



The impact of child labor on children's educational performance: Evidence from rural Vietnam



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ABSTRACT

In 1998, nearly one-third of Vietnamese children engaged in non-housework labor supply, 95% of these working children residing in rural areas. This paper investigates the impact of child labor on children's educational outcomes in rural Vietnam using the 1998-Vietnam Living Standard Survey. The paper finds that child labor lowers children's academic performance and the negative impact is bigger for girls.

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1. Introduction

Child labor has long been a critical issue. Over the last decades, child labor in developing countries has been of particular concern. This is not only because child labor is a moral issue but also because of its significant impact on children's development, a decisive factor for a country's future growth and development (Edmonds, 2007; Glewwe & Jacoby, 1994).

Vietnam is an interesting country to study child labor, for several reasons. First, Vietnam is a developing country in Asia, a region harboring the largest number of child workers.² In 1998, nearly one-third of Vietnamese children aged 6 to 15 years (more than 5 million) were engaged in non-housework labor supply. Second, Vietnam underwent more than 30 years of war (1945–1975) and had a long period as a centrally planned economy with stagnant economic performance. By the end of the

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² According to the International Labour Organization (2002), there were 211 million children aged 5–14 at work in economic activity in the world in 2000. This accounted for nearly 20% of all children in this age group. The Asia-Pacific region had the largest number of child workers (127.3 million), followed by Sub-Saharan Africa (48 million) then Latin America and the Caribbean (17.4 million). In relative terms, Sub-Saharan Africa had the highest proportion of working children (29%) followed by Asia and the Pacific (19%) then Latin America and the Caribbean (16%).

period – in 1985 – Vietnam was one of the poorest countries in the world. The country's renovation, which started in 1986, has made significant progress in poverty reduction.³ However, in 1998 around 45% of households in rural Vietnam still lived under the poverty line (World Bank, 1999) and poverty often compels parents to send their children to work for the family to survive. Third, until the 1990s about 80% of the country's population still lived in rural areas and two-thirds of laborers worked in agriculture, mostly self-employed on household farms (Dollar & Glewwe, 1998). These characteristics provide various opportunities and pressures for children to engage in child labor within the household.

Vietnam has made significant progress in promoting education over the last decades. Primary education became almost universal in 2000, which is a remarkable achievement compared with other developing countries with the same level of per capita income. Between 1991 and 1999, the number of lower secondary enrolments more than doubled, from 2.7 million to 5.8 million and the number of upper secondary enrolments tripled, from 0.7 million to 2 million. The enrolment rates in lower secondary education and upper secondary education were 74% and 49% in 2000, respectively (Asian Development Bank, 2003; Vietnam's Ministry of Education and Training, 2001). Demand for education also increased substantially in the 1990s as the Vietnamese become richer (Glewwe & Jacoby, 2004) which reflects the fact that Vietnam is a society in which education is highly valued and respected. Despite its low income level, Vietnam had a relatively well educated population (Glewwe & Jacoby, 1998). Nowadays, education is placed as a top priority in the development strategy of the Vietnamese government in the course of the country's industrialization and modernization.⁴ The share of education expenditure increased from 2.2% of GDP and 10% of the government budget in 1992 to 3.5% of GDP and 17% of the government budget in 1998 (World Bank, 2000).

Given the importance of early childhood for children's success in their later life (Becker & Tomes, 1986), understanding the impact of child labor on children's outcomes is particularly important. To date, most studies on child labor in Vietnam have focused on investigating the evolution of child labor during the country's transition period, or the impact of child labor on children's health. Influential papers are Edmonds and Turk (2002), Edmonds (2005), Edmonds and Pavcnik (2005), O'Donnell, Rosati, and Doorslaer (2005) and Beegle, Dehejia, and Gatti (2009). However, little is known about the consequences of child labor in Vietnam on children's educational outcomes. To the best of our knowledge, Beegle et al. (2009) is the only study which investigates the problem. Using panel data from the Vietnam Living Standard Surveys carried out in 1993 and 1998, the authors found that 5 years subsequent to the child labor experience, there were significantly negative impacts on children's school enrolment and grade attainment. Even for a developed country such as Portugal, child labor is found to increase the student's probability of repeating a grade (Goulart & Bedi, 2008).

Using unusually rich information from the 1998-Vietnam Living Standard Survey (VLSS), this paper investigates the impact of child labor on children's educational performance. In contrast to Beegle et al. (2009) we use a direct evaluation of students' study results in class as an indicator for children's educational performance, which is classified into one of four levels ranking from poor, average, good to excellent.⁵ In Vietnam, if a student gets a poor academic score, he or she will have to repeat the grade. Therefore this measure using the ranking of a student's academic performance is broader than grade repetition, which is often used to study the impact of child labor on children's educational outcome.

Because there are unobserved factors that simultaneously affect child labor and a student's academic achievement, leading to the endogeneity of child labor in the educational performance equation, we use the average wage of unskilled female workers within a commune as an instrument for child labor. We estimate a system of simultaneous tobit and ordered probit equations standing for the determinants of child labor and children's educational performance, respectively. This estimation is different from previous studies on the impact of child labor on children's educational performance which either estimate the two equations separately or use a bi-probit or multinomial probit model to estimate the simultaneous determinants of child labor and children's educational success, treating child labor as a binary outcome.⁶ Our estimation allows us to investigate child labor by total hours of child work including hours doing housework and non-housework labor supply instead of using a dummy variable. Thus we measure the true workload that a child has to bear.

The estimation results suggest that child labor has a negative impact on children's academic performance. The negative impact is bigger for girls. Household economic conditions are one of the most important determinants of child labor and children's educational performance. Both mother's and father's education have a strong impact on children's academic performance. There is a bias against girls in the child work burden. Among school characteristics, teachers' qualifications and school infrastructure, such as the presence of electricity, a library and a good blackboard are significant in enhancing students' study results. The academic environment within a commune also has a significant impact on children's educational performance.

The remainder of the paper is structured as follows. Section 2 describes the data and sample. Section 3 presents an overview of child labor in Vietnam and children's academic scores by activities. Section 4 provides the econometric framework and variable descriptions. Section 5 explains the estimation results. The conclusions are presented in the final section.

³ See Dutta (1995) and Plummer (1995) for a comprehensive picture of the Vietnamese economy in the initial years of its transition process.

⁴ See Chapter 3 – Article 35 of the National Constitution issued in 1992, the Education and Training Development Strategy to year 2010 issued in 2001 and the Education Law issued in 2005.

⁵ Children's educational scores are ranked according to their mark. In each subject, a 10-point scale is applied with 10 being the highest and 0 being the lowest. A mark under 5 is classified as poor; a mark from 5 to under 6.5 is classified as average; a mark from 6.5 to under 8 is good and a mark from 8 to 10 is excellent.

⁶ The child labor variable equals one if a child reports any positive hours of work and zero if a child does not work.

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