as one of the most effective communication tools in raising public awareness (NPACL, 2002).

In June, 2002, the Philippine government and its anti-child labour partners launched the time-bound program (TBP) against the worst forms of child labour. The TBP is an improved modality designed to prevent and eliminate all incidences of the worst forms of child labour. It combines sectoral, thematic and geographically based approaches, linking interventions with the national development efforts as a whole including economic and social policies from macroeconomy to population, education and labor market policies. The President of the country, in her key pronouncements, has given emphasis to the anti-child labor campaign by committing the Philippine government to the implementation of ILO Convention No. 182 on the Worst Forms of Child Labor, along with the earlier Convention No. 138 on minimum age. The Medium Term Philippine Development Plan has included in its priority thrusts the need to protect children as a vulnerable group, thus bolstering the national anti-child labor campaign.

The Philippine Time Bound Programme (PTBP) is anchored on the vision of the National Programme Against Child Labour and relies on the collective efforts of the various stakeholder/partners. Major preparatory activities include the mobilization of social and political commitment, development of adequate data bases, undertaking in-depth research and the formulation of the Philippine Time Bound Programme Document. One important project of the PTBP was the resource mapping of institutions and structures on child labour. In crafting the PTBP, the DOLE, through its Bureau of Women and Young Workers (BWYW), closely worked with labor and business groups, nongovernment organizations (NGOs), other government agencies, the civil society, ILO, and donors. Labor and employers' groups like the Trade Union Congress of the Philippines, Federation of Free Workers, Employers Confederation of the Philippines, NGOs, and the ILO's International Program for the Elimination of Child Labor, also responded to the DOLE's call.

4.3 Country Programmes for Children, 1989-2003 (CPC-III toV) of the United Nations Children's Fund (UNICEF)

In 1988, the Philippine government and UNICEF initiated a Programme of Cooperation for the Third Country Programme for 1989-1993 which featured the first major attempt to raise public awareness throuhg a national conference on child labour in 1989 where 87 representatives of government agencies and NGOs participated (NPACL, 2002). The UNICEF Country Programmes from the third to the current facilitated inter-agency coordination and networking on the campaign against child labour. The Fourth Country Programme covered 14 provinces and 8 cities in Regions 4,5,6,7,8,11, CAR and NCR. The major components were: action research/ social investigation, advocacy and social mobilization, provision of basic, special and alternative services, employment promotion and income generation, policy development and legal protection, institutionalization and capability-building, project documentation, monitoring and evaluation. The Fifth Country Programme for Children for 199-2003 is being implemented in 14 regions- 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, NCR, CAR Caraga and ARMM covering 20 provinces and five cities. Its major goal is to make the Convention on the Rights of the Child a reality for Filipino children. Its programmes include:

Communication:

- Advocacy for policy formulation, implementation and resource allocation
- Media advocacy and mobilization
- Community communication
- Information management and research

Legal Policy and Institutional Development:

- Promoting local policy development and legislative action for children
- Developing best governance practices
- Promoting regional cooperation for children
- Encouraging local investments and resource allocation to achieve goals for children

Health and Nutrition:

- Maternal and child health and nutrition
- Micronutrients deficiency control

Education:

- Integrated early childhood care and development
- Meeting the learning basic needs of families
- Decentralized school-based management

Gender and Development:

- Protection of females against discrimination, violence and exploitation
- Empowerment of women and girls

Children in Need of Special Protection:

- Preventive Actions/Early Intervention Against Child Abuse/Exploitation;
- Rescue/Recovery/Reintegration;
- Building Network and Responsive Systems on Child Protection; and
- Comprehensive Justice System

4.4 Sagip Batang Manggagawa (SBM)

The Sagip Batang Manggagawa ("Rescue Child Laborers") - is an interagency Quick Action program launched in May 1994 which aimed at responding to cases of child laborers in extremely abject conditions. It employs an interagency quick action team for detecting, monitoring and rescuing child laborers in hazardous and exploitative working conditions. The SBM Quick Action Team (SBMQAT) is composed of the following member agencies:

- Department of Labor and Employment (DOLE) – as lead agency
- Department of Health (DOH)
- Department of Social Welfare and Development (DSWD)
- Philippine Information Agency (PIA)
- Department of Interior and Local Government (DILG)
- Department of Justice (DOJ)
- National Bureau of Investigation (NBI)
- Commission on Human Rights (CHR)
- Trade Union Congress of the Philippines (TUCP)
- Lakas Manggagawa Labor Center (LMLC)
- Employers Confederation of the Philippines (ECOP)
- National Council for Social Development (NCSDFI)
- Kamalayan Development Foundation. Inc. (KDF)

The SBMQAT is involved in the following functions: data gathering and validation, reporting of rescue operations, investigation of parties concerned, filing of labor standards/child labour cases, rehabilitation and integration of rescued victims.

VI. Conclusions and Main Recommendations

Key policies and programmes and implementation structures are already in place in the campaign against child labour. There is also an active child labour network which enhances coordination of the various groups in terms of policy advocacy and actual programme and project implementation. However, there are still gaps which government and the other stakeholders might wish to address. These include:

1. On Policies and Programmes

- Ensuring the sustainability of economic growth to create more jobs and income opportunities for the people in both the urban and rural areas
- The need for more comprehensive national census on working children with more systematic desegregation of data and the improvement in the information management system of such data bases on child labour
- The need to effectively and efficiently converge resources raised where they are most needed; prioritization of the subcomponents and substrategies of the NPACL especially those related to schooling and education
- Access to quality, basic education for actual and potential child laborers must be assured, the potential role of credit and subsidies for the education of child members of poor households (e.g., Microfinancing or social credit schemes for education) in reducing child labour incidence must be further examined
- School-based enrichment schemes and health prevention and treatment interventions for children who combine school and work must be promoted
- Increase capacity of local government units (LGUs) to implement and coordinate programmes against child labour since they are in the forefront of the campaign
- Documentation and dissemination for replication of good practices in the campaign against child labour
- Enhance monitoring of compliance to international commitments

2. On a Future Research Agenda

- More precise estimates of child labour incidence according to the official Philippine definition, disaggregated at the regional and provincial levels
- Community, household and firm level studies to ascertain micro and meso determinants i.e., effect of sociocultural norms on household decisionmaking
- More in depth studies on the credit market (or the lack of it) and its effects on schooling and child labour

- More in depth studies on the earnings of working children and their impact on overall household incomes
- Evaluation of the effectiveness of past and current Child Labour Programmes and Measures
- Institutional Analysis of Child Labor Campaign Infrastructure: Capacity, Coordination, Division of Tasks and Resource Allocation in the Fight Against Child Labor

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