Child labor and the "hangover" of the COVID-19 crisis in Latin America

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Abstract

In this short communication, we reflect on the problem of child labor, with a focus on Latin America and its possible negative consequences in the pandemic context. It is argued that in a scenario of possible austerity, without public policy action for social protection and the incorporation of child labor problem in the rhetoric and political agendas, there will probably be future problems of human capital in the region. In addition, we see that the causal effect of the child labor problem may depend on the context and manner of execution, but there are already some signs that the problem has worsened due to pandemic crisis. Lastly, governments are called upon to incorporate bottom-up policies to deal with child labor and achieve point 8.7 of the sustainable development goals.

Keywords: Child labor; Latin America; COVID-19; Education; Poverty; JEL: I3 (Welfare and Poverty); J13 (Demographic economics – Children, Youth)

1. Child labor problem an overview

The main international conventions define child labor as the participation in economic activities, with or without remuneration, by children and adolescents below the minimum age for admission to employment established in their country of origin (International Labour Organization, 2002). Among the forms of child labor, domestic work is considered one of the worst and this often remains invisible. This situation may be more critical because the majority of infants work in their own family nucleus (approximately 72% of the total employed worldwide). In the last two decades, Latin American countries have made significant progress in reducing child labor rates (Ramos-Torres, Gutiérrez-Murillo & Diaz-Rodriguez, 2022; Abramo, Cecchini & Morales, 2019; De Barros & Mendonça, 2010). Partly, this was due to a favorable situation for the implementation of various social policies, in a first "progressive" political wave that allowed a quantitative and qualitative improvement of the child labor problem.

On the international scene, the year 2021 was declared the “international year for the elimination of child labor” in accordance with goal 8.7 of the Sustainable Development Goals (SDGs), which aims to permanently eliminate child labor in all its forms by the year 2025. Looking at ILO data we see that globally, the fight to reduce levels of child labor has stalled. The poverty caused by the Covid-19 pandemic is an element that aggravates this international reality, mainly in developing countries. Faced with this, international organizations such as the World Bank or the Inter-American Development Bank have suggested a series of social policies, such as targeted protection for families most affected by the crisis. One of the main recommendations is that governments, faced with this circumstance, be more pragmatic and adapt to a new reality of transition (Inter-American Development Bank, 2020).
According to the ILO (2021), there are basically three possible scenarios on the international context. The worst of them would be an absolute increase in the number of children in child labor, bringing the global rate to approximately 11% of the total. In this situation, we would be facing the dogma of “fiscal austerity”, and without any type of social policy to combat poverty. In the second scenario, faced with the increase in poverty, we would have a weak social policy, highly targeted and without major impacts on public finances, but with significant increases in the absolute numbers of children in child labor situation. Finally, we would have a more “optimistic” scenario of reducing child labor through broader social policy, but with possible greater impacts on public finances (although there are economic perspectives that contradict “conventional speech” about fiscal rules, as is the case of the modern monetary theory). Policy makers must be very careful with trade-offs, and as always, the lesser evil must be sought.

**Figure 1** International child labor indicators and the three possible scenarios for 2022

One of the main consequences of a possible increase in the global rates of child labor could be the interruption of schooling for children and adolescents at an early age, since there is sufficient evidence that shows this negative relationship (Putnick & Bornstein, 2015; Kassouf, Tiberti & Garcías, 2020). In the long term, the greatest prejudice for countries will be deterioration of human capital structure, since there is an important empirical relationship between basic education and the formation of early cognitive skills in the process of human capital accumulation (Hanushek, 2013; Mercan & Sezer, 2014; Glewwe & Muralidharan, 2016). So, the fact that child labor is out of the current rhetoric in the main public policy agendas of developing countries is a great threat to their future, and in part, the worsening of the problem is part of the “hangover” pandemic.

### 2. Looking towards Latin America: brief considerations

In the Latin American case, despite the reduction of child labor in last years, the issue seems to have disappeared not only from the rhetoric and national agendas, but also from public policy evaluation and monitoring programs. In previous years, eradicating child labor in the region was not only a horizon, but was also part of the action guidelines of governments and international organizations such as MERCOSUR (Ramos-Torres, Gutiérrez-Murillo & Díaz-Rodriguez, 2022).

Now regarding child labor in Latin America, it must first be taken into account that there is enormous structural heterogeneity between countries. The most advanced economies in the region such as Chile, Brazil or Argentina have lower rates of child labor if compared to poorer countries in Central America such as Guatemala, Honduras and Nicaragua. This often makes comparative analysis difficult. But a reality that is probably being most affected in the region since the confinement due to the COVID-19 pandemic is that of child domestic work. In a regional perspective, there is a kind of “social division of child labor” (Román-Carrasco & Murillo-Torrecilla, 2013; Frasco-Zuker, 2016) that mainly condemns girls to this type of work, almost always unpaid. On the other hand, considering the international health emergency and its unfolding in the so-called “social isolation”, there are probabilities that girls will suffer an increase in hostility and intensity of domestic work, as evidenced by Craig (2020).

In Latin America, it is possible to observe children and adolescents who combine work and school (Román-Carrasco & Murillo-Torrecilla, 2013; García-Mendivelso, 2016; Garcías & Kassouf, 2021). The literature that relates child labor to schooling presents controversies in its theoretical and discussion field. For example, in the case of domestic child labor,
some international studies point to it as harmful, even observing conditions of semi-slavery (Blagbrough, 2008; Bourdillon, 2009; Kassouf, 2007; Chanda, 2014). However, other research shows that the conditions of domestic child labor can be different depending on the location and context of the child, in some cases being “safe” (Gamlin et al, 2015; Klocker, 2011).

Comparing by geographic distribution, research shows that in rural areas, child labor can have a “structural” character, as many families depend on child labor to guarantee a minimum livelihood and, under certain conditions, it is possible to alternate work and study without consequences for children's schooling (Admassie, 2003; Murray, 2014). Evidently, other factors related to crops and structural poverty of families are relevant to understand these dynamics of work in children in rural areas. The shocks in demand caused by the pandemic economic crisis have caused the migration of some youngsters from rural areas to cities and vice versa. This may be interrupting the normal cycles of schooling that some children usually have on the farms or rural properties where they live. In Ecuador, for example, the case of 10-year-old Lourdes is reported. Her father is a bricklayer and after confinement she was out of work for a year. The family dedicated itself to agriculture to obtain some income. They plant potatoes, mellocos and ocas and the youngster sell the crops on weekends. Lourdes recounts in an interview that although she did not completely change the books for the harvest sale, now spends less time studying and sometimes misses classes. The empiric evidence is clear until now, and indicates that once child and youngsters stop attending school to work, the tendency is to drop out (Zavala-Umanzo & Arrazola, 2014; Raccanello & Estrada, 2018). This situation, like Lourdes’ case, could be very negative for human capital in the long term if concrete measures are not taken from public policy.

Although online education has always become an alternative path for young workers, we know that there is still a digital divide in Latin America and that it affects lower-income households. In fact, some recent research already shows this reality in the context of the pandemic, as it is in the Ecuadorian case that school dropout in the pandemic context affected much more young workers from the poorest households and with less connectivity (Pachay-López & Rodríguez-Gámez, 2021).

Considering the foregoing, in the post-COVID-19 context, Latin America as a whole will need to continue gathering efforts from various spheres of society to prevent the growth of child labor again: governments, employers’ and workers’ organizations, civil society and from international cooperation. But this time the region needs bottom-up policies: formulated with the people, from the people and for the people. As Economic Commission for Latin America and the Caribbean (2020) has been warning, we know that it is a moment of fiscal shock where states can be co-opted by austerity trends. However, the immediate prevention of child labor may be the most cost-efficient way out in the long term, we invest today to avoid loss of human capital in the future. The call is for governments to include child labor in the rhetoric, in the agendas and priorities, mainly looking at the most vulnerable people affected by the pandemic-economic crisis.

3. Conclusion

We discussed that despite advances in reducing child labor in Latin America, this is still a social problem, which could be intensified due to the COVID-19 pandemic and its crisis. The evidence shows that there are three possible scenarios for 2022. One of them, of possible fiscal austerity and without public policies of social protection added to the absence of child labor in the rhetoric and political agendas, is likely to bring future human capital problems in the region. The call is for governments to be concerned with this issue and to address it through bottom-up policies.

Compliance with ethical standards

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References


