Child Labor Essay, Research Paper

The issues of child labor are becoming a growing concern as developed countries recognize the inhumanities of child labor in lesser-developed countries. Proposed solutions, such as sanctioning countries with poor labor practices, create further problems, while issues like the Asian economic crisis are increasing the difficulty of such solutions. The main efforts to counter the problem are left in the hands of an international council that relies solely on public and social pressure to police the issue. Child labor problems are not limited to developing nations but represent a different problem.In the article, Child Labor Crises Worsening, the International Labor Organization (ILO), warns that the estimated number of child laborers in Africa could rise from 80 million currently, to more than 100 million by the year 2015. 1 Other statistics put out by the ILO state that approximately 41 percent of African children between the ages of five and fourteen are involved in economic activity, 21% in Asia and 17% in Latin America. Also, worldwide, 250 million children are working.2. The most important efforts to eliminate child labor abuse throughout the world come from the ILO, founded in 1919 and now a special agency of the United Nations. The ILO is responsible for introducing the many rules and regulations concerning child labor practices, however does not have the power to enforce these conventions and therefore depends upon voluntary compliance of member nations. 3Trade unions backed by US politicians, as explored in the World trade survey: Brothers up in arms, suggest imposing trade sanctions as a punishment for countries that ignore minimum standards of decency. This World Trade Organization (WTO), disagrees; “its rules do not ban imports made by either slave labor of child labor, only those produced by prison labor.4 The problem is, the WTO says labor standards are the domain of the ILO, while the ILO makes no link between labor standards and trade, and can therefore do nothing.5 Child labor problems are not limited to developing nations, although when the problem exists in a developed nation, different circumstances than those of third world nations, are at fault. The US Department of Labor fined five Noble Roman’s restaurants in Indiana for violating child labor laws. The investigation found Noble Roman’s employed 55 minors less than 16 years old in positions that were in violation of the federal labor laws.6 Also, Hy-Vee grocery stores, based in Iowa, have been fined for child labor violations. A total of 239, 14 and 15 year olds were found in violation of the child labor provisions of the Fair Labor Standards Act.7 Such violations are not expected to happen where a high standard of social living would make such practices condusive.8Initiatives by the ILO have achieved some success by applying moral pressure and publicly slandering countries about their labor standards.9 Many developing countries have attempted to rectify their reputations by amending some of their labor laws. Furthermore, consumer outrage has prompted such companies as Nike to adopt codes of conduct prohibiting child labor in their factories abroad. According to, The benefits of paying a living wage, the president of the Nike Corporation announced in May of this year Nike’s new labor practice initiatives on child labor ” signal a shift in corporate thinking about third world practices. No longer can the bottom line be calculated in short-term financing gains alone.” 10 A company’s social responsibility record also matters, to shareholders, consumers, and the public. The shift in Nike’s corporate attitude was not through their initiative, but prompted by social pressure spawned by filmmaker Michael Moore. Moore confronted Phil Knight; CEO of Nike, on camera with child labor allegations in a documentary called “The Big One.” In Moore vs. Nike, Nike’s damage control efforts in the wake of the release of Moore’s film are discussed. Nike announced that it would raise the minimum hiring age to 16 at its apparel plants and improve air-quality standards at all its overseas plants.11 Nike is not alone in promising to improve labor standards. More than 200 American and European firms have complied to good behavior codes for their factories after consumer organizations and trade unions pressured the business to improve working conditions.12 Shada Islam, author of Minor Concerns feels that such honorable initiatives may not be enough in the face of Asia’s economic recession.13 Shada warns that the continents financial condition may put pressure on companies and manufactures to speed up production while cutting costs, which would inevitably push companies to employ children on low wages instead of adults.

There is no easy solution to child labor, as Nancy Birdsall points out in her article Some Child Labor Works. “Unfortunately efforts to deal with child labor may also blind people to the fact that the real solution to the exploitation of child workers involves the complex aspect of economic growth and development in poor countries”14 Solving the child labor issue seems to be apparent when countries have something to be gained. Members of the WTO, notably the American’s, have long wanted to link trade liberalization and labor standards. Other WTO member nations smell protection and not with out reason. “American unions have long argued that low wages and labor standards in the third world create “unfair” competition for American workers.”15 If trade unions are recognized, wages in developing nations might rise while child labor is reduced, although the overall employment level would ultimately drop as higher labor costs drive manufactures out.16 Furthermore, Patric Lane argues that imposing trade sanctions will have devastating effects on third world economies. In this example, Lane explains why third world countries rely on such meager wages. Suppose “third world Country A” uses adult labor to produce goods to export, but relied on “third world Country B” for imports of raw materials to produce goods. Country B uses child labor. If Country B is sanctioned then demand for those exports of Country A, will fall, and consequently reduce demand for adult laborers. Even worse, a decline in demand for imports results in a decline in demand for the child labor. Ultimately fewer people work and both adult and child employees are worse off.17 The viscous cycle is then set in motion. A harsh financial environment spawns more poverty, in turn a child becomes a valuable source of income to its family. “In many cases, a child’s income defines the difference between destitution and mere poverty for a struggling family” 18Economic factors such as the Asian economic crisis are worsening the problem. Workers in Indonesia are letting it be known that any job is better than no job. When Philip Knight announced plans to improve Nike’s labor practices, he did not include plans to improve wage levels. In Indonesia, because of the economic crisis, the purchasing power of workers has dropped an estimated 60%.19 As low as the pay is Indonesian workers express their concern ” that its better to have a minimum paying job than no job.”20 The difficulty and complexity of this problem is standing in the way of change. Meanwhile companies like Nike are taking advantage of the situation and prospering.It is suggested that companies like Nike could survive on long term profits while respecting labor practices. “Investors believe companies like Nike have the capacity to generate substantial profits over the long term while paying workers their fair share of the revenue generated in part by their productive labor. Minimally that means paying a wage sufficient to meet basic labor needs and provide discretionary income.”21 Internally Nike will spend more on fair labor practices, in turn lessening their GRMOI but resulting in equilibrium in the labor market where child workers don’t work and adult wages are high. 22 There is no easy solution to child labor problems. All presented solutions have been linked to possible devastating effects. Even those solutions that involve selfless acts of financial sacrifice seem unable to solve a problem that is as deep rooted as economic growth and development itself.