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The Implications of Asset Ownership on Child Work in Rural Ethiopia¹

Assefa Admassie²

Abstract

Children have always been working in industries and enterprises, in shops and stores, on farms and plantations, in domestic homes and habitats, on roads and streets, and in restaurants and hotels. There is by now a virtually unanimous view that poverty is the main, although not the only, cause of child labour. Even altruistic parents who care about the welfare of their children can thus be forced to see their children working because of poverty. If work participation exceeds an acceptable threshold level, the normal development of children could be seriously affected. The main aim of this paper is to provide empirical evidence on the link between asset ownership and child work in the context of a subsistence rural economy. The results show that most children in rural Ethiopia perform some form of work either in the house or on the farm. Although access to physical asset is expected to raise household income and create an incentive for school attendance, it might reduce school attendance and increase the probability of work unless accompanied by technological development. Policies that encourage school participation and help to improve the income generating potential of households and the provision of productive assets to create a more stable economic base are needed to reduce the engagement of children in work activities.

1. Introduction

¹ The final version of this article was submitted in June 2006.

Child work is a widespread problem particularly in developing countries despite legislations prohibiting the participation of children in harmful work practices. Children continue to participate in work activities, putting at stake their education, their health, their normal development to adulthood, and even their lives. Millions of them work under hazardous conditions, which present dangers to their health, safety, and welfare. They toil in mines and quarries, are exposed to agrochemicals in agriculture, squat in crippling positions to weave rugs and carpets and scavenge in rubbish collection centers. Many more are enslaved in bonded labour, isolated in domestic service, and traumatized and abused in the commercial sex trade.

According to the ILO (1999) estimate, up to 250 million children under the age of 15 years work worldwide. The vast majority of these children do not have access to education. For more than 120 million of these children, work is a primary full time activity while the reminders combine work with schooling or other non-economic activities. More than 95 percent of the global child labour is now largely a developing country phenomenon. In absolute terms Asia, being the most densely populated region of the world, has the largest number of child workers with 61 percent of the global child workers. In relative terms however, Africa comes first in the proportion of children participating in economic activities with an estimated 41 percent of the total number of children aged between five and 14 compared to 22 percent in Asia and 17 percent in Latin America (ILO 1997). The incidence of child labour in Africa is, therefore, about twice the level in Asia. Child labour in Africa has increased mainly due to factors such as rapid population growth, reduced standards of living as a result of economic crisis, limited public spending on social services like education, wars and civil strife, breakdown of family structures, etc. (Hemmer, *et al*, 1996). While the trend in child labour globally shows rapid decline, the number of working children in Africa is projected to increase to 100 million by the year 2010.

Within the African continent, some countries are more prone to child labour problem than others. Eastern Africa has the highest child participation rate within the African continent followed by Western Africa (ILO, 1996). Children's work participation rate in Eastern Africa is estimated to be about 33 percent while West Africa and Middle Africa account for 24 and 22 percent of the child labour, respectively (Kebebew, 1998). It is evident that the less developed a country is, the greater the proportion of the child population who work. One study has reported that the activity rates of children between the age of 10 and 14 are more than 40 percent in Ethiopia, Kenya,

² EEA/EEPRI Director

Uganda and Tanzania while it is less than 6 percent in Mauritius and South Africa (ILO, 1997). However, these official statistics have considered only those children between the age of 10 and 14 years. If children below the age of 10 years have been included, the figure would have been much bigger than is reported by the official statistics.

According to some estimates it looks that more boys than girls work, the average ratio being three boys to two girls. Africa also has the highest participation rate of girls among the developing countries. However, surveys do not take into account domestic work in one's own household or caring for sick or disabled family members, which are usually performed by girls than boys. If such work were taken into account, there would be little or no variation between the sexes and the total number of working children, and the number of girls might even exceed that of boys.

It is also clear that the more elementary the type of the economic activity or the kind of occupation that does not need specific skills, the larger the relative size of the working children in that particular industry or occupation. These factors influence the distribution of the total number of working children by branch of economic activity or by occupation in any specific country. As a result, the relative level of the child workforce in any industry or occupation could vary from one country to another. Economic activities related to the agricultural sector are predominant in the proportion of child workers. More than seventy percent of the child labourers in developing countries are engaged in agricultural and related activities. In some countries it can even be as high as 90 to 95 percent. Agriculture absorbs most of the child labourers because agricultural production in developing countries is often labour intensive characterized with primitive and backward technology. Parents also want their children to acquire the basic agricultural skill so that they become good and able farmers when they grew up.

Although some the statistics exist that show the level or the incidence of child labour force participation rate in Ethiopia (Basu, 1999), lack of data has affected the amount of research done on the determinants of child time use decisions. A significant portion of the children working in domestic services and on family farms is usually ignored from the statistics. Even the few empirical works on the topic have disproportionately focused on the more visible forms of child labour. Above all, most empirical studies have focused on the labour intensive manufacturing sectors in South Asia and Latin America. In addition, existing studies do not often consider work in the house, on the farm, on family enterprises etc., as child labour and discriminate between market based and non-market based work. So, the issue of child labour has not received adequate attention in Ethiopia for these and many other reasons.

2. Statement of the Problem

Child labour should be a concern to any developing country because of the long-term negative repercussions that starting working life too young has on the personal development of the child as well as on the economic and social development of the country. According to Anker (2000) there may be several reasons why we should be concerned with the problem of child labour. First the humanitarian concern emphasizes the protection of children from any form of exploitation and hazardous work. According to this view, children are fragile and need special protection. The second concern relates to the educational concern. Excessive work can be harmful for children since they will not have time to go to school or even if they go they have little time to study. The last concern relates to the macro and micro economic effects of child labour. On the one hand children do make significant contribution to family income in many developing countries. In fact, without the support of their children many parents would not have survived. Children contribute to household income in cash or in kind either by working in the labour market or by directly contributing to the labour demand of households. On the other hand, employment of children in work activities may displace unskilled labour from the labour market. This will create unemployment problems, which will, in turn, results in economic and social problems.

The problem of child labour is closely associated with poverty and technological backwardness. It is both a cause and a symptom of poverty. As argued well by Basu and Van (1998) it is not because parents are irrational and unsympathetic to their children that they send them to work but primarily to increase household income or as part of a survival strategy to minimize the risk of interruption of the income stream. It is often, a mitigation mechanism against a decline in income. Household poverty, which is manifested in terms of low or declining income and asset ownership, has often been singled out as the most important reason why under aged children are pushed into the labour market. Family income is a determining factor in parents' decisions whether a child has to work or not. A steady income that meets the basic necessities of daily life and allows for some savings for occasional big expenses will make it easier to forgo a child's earnings. The children of the poorest families are less likely to have access to primary education. Children from families living on poverty incomes often start work at the age when their better-off counterparts are attending school.

Poverty is a complex, deep seated and pervasive reality of the modern times. Poverty leads to a vicious circle of poor health, reduced working capacity, low productivity and

shortened life expectancy. Poverty expresses itself in the form of material deprivation, low human capital formation such as education and health, vulnerability to risk and lack of power (World Bank, 2000). It is a trap leading to inadequate schooling, low skills, insecure income, early parenthood, ill health, and an early death. Low level of education and health can lead to low income and hence to material deprivation. Vulnerability to risk can lead to inappropriate resource allocation decisions. It hinders growth, fuels instability, and keeps poor countries from advancing on the path to sustainable development. Nearly half of the population of the world lives on a less than US\$ 2 a day; about 1.2 billion people struggle on a US\$ 1 or less a day and a further 1.6 billion people live on US\$ 1 to US\$2 a day and are thus also poor, insecure and at risk of falling to the level of bare subsistence (World Bank, 2003).

Child labour leads to the perpetuation of household poverty across generations and slows economic growth and social development. As long as poverty pushes some families to send their children to work, the next generation is condemned to the same fate. While not all child labour is harmful, many children pay a high price for being engaged in work activities in terms of poor or lost education opportunities and poor health. This in turn translates into high social and economic costs for the countries concerned. In its worst form it robs children of their health and education and even their lives. Families on the margins of survival have to weigh their investment on their children's education against the value to the household of the work that a child might do. The bulk of child labour is in the informal sector, on farms and in micro and small enterprises. In family businesses and farms, children may not be paid at all and most of their work serves to release time for adult members of the family to increase household earnings. Even in the context of the family, child labour can be hazardous and constitute a barrier to school attendance and performance.

Although there is very little information on child labour, there is no doubt that it is an enormous problem in Ethiopia. It is hypothesized that many under-age children in Ethiopia are engaged in wage and non-wage works, which could be considered as child labour since many of these activities are both exploitative and deprive children their education and other ingredients necessary for their proper growth (Assefa, 2000; 2002; CSA, 2001). According to recent ILO estimates and projections, the participation rate of children in the world between the age of 10 and 14 has been estimated to be around 13 percent in 1995. But the corresponding figure for Ethiopia was more than 42 percent (Basu, 1999). Moreover, while the participation rate of children in economic activities of the same age group globally will be less than 10 percent by the year 2010, it will be about 40 percent in Ethiopia (ILO, 1997). Experience elsewhere shows that children below the age of 10 are also economically

active (Assefa 2000 and Assefa 2002). Therefore, the incidence of child labour in Ethiopia could be even higher if the working children below the age of 10 are included in the above figures. Everyday observation also suggests that the incidence of child labour even among those 10 to 14 years of age might be much higher both in the urban and rural areas than suggested by the reports.

The level of poverty in Ethiopia is extremely high in terms of all major indicators of poverty as compared to other countries. The level of deprivation, life expectancy, under-one and infant mortality rates are probably the worst in the world and are all below the sub-Saharan African average. The rural literacy rates in Ethiopia are also one of the poorest in the world. Another indicator is the level of child malnutrition. The figures are again very high as compared to other countries. The proportion of people in Ethiopia who are absolutely poor i.e. those whose total consumption expenditure was less than the total poverty line in 1999/00 was estimated to be around 44 percent (MoFED, 2002). The proportion of absolutely poor people in urban areas was 37 percent while it was 45 percent in rural areas suggesting that the incidence of poverty is much higher in rural areas than in urban areas. Children in rural areas are only given limited opportunities to attend school. The net primary school enrollment rates are very low although gross enrolment rates may be higher. Children are often left out of school to help their parents at home. So, there is a need to break the cycle of poverty and give the Ethiopian children some hope.

Although poverty is usually manifested in terms of low income, finding an appropriate and direct measure of household income is often difficult with respect to rural economies where households rely less on the market. In the case of rural subsistence economies the link between poverty and asset ownership is particularly very strong since greater asset ownership means more wealth. The livelihood of the poor is fundamentally determined by the asset base it owns. It is often argued that the main cause of poverty in developing countries is lack of access to productive assets and hence increased access to productive assets by poor households is the best means of reducing poverty. Physical assets empower poor households by increasing their incomes; serve as reserves against shocks; and provide choices to escape from harsh or exploitative conditions. Thus, it is better to use household physical assets as proxy measures for income and welfare of rural households. With respect to child labour, ownership of productive assets should decrease children's probability of working and increase their probability of school attendance. If households lack productive assets, they would survive a sudden drop in income by borrowing on the human capital market, meaning let children work instead of attending school.

The main means of livelihood in rural Ethiopia is agriculture, land ownership being an important determinant of welfare. Land ownership and poverty are closely related in Ethiopia. A study showed that the poorest 20 percent of the households owned about 0.28 hectares of land per adult equivalent, compared to 0.59 hectare per adult for the richest 20 percent (Dercon, 1999; Getachew, 1995). Because of increased population, marginal land has been brought under cultivation in many parts of the highland. Due to the absence of market for buying and selling land and the end of repeated land distribution, newly formed households cannot access more land. Many young adults end up being dependent on their families and their largely inadequate resources and as a consequence farm plots are subdivided into ever-smaller parcels.

Another important input in agricultural production is the availability of livestock both as a store of value and for traction power. In all farming systems livestock are the single most important store of wealth. Oxen are crucial in the ox plough farming system, which is most common in the Ethiopian highlands. In other farming systems where oxen are less important for traction, livestock provides a very important source of additional income, via milk and meat, dung, etc. Many studies have confirmed the correlation between poverty and livestock ownership (World Bank, 1998; Webb, et al, 1992; Getachew, 1995; Dercon, 1999). In most communities in Ethiopia owning no or very little livestock is a clear characteristic of the poor. Poor households do not have the oxen for traction power and are thus forced to give out part of their land to another household in the form of a sharecropping agreement.

The poor also typically have limited other durable household assets such as TV and radio sets. A study showed that of the poorest 20 percent only 3 percent have a radio (MEDaC, 1995). Even the distribution of these assets is skewed in favor of urban areas. Access to social and economic infrastructure by the poor is also limited. The poor are typically further away from all services such as road, telephone or post offices. Many rural households depend on rivers and lakes for their water supply. Household labour is often one of the few means of earning income the poor can rely upon. If illness strikes and working days are lost income will be strongly affected. Illness or death of a household member causes serious labour shortage and high expense for rural households. There are very few health facilities in rural Ethiopia as compared to any other country. So, interventions to reduce rural and urban poverty would have broader implications on child work.

In general, while the incidence of child labour may vary greatly from country to country and even possibly within countries, it is, however, clear that the number of

working children in Ethiopia is so high that it deserves to be a matter of priority concern in Ethiopia. Excessive participation of children in work activities jeopardizes children's possibilities of becoming productive adults in the future. Having a child to labour will have immense impact on the child's physical and intellectual development. It is an extremely expensive phenomenon both for the child and for the society in general. Although it is generally agreed that the complete abolition of child labour will take a long time, there is a need to ensure that a start is made towards the abolition of this problem and diagnosis of the problem is the first step in this direction. Any intervention policy on child labour should be based on a careful analysis and research rather than just emotion and impulse. This study, thus, attempts to examine the implications of asset ownership on the allocation of children's time in rural Ethiopia, with the aim of suggesting possible areas of interventions. The study will, therefore, have serious implications on child welfare and education policies.

3. The Objectives of the Study

In light of the forgone discussion, the main aim of this study is to provide empirical evidences on the link between poverty, measured in terms of asset ownership and child work in the context of a subsistence rural economy. More specifically the study aims to examine the impact of asset ownership on child time use decisions.

4. The Theoretical Framework

The theoretical framework for analyzing households' decisions about the allocation of children's time is best captured by the household production function approach formulated by Becker (1965).³ The household economic theory of labor deployment states that intra-household decisions regarding task allocation are made on the basis of utility maximization. This framework has been widely used in empirical works to study the joint allocation of time of household members. The model assumes that the household makes joint decisions on how many children to have and how to allocate the time of household members to market and household work and to schooling (Rosenzweig and Evenson, 1977). Household members are allocated those tasks that will bring the greatest returns to the household. For instance, Becker (1981)

argues that the sexual division of labor is a logical response to women's reproductive role. As women bear children, they are most suited to their care and are consequently tied to tasks within the home. Men are not as well deployed for childcare and are, therefore, best deployed for generating an income for the family.

Similarly, a child's non-leisure time can be spent on schooling, on home-based production, on economic activity in the market or on a combination of these. Thus, the three rival claims on the non-leisure time of the child will be school attendance, work and the combination of school attendance with work. A household allocates the time of children between these competing activities, taking into account the private returns to each activity, and the household allocates the time of its children to wherever the perceived private return is highest until the marginal return is equalized across all of the child's time.⁴ Thus, child labor becomes a consequence of a rational family strategy if the marginal benefits of child labor (i.e., earnings and saved costs of schooling) are higher than the marginal cost of child labor in terms of the forgone return to human capital investment.

According to Singh et al. (1986), the basic household model specifies that the household maximizes a utility function at any given production cycle:

$$u = u(X_a, X_m, X_l) \quad (1)$$

Where the commodities are home-produced (X_a), purchased from the market (X_m) and leisure (X_l). The above utility function is well behaved: quasi-concave with positive partial derivatives. The commodity vector (X) can be a vector of commodity consumption for different members of the household. The household maximizes its utility subject to three constraints, namely a production constraint, a time constraint and a budget constraint. In the first place, the household faces a production constraint, or production technology that depicts the relation between input and output that is given as:

$$Q = q(K, L) \quad (2)$$

³ Becker's model is often criticized because of its neglect of intra-household bargaining and power relations. But it is not realistic to assume that a child will have outside bargaining options.

⁴ Often the household's utility function is dominated by the head of the household, and the welfare of the child may carry little weight in the decision-making process (Grootaert and Kanbur, 1995).

Where K is the household fixed asset, such as land, and L is the total labor input, including family labor, child labor and hired labor.

Similarly, the household also faces a time constraint, since it cannot allocate more time to leisure, home production or on employment in the labor market than the total time it has available. This is specified as:

$$T = X_l + F \quad (3)$$

Where T is the total stock of household time, X_l is the leisure time and F is the total family labor input in the production of X , including child labor.

Finally, there is the household's cash income constraint, which is specified as:

$$P_m X_m = P_a (Q - X_a) - w(L - F) \quad (4)$$

where P_m and P_a are the prices of market-purchased commodities and the household's own produced commodities, respectively. Q is the household's own production, so that $(Q - X_a)$ is the marketed surplus; w is the market wage rate, and $(L - F)$ is the hired labor input. The production constraint, the cash income constraint and the time constraint can be combined to get the full income constraint. Substituting the production constraint into the cash income constraint for Q and substituting the time constraint into the cash income constraint for F yields the following single full income constraint:

$$P_m X_m + P_a X_a + wX_l = P_a q(K, L) - wL + wT \quad (5)$$

The left hand side shows the total household expenditure on three items: the market purchased commodities, the household's own production and its purchase of own time in the form of leisure. The right hand- side captures the full income of the household. Hence, the household maximizes (1) subject to (5).

The above standard constrained maximization household model, which explicitly takes into account the contribution of children and regards households as multi-personal economic units, i.e., both as producing and consuming units, has been adopted as the theoretical framework in this study. It can be assumed that a household's utility depends on the level of consumption of purchased and own-produced goods (Q), representing the standard of living of the household, the child's school time (S), and the child's leisure time (H). The vector (Z) represents the

observable child, household, and environmental attributes, which are exogenous, and (e) the stochastic element that captures the unobservable:

$$u = u(Q, S, H; Z, e) \quad (6)$$

The composite commodities are produced on the basis of the available concave production functions for the household, using household assets and the time of the household members as inputs. The household's income is expended on consumption and schooling.

The scope of action is restricted by two constraints - the income constraint, which states that the household's expenditures must be equal to the household's money income in each period, and the time constraint, which states that the total time devoted to several activities, must be equal to the entire time available for each individual. As pointed out earlier, parents determine in which manner the total time endowment of a child may be allocated among school attendance, leisure, work at home or on the farm and even work in the labor market for wages. In the case of a subsistence rural economy where a labor market is underdeveloped, the total child time available (T_c) can be devoted to schooling (T_s), leisure (T_l), work (T_w) or a combination of these and produce the time constraint given as:

$$T_c = T_w + T_s + T_l \quad (7)$$

Households then maximize household utility subject to the combined time and income constraints with respect to the composite commodities.⁵

5. Methodology of the Study

5.1 The Analytical Model Used

The study has adopted a general utility-maximizing framework to model the choices regarding child-time-allocation activities as a function of child-specific, parental, household, environmental, technological and cultural characteristics. It is assumed that the time allocation decisions for the children are made either through a complete

⁵ Maximization of the utility function subject to the household income or expenditure constraint and the time constraints of each individual yield the shadow price of each commodity and the familiar first order conditions for profit maximization.

agreement among family members regarding the choices or by an altruistic adult, who often is considered to be the household head. Households' decisions about allocating their children's unit-time endowment can be econometrically modeled in different ways depending on the number of options and on the view one holds about the decision-making process. The decision can be modeled on the basis of simultaneous consideration of all the options or on the basis of an ordered decision. If the decision can be modeled in terms of a dichotomous choice model and the decision to work and to go to school are assumed to be independent, then a univariate probit model can be used. But if the two decisions are assumed to be made jointly, a bivariate probit model will be the appropriate approach. Under circumstances with more than two possible states in which a child could be at any one time, the bivariate or univariate probit approach will not be suitable. Hence, when a simultaneous decision-making process is assumed for three or more alternative choices, a multinomial choice model is appropriate.⁶

Although, there may be several activities that children may undertake simultaneously, the study assumes that a child's unit-time endowment can be used for four mutually exclusive activities. At a particular time, a child could be only attending school, only working, attending school and working at the same time or being idle, i.e., neither working nor attending school (leisure). This gives rise to the polychotomous choice framework.⁷ Hence, the probability of a child having activity j is given by the following multinomial logit model.

$$prob(Y_i = j) = \frac{e^{\alpha_j + \beta_j X_j}}{\sum_k e^{\alpha_k + \beta_k X_k}}; \dots, j, k \dots 0, 1, 2, 3 \quad (8)$$

The multinomial probability model assumes that the possible disjunct states are exhaustive in that they cover all possibilities. The probability of each outcome is a function of the same set of explanatory variables X s. In this study four possible decision outcomes have been considered: school attendance only (A), work only (B), combining school attendance and work (C) and being inactive (D). Assuming that the inactive group is chosen as the standard or base alternative and considering the fact

⁶ Grootaert (1998) argues that households make sequential decisions in allocating the time of their children between school and work rather than a simultaneous decision. But there is no concert theoretical support suggesting that households make sequential decisions.

⁷ The neither category includes all those children for whom the main activity was neither school attendance nor work participation.

that the sum of the probabilities of the four alternatives must be unity, it can be shown that:

$$\begin{aligned}
 prob (school) &= \frac{e^{x\beta_A}}{1 + e^{x\beta_A} + e^{x\beta_B} + e^{x\beta_C}} \\
 prob (work) &= \frac{e^{x\beta_B}}{1 + e^{x\beta_A} + e^{x\beta_B} + e^{x\beta_C}} \\
 prob (school + work) &= \frac{e^{x\beta_C}}{1 + e^{x\beta_A} + e^{x\beta_B} + e^{x\beta_C}} \\
 prob (inactive) &= \frac{1}{1 + e^{x\beta_A} + e^{x\beta_B} + e^{x\beta_C}}
 \end{aligned} \tag{9}$$

Given the above specification, the likelihood function becomes:

$$L = \prod_s \frac{e^{x_s \beta_A}}{1 + e^{x_s \beta_A} + e^{x_s \beta_B} + e^{x_s \beta_C}} \prod_h \frac{e^{x_h \beta_B}}{1 + e^{x_h \beta_A} + e^{x_h \beta_B} + e^{x_h \beta_C}} \dots \prod_m \frac{1}{1 + e^{x_m \beta_A} + e^{x_m \beta_B} + e^{x_m \beta_C}}$$

(10)

where the subscripts s , h , k and m refer to those children attending school only, working only, combining work and school attendance and being inactive, respectively. Given n children, each of whom will fall into one of the j categories with probabilities given by (9), the likelihood function for the multinomial logit model given by (10) can be summarized by defining a set of dummy variables:

$$y_{ij} = \begin{cases} \mathbf{1} & \text{if the } i^{th} \text{ child falls in the } j^{th} \text{ category} \\ \mathbf{0} & \text{otherwise} \end{cases} \tag{11}$$

Given the respective probabilities and the specification in (11), the likelihood function, which is a generalization for the binomial logit model, the equation can now be written

$$L = \prod_{i=1}^n p_{i0}^{y_{i0}} p_{i1}^{y_{i1}} p_{i2}^{y_{i2}} p_{i3}^{y_{i3}} \tag{12}$$

as:

where the P_j s are the respective probabilities of a child being in the inactive group, school attending group, working group or school-work group. Finally, following the usual procedure, the log-likelihood function can be derived from (12)

$$\log L = \sum_{i=1}^n \sum_{j=0}^3 y_{ij} \log p_{ij} \quad (13)$$

By differentiating the log likelihood function given in (13) with respect to the parameters (β_j), the maximum likelihood estimators can be generated through an appropriate mathematical iterative procedure. It should be noted that the signs of the β coefficients are not necessarily equal to those of the marginal effects.

Unlike the standard regression analysis, the parameter value (β) is not directly interpretable as the effect of a change in the explanatory variable on the mean or expected value of the dependent variable.⁸ The coefficients need to be adjusted to be marginal effects in the case of the logit model. In other words, the marginal effect, which gives the partial derivatives indicating the change in the probability of the dependent variable relative to a unit change in one of the independent variables, needs to be computed. As the relationship between the regressors and the absolute probabilities is nonlinear, marginal effects vary according to the choice of vector X and, consequently, they will vary among individuals according to the point of evaluation. By differentiating the multinomial logit model, we find the marginal effects of the explanatory variables on the probabilities as:

$$\delta_j = \frac{\partial P_j}{\partial X_i} = P_j \left[\beta_j - \sum_{k=0}^J P_k \beta_k \right] = P_j \left[\beta_j - \bar{\beta} \right] \quad (14)$$

Therefore, the signs of the marginal effects could be different from the signs of the coefficients. For continuous variables the marginal effect is the probability change in response to an increase in the value of the independent variable by one evaluated at the mean value. For dummy variables the marginal effect is computed as the difference in probabilities of the dependent variable between the group with

⁸ The parameter (β) simply gives the change in the log of the odds ratio ($P_i / (1-P_i)$) per unit change in the explanatory variable and not the change in the probability itself.

designated value 1 and the reference group. The probabilities are constrained to sum to zero for each variable across the choices in the multinomial logit model.

5.2 The Data Used

The data for this study came primarily from an LSMS-type survey on rural households in Ethiopia. The Department of Economics at the Addis Ababa University undertook five rounds of rural household surveys in collaboration with different organizations, such as the Center for the Study of African Economies (CSAE - Oxford University), IFPRI and USAID. The fifth round survey, which is the latest one covering 18 villages and undertaken during the 1999/2000 crop season, was the main source of data for this study. Additional information from previous rounds of surveys was also used to complement the present data-set. The fifth round survey involved 1,681 households with an average household size of 5.88 members, giving a total of 9,884 individuals. The data included information on the primary and secondary occupations of every member of the household, including children above the age of 4 years. Children between the ages of 4 and 14 years have been the main focus of this study. The upper age limit was chosen because it defines the age at which some pupils begin their secondary education and because that is the minimum age for employment according to the Ethiopian Labor Law (TGE, 1993). There were a total of 3,611 children between the ages of 4 and 14 years, who were either in school and not participating in other activities, specializing in work, combining school attendance with work or were neither in school nor in the labor force. However, the total number of children used in this study has been only 3003 because of missing values. In addition, gender-disaggregated models were also specified and estimated.

6. The Results and Discussions

6.1 Some Descriptive Analysis

The early participation of children in work activities, which is very common in Ethiopia, is a cause for concern. The younger the child is, the more vulnerable he or she will be to physical, chemical and other kinds of hazards at the workplace. According to the data some 12 percent of the sampled children have started to participate in work activities by the age of four years (see Table 1). By the age of ten almost all children have started to participate in work activities. Similarly, some

children also start going to school at an earlier age⁹. Moreover, because of lack of secondary schools or limited number of places in schools, it is expected that after this age schooling might even be less of a choice.

Table1: Work-starting ages for children in rural Ethiopia

Age	Number	Participation rate (%)	Cumulative rate (%)
≤4	313	11.6	11.6
5	552	20.5	32.1
6	572	21.2	53.3
7	609	22.6	75.8
8	387	14.3	90.2
9	77	2.9	93.0
10	144	5.3	98.4
11	16	0.6	99.0
12	20	0.7	99.7
13	4	0.1	99.9
14	3	0.1	100
Total reporting	2697	100	100

Source: Fifth round rural household survey, 1999/2000

It is not uncommon to find children participating in more than one form of activity in rural Ethiopia. A child was assumed to be in one of four different states at any one particular time period: attending school, working, combining school attendance with work or doing none of these activities at any particular time. Close to forty percent of the sampled children are engaged in work activities only while more than a quarter of them combine school attendance with work activities (see Table 2). One should, however, need to be careful not to conclude that work participation may not affect children's education. Excessive work participation may affect significantly children's scholastic achievements.

⁹ The school starting age in Ethiopia is set officially at seven years. But since there is no compulsory education policy many children do not start school attendance at that age. Early school enrolment in urban areas and late school enrolment in rural areas are very common.

Table 2: Main activity of children across different age groups (%)

Type of main activity	Age categories			
	4 - 7	8 - 11	12 - 15	4-15
School attendance only	5.10	16.95	19.22	13.93
Work only *	31.06	45.15	35.83	37.47
Schooling and work	5.71	31.54	43.73	27.42
Neither work nor schooling	57.96	6.11	0.90	20.94
Others**	0.17	0.24	0.33	0.25
Number of children	1156	1227	1228	3611
Total (%)	100	100	100	100

* work includes all work activities including farm work, domestic work, herding, crafts-work, trading, manual work, food selling, or any other type of work.

** others include non-respondents and disabled children

Source: Fifth round rural survey, 1999/2000.

The empirical evidence also shows that children participate in different types of work activities such as farm work, domestic work, herding, and child care as well as several informal activities (see Table 3). Farm work and domestic chores are the main types of work activities involving children in rural Ethiopia. However, there is a gender difference in terms of the types of work performed by male and female children. Boys have generally greater participation in farm work while girls participate more in domestic work. These activities could be harmful to the children's normal development since they may directly conflict with their education and health.

Table 3: Type of work activities performed by children by age and sex (%)

Types of activity	Age and sex of the children					
	4 - 7		8 - 11		12 - 15	
	Male	Female	Male	Female	Male	Female
Farm work	4.40	2.73	11.07	2.69	47.37	3.18
Domestic work*	31.07	51.91	20.52	63.77	12.63	82.17
Herding	63.11	43.17	66.77	31.74	37.54	12.74
Others**	1.46	2.19	1.63	1.80	2.46	1.91
Total	100	100	100	100	100	100
Total children	206	183	307	334	285	314

* Domestic work includes activities like cooking, cleaning, child care, fetching water and wood, etc.

** Others include informal activities like food selling, trading, manual work, pottery, crafts work, etc.

Source: Fifth round rural survey 1999/2000

Participation of children in work for too many hours or work beyond their physical strength could have serious implications on children's physical and mental development. Excessive work participation may have several harmful effects including possible damage to the health and psychological development and most importantly their educational development. The result of this study shows that children could be subjected to excessive long hours of work (see Table 4). Many children are forced to work more than 12 hours a day. Such excessive work hours defiantly would affect children's normal physical development and reduce their learning abilities even if they are able to attend school. Boys spend more time in livestock herding and farm work, while girls spend more time on herding and child care activities. Child care could be harmful since it is incompatible with school attendance.

Table 4: Intensity of work for 4- to 15-year-old children by sex (hours per week)

Type of activity	Boys				Girls			
	Mean	Std. dev.	Min.	Max.	Mean	Std. dev.	Min.	Max.
Fetching wood/water	10.4	8.4	0.25	56.00	11.4	8.6	0.25	49.00
Domestic work*	12.7	12.7	1.00	84.00	14.9	11.1	1.00	84.00
Farm work	18.5	12.8	1.00	70.00	13.6	10.8	1.00	80.00
Child care	14.7	13.7	1.00	70.00	17.3	12.9	1.00	70.00
Livestock herding	32.7	20.8	1.00	84.00	26.8	19.7	1.00	84.00
Others	10.7	8.4	1.00	42.00	10.3	8.7	1.00	49.00

Domestic work includes all housework except childcare.

Source: Fifth round rural survey, 1999/2000.

6.2. Results of the Econometric Analysis

The link between household income and the allocation of children's time is one of the most important issues related to child labor that has received much attention in the literature (see, for instance, Psacharopoulos 1997; Patrinos and Psacharopoulos, 1997; Kassouf 1998; Canagarajah and Coulombe, 1998; Grootaert, 1998; Blunch and Verner, 2000). According to the insufficient income hypothesis, households are compelled to send their children to the labor market because their income is low. Several empirical studies have documented that the contributions of children to family income in developing countries can be substantial, ranging between 10 and 40 percent of the household income (see, for instance, Sharma and Mittar, 1990; Swaminathan, 1998; Cain, 1977; Patrinos and Psacharopoulos, 1997; Myers, 1989;

Kassouf, 1998). Hence, household poverty, which is manifested in terms of low or declining income, has often been singled out as the most important reason that under-aged children are pushed into the labor market.

Nonetheless, the relationship between household income and child work remains still controversial and inconclusive¹⁰. Historical evidence does not provide adequate explanations for whether the rise in household incomes has been the instrumental factor in eliminating child labor from the present-day industrialized countries or whether the introduction of relevant legislation was the driving force¹¹. Nevertheless, there is now a general consensus that the poorer the household is, the more likely that children are to work. According to Basu and Van's (1998) luxury hypothesis, a family only sends its children to the labor market if its income from non-child labor sources drops very low. When household wealth rises, children will be progressively withdrawn from labor activities in favor of alternative activities such as schooling (Grootaert and Kanbur, 1995; World Bank, 1998). A casual observation of the geographic distribution of child labor today also suggests a negative association between child labor and aggregate income (Basu, 1999).

Empirical evidence about the link between family income and child work within the context of subsistence and non-monetized rural economies is hard to find, primarily due to lack of an appropriate and direct measure of household income. This problem is especially difficult when analyzing rural economies, where households do not rely heavily on the market for consumption and production decisions¹². Thus, it is better to use proxy measures to examine the effect of household income on decisions about the allocation of children's time. An appropriate proxy for rural household income or wealth is to use the physical and financial assets of households. It is now increasingly being accepted that one of the main causes of poverty in developing countries is the lack of access to productive assets. Thus, increased access to productive assets by

¹⁰ For instance, some econometric studies have concluded that the participation of children in work activities is not correlated to household income (Jensen, 1997; Canagarajah and Coulombe, 1998; Grootaert, 1998; Patrinos and Psacharopolous, 1997; Psacharopolous, 1997; Ravallion and Wood, 1999). Some argue that children might also work to gain economic independence from their parents or to acquire training and skill.

¹¹ According to Fyfe (1989), child labor was reduced and virtually eliminated from these countries through a combination of economic changes, which decreased the demand for child labor, and the introduction of universal schooling, which absorbed the supply of children.

¹² Income among rural communities is also unstable, so that the income at the time of the survey may not necessarily be the current annual income. Moreover, markets in rural areas do not indicate the sum of economic transactions and often ignore payments in kind or home-grown consumption.

poor households is the best means of reducing poverty.¹³ For these households, the amount of land they own is too small to ensure the nutritional well-being of the family and is also of poor quality. Lack of draft power and fragmented plots are additional factors characterizing poor households. In addition, access to credit can be an important factor, since imperfect capital market arrangements often are considered to be serious obstacles to agricultural productivity on the one hand and to children's school attendance on the other. Some empirical studies have argued that child labor can be observed, despite parental altruism, because there are no markets for loans against the future earnings of children.¹⁴ The availability of credit would encourage parents to incur the direct costs of schooling.

Theoretically, ownership of productive assets should decrease children's probability of working and increase the probability of school attendance. However, some have called for a careful approach to asset-based poverty reduction measures, since asset accumulation may actually lead to an increased incidence of child labor, thereby creating a conflict between asset ownership and human capital formation.¹⁵ Nevertheless, it can be argued that if households lack productive assets, they would survive a sudden drop in income by borrowing on the human capital market, meaning sending children to work instead of school.

The evidence in the previous section has demonstrated that children undertake a variety of work related activities, which may directly affect their educational progress although some of them were able to combine school attendance with work participation. The real question now is to what extent does poverty as proxied by the asset level owned by households influence children's work participation. The implication of asset ownership on child work is examined next using an econometric analysis. On the basis of the theoretical and empirical model developed earlier, a multinomial logit is used to assess the impact of asset ownership on child work. The

¹³ For instance, Dercon and Krishnan (1998) argue that the most effective measure to combat poverty is to increase the access of the poor to productive assets.

¹⁴ Lahiri and Jaffrey (1999), Ranjan (1999), Grote et al (1998) and Ranjan (2001) have all presented a variety of theoretical models in which child labour arises as a result of imperfect credit markets.

¹⁵ Studies reporting increased child labor participation as a result of greater access to assets include that of Canagarajah and Columbe (1998), Levison and Moe (1998) and Rosenzweig and Evenson (1977). Cockburn (2000) also has argued that since the types of activities performed by children are different from those performed by adults, the effect on child labor will vary considerably depending on the types of physical assets targeted in poverty-alleviation policies. In rural Ethiopia, the principal activities of children are fetching water and/or wood, herding, etc., while adult males are primarily involved in farming and adult females in domestic work. Therefore, targeting assets used in activities commonly performed only by adults may make it possible to avoid increased child labor and reduced schooling. Laborsaving assets, such as a nearby well or a wheelbarrow, can be expected to directly reduce child labor and poverty.

descriptive statistics of the different variables used in the analysis are presented in Table 5.

Table 5: Descriptive statistics of the variables used

Variable	Description	Mean	Std. dev.	Min	Max.
Activity	Dependent - (0) if child is inactive, (1) if child is only attending schooling, (2) if child is doing only work, and (3) if the child combines work with schooling	1.59	1.04	0	3
Household assets					
Roof	1 if roof is made of galvanized iron; 0 otherwise	0.33	0.47	0	1
Wall type	1 if wall is made of stone, concert, brick or cement; 0 otherwise	0.19	0.39	0	1
Farm_Ass	Expenditure on farm equipment over the last two years in Birr	6.27	19.29	0	312.00
Land	Size of own cultivable land in hectares	1.30	1.08	0	8.63
Number_p	Number of farm plots owned in 1999	3.37	2.26	0	15
Share_cr	1 if household practices share cropping; 0 otherwise	0.29	0.45	0	1
Fertility	Average land fertility index; 1 if land was lem (good), 2 if lem-teuf (mediocre) and 3 if teuf (poor)	1.59	0.64	0.5	3.0
Slope	Average steepness of land; 1 if land was medda (flat), 2 if land was dagath-ama (moderately sloped), or 3 if geddel (steep incline).	1.28	0.46	0.5	3
Lu_cattl	Number of cattle owned by household in livestock units	3.20	3.06	0	23.50
Lu_smliv	Number of small ruminants owned by the household in livestock units	0.36	0.67	0	6.50
Lu_equin	Number of equines owned in terms of livestock units	0.62	1.05	0	8.75
Off_farm	1 if household participated in off-farm activities; 0 otherwise	0.24	0.43	0	1
Incom_ac	1 if the household participated in income generating activities; 0 Otherwise	0.44	0.50	0	1
Remitt	1 if the household has received any remittances; 0 otherwise	0.30	0.46	0	1
Labour	1 if the household participated in any traditional labour sharing arrangement; 0 otherwise	0.62	0.49	0	1

With the objective of highlighting the relationship between the allocation of the child-time endowment and household asset ownership, several productive assets were considered in this study¹⁶. The most important assets included in the model were the size of the land owned together with a measure of its quality, the mode of operation (sharecropping), the number of plots cultivated, the number of large and small livestock owned, the construction material used for walls and roofs and the total expenditure on farm assets, such as hoes, plows and sickles. All of these are important measures of wealth in rural Ethiopia. Land and livestock are the two most important productive resources rural households in Ethiopia own. In a non-monetized rural economy, the construction material used for dwellings is also an important indicator of wealth. While poor households use mostly grass and wood for roof construction, wealthy households often use galvanized iron. Similarly, wealthy households use concrete material or brick for wall construction, while poor households usually use mud or wood. In addition, participation of household members in non-farm¹⁷ and income-generating activities,¹⁸ acquisition of remittances, participation in reciprocal labor-sharing arrangements to ease any labor shortages and households' access to credit also have been included in the analysis. The results of the analysis are presented in Tables 6, 7 and 8.

One of the most important productive assets and major source of income for rural households is livestock. Livestock ownership also reduces risk. For instance, small ruminants require less cash and capital to buy and maintain relative to labor. Livestock also provides draught power and manure for crop production. Livestock embody savings, serving as a store of wealth to which rural households could turn to, in times of crisis and in times of cash needs. In addition, livestock provides an alternative food source for the family. Ownership of large and small livestock is expected to reduce income volatility, thereby inducing households to invest more in human capital accumulation. On the one hand, it generally can be assumed that livestock ownership and child labor may be inversely related, and children in wealthier households will work less and go to school more. However, livestock production may also require more labor particularly that of children, since herding is

¹⁶ The results of the impact of household assets have been generated after controlling other factors such as child and household characteristics, cultural factors such as religion and ethnicity, technology as well as location specific factors.

¹⁷ Off-farm employment includes engagement in wage employment and food-for-work programs, working as a daily labourer and some professional activities, except traditional labour sharing.

¹⁸ Income-generating activities include traditional crafting, collecting and selling firewood, trades in different types of food crops and livestock, food and drink preparation and sale, etc.

one of the main activities of children in rural Ethiopia. Herding animals is probably one of the main reasons for the prevalence of child bondage in some parts of the country.¹⁹ In order to examine the effect of livestock ownership on child work and school attendance, three types of livestock were included in the analysis.²⁰

The results of the analysis show that ownership of more cattle (large livestock) has a negative implication with school attendance and a positive association with the likelihood of combining work with schooling. As the number of large livestock increases by one livestock unit children's likelihood of school attendance declines by nearly one percent and their likelihood of combining work with schooling increases by more than a full percentage point. Oxen is an important production unit particularly in the highlands suggesting that more labor might be required to complement the number of oxen available. Combining herding and school attendance might be possible if school going children participate in herding activities after and before school and on school holidays. Increasing the number of pack animals also increases the likelihood of school attendance by nearly 2 percent. The effect of owning small ruminants (sheep and goat) was not statistically significant in all the equations. This variable was positive in the school equation indicating that households having more small ruminants may be more likely to encourage school attendance.

Land is the other most important physical resource for rural households in Ethiopia. The amount of land owned reflects the permanent income potential of households and can be used as collateral, thereby indicating the borrowing ability of the household. Since children working on the family farm are not paid an explicit wage, their marginal product is demonstrated by the size of the land operated. The size of the land owned may increase the likelihood of a child working if land-intensive farming activities are undertaken, which require more labor, including child labor. Thus, land size may have a negative effect on school attendance. The effect of land size was significant on both the schooling and work participation equations, with the strongest effect on the school attendance equation. In general, land size has a negative effect on school attendance and a positive impact on work participation. The result shows that increased farm size reduces children's school attendance likelihood by nearly 4 percent and increases their likelihood of work attendance by about 2

¹⁹ Cockburn (2000) has argued that the effect of livestock ownership on child schooling may be positive or negative, depending on the type of livestock. But this argument is somewhat unrealistic and unfounded, since children often herd both large and small livestock together.

²⁰ Different livestock types were converted into standard livestock units using standard conversion units. Hence, the following livestock units have been used. calf =0.25, heifer/bull = 0.75; cows and oxen = 1.00; horse =1.10; donkey/mule =0.70; camel =1.25; sheep/goat = 0.13 and chicken =0.013 (Storck, et al, 1991)

percent. Land size does not contribute greatly to explaining the decision to combine work with school attendance. The negative and strong effect of land size on school attendance suggests that as land size increases, households need more labor, including child labor, to transform it into a productive resource. On the other hand, since poor households own less of this productive resource, work opportunities for household members are limited. A negative effect of land ownership on school attendance was also reported in other empirical studies (Jensen and Nielsen, 1997; Cockburn, 2000; Bhalotra and Heady, 2000).

The result implies that increased land size might lead to more work, since it requires more labor, including child labor, thereby reducing children's likelihood of attending schools. Land is an important indicator of wealth in rural Ethiopia. It is also one of the most important productive resources that children could inherit from their parents. Therefore, larger farm size might lower the need for an alternative source of income and livelihood through investment in education for the children. Consequently, parents may not see the value of education and invest in it if they have sufficient productive resources that they can pass over to their children.

Investment in children's education might also be seriously affected by the productivity of the available resources. Land and livestock could be more or less productive, depending on the environmental circumstances prevailing in the system. One household's land may be more productive and fertile, while another household may have more livestock units to resort to during times of crisis. The productivity of the land owned by a household is reflected in, among other things, the fertility status of the farm plots and the degree of steepness (slope). Good land quality could reduce child labor, since a fertile and flat plot is conducive to farming and requires less labor but generates higher income. On the one hand, more fertile and flat land will require less labor, including child labor, thereby releasing children from work and creating better opportunities for school attendance. But, less fertile land could reduce household income and increase the risk of income fluctuations, thus demanding intensive agricultural practices and more labor input. Therefore, land size alone may not be an adequate indicator of wealth, unless there are means to transform it into a productive asset.

Two indices were included in the model to account for differences in land quality-fertility and steepness indices. The land-fertility index and the land-steepness index had significant effects only on the work and combined school-work equations. As the land-fertility index declines by one unit, specialization in work activities increases significantly. More specifically, the likelihood of specializing in work activities

increases by nearly 4 percent when land fertility declines by one unit, and the likelihood of combining school and work is reduced by about 2 percent. Cockburn (2000) also reported that land quality reduces child labor. The steepness of the land does not seem to have any significant effect on decisions about the use of children's time.

Apart from land size and its quality, the mode of agricultural operation and the number of farm plots could have important implications for decisions about the use of children's time. If households shared in more land, then the demand for child labor could increase, thereby hindering school attendance. Farm households usually have several plots of land at different locations for compensating land fertility and for reducing risk. Hence, one may expect a positive relationship between the number of plots and school attendance. Our empirical results show that sharecropping is also an important and significant factor in decisions about the allocation of children's time. A household practicing sharecropping is 5 percent less likely to send its children to school and about 4 percent more likely to encourage them to combine school attendance with work. The effect of the number of plots cultivated on the probability of school attendance was positive and significant, but it was negative in the work equation. The varying fertility levels of different farm plots might explain the positive effect of the number of plots on school attendance. Bhalotra and Heady (2000) have found a positive relation between the number of farms operated and the hours worked in Ghana. Since agricultural production is susceptible to a number of environmental and climatic risks, having more plots of land is often seen as a mechanism for reducing these risks.

The rural non-farm sector is an important source of income and employment for the poor. Traditional crafts and services usually engage a large proportion of the rural poor in developing countries. Consequently, the expansion and promotion of income-generating activities through non-farm work is often considered to be one of the important measures to reducing the incidence of poverty. Participation of households in non-farm and income-generating activities may have mixed implications for child work and school attendance. While the participation of household heads in off-farm employment opportunities may lower the probability of child work, participation in income-generating activities may actually increase the incidence of work, at least for female children. Hence, households' participation in income-generating activities and off-farm employment has been included in the analysis. The results show that participation in income-generating activities generally increases children's likelihood of school attendance (significant only at 13 percent), but reduces their probability of specializing in work activities and of combining schooling with work. Household

participation in non-farm employment also seems to encourage the probability of school attendance and of combining work with schooling, but reduces the probability of specializing in work.

The link between poverty and child work can also be analyzed by examining the impact of other wealth indicators, such as the construction material used for walls and roofs and the value of farm equipment owned. These indicators could also indicate the relative wealth position of rural households. Wealthy households generally use cement, bricks or stone for wall construction and galvanized iron for roof construction, while the poor ones use mostly grass or other non-durable materials. The productivity of the land owned by a household also depends on the availability of farm equipment. The results of the analysis show that households using galvanized iron for roof construction are 4 percent more likely to send their children to school than households using other construction materials. Similarly, households using brick, stone or cement for wall construction are nearly 5 percent more likely to encourage the combination of work with school attendance. Families owning more farm equipment are more likely to encourage the combination of work with school attendance. All these results imply that wealthier households encourage at least combining work with schooling, if not schooling alone, suggesting a strong link between poverty and child labor.

The effects of remittances and participation in traditional labor-sharing arrangements on decisions about the allocation of children's time also were examined. External support in the form of remittances and gifts is an important source of income for many migration-income-dependant poor families. It is hypothesized that households receiving remittances are less likely to deploy their children in work. External support also improves households' liquidity positions and encourages human capital formation. Acquiring remittances has significant impact on all the options, with the strongest effect being on the work specialization equation. Acquiring gifts or other support from outside increases the likelihood of children's school attendance by about 4 percent and reduces the likelihood of children's work specialization by about 10 percent. Children from households receiving outside help in the form of remittances are also 6 percent more likely to combine work and school attendance than those children whose parents did not receive any remittances.

Pooling together available labor resources for specific activities is also a common practice in rural Ethiopia in order to ease the problem of labor shortages, particularly during peak seasons. A traditional labor-sharing arrangement is a labor-exchange practice, where households decide to share the available household labor for farm

work in a rotating manner. Local practices such as "*debo*" or "*wonfe!*" are concrete examples of labor-sharing arrangements in Ethiopia. The results show that participation in traditional labor-sharing arrangements reduces children's likelihood of attending school by more than 3.5 percent and raises the likelihood of work specialization by more than 5 percent. A household entering a rotational labor-sharing obligation may be forced to use the labor of its children to fulfill this, even at the expense of their education, particularly for activities where adult and child labor are close substitutes.

Finally, the special constraints faced by the poorest segments of households were represented by the inclusion of households' access to credit. A negative relation between child labor and credit availability and, correspondingly, a positive relation between school attendance and credit availability was expected, since child labor may be interpreted as borrowing across generations. The result of the study shows that access to credit seems to enhance school attendance and reduce the likelihood of specializing in work activities in general.

7. Conclusions and Policy Implications

The results of this study show that most children in rural Ethiopia perform some form of work either in the house or on the farm. Labour force participation is common even among those below the legal working age or those supposed to be in school. Excessive work, be it on the farm or in the house or in the labour market will have serious implications on the development of children. If work participation exceed an acceptable threshold level the educational development of these children could be seriously affected. The results underscore that the determinants of child labour are complex and many out of which household asset is but only one. A single intervention on the problem, which ignores its complexity, may not produce much success. Hence, the problem can only be addressed through a multifaceted approach that includes social, cultural, economic, and regional factors. The results of this study lead to a strong support for the hypothesis that household asset plays important roles in the allocation of children's time endowment.

Although access to physical asset is expected to raise household income and create an incentive for school attendance, our study shows that asset ownership might reduce school attendance and increase the probability of work unless accompanied by technological development. The results also suggest some gender differences in

which boys are less likely to specialize in work and are more likely to attend school or at least to combine work with school attendance while girls are more likely to take up home care tasks and are less likely to attend school.

Untangling the social, economic and cultural dynamics affecting families' decision whether a child should work or go to school is an important step towards effective action to combat child labour and cycles of poverty. The study clearly underscores the importance of educational investment and the need to broaden access to education to ensure that the future generations would be less impoverished than the present ones. So, policies are needed to encourage school participation improving the income generating potential of the household through the creation of income generating activities and the provision of productive assets to create a more stable economic base. Monitoring the working conditions of children who combine school with work may be an important policy agenda. Although legislation alone will not resolve working children's problems, an appropriate legislative framework can support other programs. Existing laws protecting working children must be better publicized and their implementation monitored.

Adults in all communities must be made aware of their responsibilities towards all children in their Community and community structures, such as religious groups can be used to uncover and monitor hidden forms of child labour and to support children. Working children also need support services, e.g. counselling services, education, skills training and health services. Accumulation of vital statistics is also an important measure to reduce child labour. Finally, additional research is needed to examine the impact of work participation on children's scholastic achievement since many children combine work with school attendance.

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Table 6: Marginal effect on the probability of SCHOOL attendance (All children)

Variable	Marginal effects	Std. error	P [Z >Z]
CONSTANT	-0.5669	0.1160	0.00
CONCRETE/BRICK/STONE WALLS	-0.0345	0.0253	0.16
IRON ROOF	0.0344	0.0159	0.03
FARM EQUIPMENT	-0.0003	0.0004	0.41
CATTLE	-0.0096	0.0038	0.01
SMALL RUMINANTS	0.0163	0.0144	0.25
EQUINE	0.0197	0.0091	0.02
LAND OWNED	-0.0367	0.0102	0.00
NUMBER OF PLOTS	0.0102	0.0041	0.01
PRACTICING SHARCROPPING	-0.0486	0.0193	0.01
FERTILITY OF LAND	-0.0074	0.0136	0.58
SLOPE OF LAND	-0.0178	0.0192	0.35
PARTICIPATION IN OFF FARM WORK	0.0246	0.0193	0.20
INCOME GENRATING ACTIVITY	0.0229	0.0153	0.13
REMITTANCE	0.0439	0.0197	0.02
LABOUR SHARING	-0.0378	0.0179	0.03

MODEL SUMMARY STATISTICS

NUMBER OF OBSERVATIONS	3003
NUMBER OF ITERATIONS	8
LOG LOG LIKELIHOOD FUNCTION	-2721.479
RESTRICTED LOG LIKELIHOOD	-3907.795
CHI -SQUARED	2372.63
SINGINIFICANCE LEVEL	0.0000
PERCENT CORRECTLY CLASSIFIED	60.51

Table 7: Marginal effect on the probability of specializing in WORK (All children)

Variable	Marginal effects	Std. error	P [Z >Z]
CONSTANT	1.1289	0.1781	0.00
CONCRETE/BRICK/STONE WALLS	0.0138	0.0332	0.67
IRON ROOF	-0.0105	0.0217	0.62
FARM EQUIPMENT	0.0005	0.0006	0.38
CATTLE	0.0002	0.0047	0.97
SMALL RUMINANTS	-0.0159	0.0179	0.37
EQUINE	-0.0067	0.0125	0.59
LAND OWNED	0.0215	0.0126	0.08
NUMBER OF PLOTS	-0.0096	0.0059	0.10
PRACTICING SHARCROPPING	0.0245	0.0243	0.31
FERTILITY OF LAND	0.0353	0.0179	0.04
SLOPE OF LAND	0.0020	0.0262	0.94
PARTICIPATION IN OFF FARM WORK	-0.0288	0.0259	0.26
INCOME GENRATING ACTIVITY	-0.0045	0.0205	0.82
REMITTANCE	-0.0988	0.0260	0.00
LABOUR SHARING	0.0532	0.0238	0.02

MODEL SUMMARY STATISTICS

NUMBER OF OBSERVATIONS	3003
NUMBER OF ITERATIONS	8
LOG LOKILHOOD FUNCTION	-2721.479
RESTRICTED LOG LIKELIHOOD	-3907.795
CHI -SQUARED	2372.63
SINGINFICANCE LEVEL	0.0000
PERCENT CORRECTLY CLASSIFIED	60.51

Table 8: Marginal effect on the probability of combining WORK with SCHOOL attendance (All children)

<i>Variable</i>	Marginal effects	Std. error	P [Z >Z]
CONSTANT	-1.4096	0.0867	0.00
CONCRETE/BRICK/STONE WALLS	0.0489	0.0193	0.01
IRON ROOF	-0.0145	0.0129	0.25
FARM EQUIPMENT	0.0005	0.0003	0.07
CATTLE	0.0111	0.0025	0.00
SMALL RUMINANTS	-0.0054	0.0102	0.59
EQUINE	-0.0080	0.0074	0.27
LAND OWNED	0.0008	0.0072	0.91
NUMBER OF PLOTS	0.0041	0.0033	0.21
PRACTICING SHARCROPPING	0.0388	0.0138	0.00
FERTILITY OF LAND	-0.0187	0.0111	0.09
SLOPE OF LAND	-0.0054	0.0164	0.74
PARTICIPATION IN OFF FARM WORK	0.0102	0.0158	0.51
INCOME GENRATING ACTIVITY	-0.0181	0.0122	0.13
REMITTANCE	0.0639	0.0153	0.00
LABOUR SHARING	0.0102	0.0139	0.46

MODEL SUMMARY STATISTICS

NUMBER OF OBSERVATIONS	3003
NUMBER OF ITERATIONS	8
LOG LOG LIKELIHOOD FUNCTION	-2721.479
RESTRICTED LOG LIKELIHOOD	-3907.795
CHI –SQUARED	2372.63
SINGINIFICANCE LEVEL	0.0000
PERCENT CORRECTLY CLASSIFIED	60.51