

## Part II

### 1. Why focus on Child Labor?

#### *1.1. Definition of “Child” and “Child Labor”*

This dissertation focuses on the ratification patterns and effects of the Minimum Age Convention passed in 1973 (ILO-Convention 138°, referred to in the following as the Child Labor or Minimum Age Convention). This focus has been chosen for several reasons. First, this convention is an instance of a *core* labor standard convention. It is therefore not just one out of hundreds of labor conventions, but rather represents one of the eight conventions declared in 1998 to entail the most fundamental labor rights (also labeled core labor standards) by the International Labor Organization (ILO), the UN specialized agency for labor, and many other international actors (see part I, section 4).

Second, in economic terms, the child labor convention is the most costly core labor standard convention for countries to implement. Child labor is the *only* core labor standard that, if implemented, would cause the country to have a competitive disadvantage. In contrast to the other core labor standards defined by the ILO, and indeed, many other human rights treaties, there exists a strong drawback to just signing on for formal reasons as I will elaborate further down.<sup>33</sup> This is mirrored in the fact that the Minimum Age Convention C138 has the lowest ratification rate of any of the 8 conventions. The fact that this convention was not universally ratified makes the study of ratification patterns and effects both substantively intriguing (which countries did endorse it and why?) and methodologically possible (sufficient variation on the dependent variable). This ILO convention is also unique in respect to other child labor conventions due to its detailed stipulations. For example, the UN Convention on the Rights of the Child is less a prescriptive convention and more of a “feel

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<sup>33</sup> If countries still ratify and the ratification is still insignificant despite these drawbacks, this would make an even stronger case for decoupling.

good convention”<sup>34</sup>. It was ratified by almost twice as many nation states than the ILO child labor convention.

According to the ILO definition a “child” is defined as a person up to 15 years of age. This definition is based on the ILO-convention 138<sup>o35</sup> of 1973 regarding the minimum working age. According to this convention, each country may use its own discretion to choose the minimum age criterion. However, the ILO convention does stipulate that the absolute minimum working age “shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years” (Art. 2 (3) and 13 years for light work (Art. 7 (2)). The term child laborer is used for children who belong to the labor force in contrast to “working children” for whom work is only a part-time occupation.

However, measuring the percentage of children within the labor force is riddled with difficulties. The World Bank, whose data I utilize for child labor rates, has assessed the complications as follows:

*Countries differ in the criteria used to determine the extent to which such workers are to be counted as part of the labor force. Reliable estimates of child labor are hard to obtain. In many countries child labor is officially presumed not to exist and so is not included in surveys or in official data. Underreporting also occurs because data exclude children engaged in agricultural or household activities with their families. Most child workers are in Asia. But the share of children working is highest in Africa, where, on average, one in three children aged 10–14 is engaged in some form of economic activity, mostly in agriculture. (World Development Indicators 2000: 49)*

Although child labor was a theme in earlier ILO-conventions, the ILO core conventions on child labor are the most recent. This is surprising because while social policy in the West *began* with combating child labor (Be-

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<sup>34</sup> In the sense that the country can feel like it is doing the right, legitimate thing by ratifying the convention but actually does not have to pay any (economic) price for doing so.

<sup>35</sup> See <http://ilolex.ilo.ch:1567/scripts/convde.pl?C138> for details.

quele & Meyer 1995, Schäfer 1993), this is not true in the international arena. The rights proclaimed in the *Universal Declaration of Human Rights* by the UN (1948) contain all of the core labor standards with the exception of the ones regulating child labor - although the right to education is mentioned.

The most recent ILO-core labor standards convention (ILO-Convention 182°, referred to in the following as the convention about hazardous child labor) passed in 1999 specifies that persons carrying out work in circumstances which are likely to jeopardize the health, safety, or morals (prostitution) of young persons may not be less than 18 years of age (see Art. 2 of the ILO-Convention 182°). It only bans persons under 18 years of age to perform *hazardous* labor, e.g. mining or prostitution. The regulations are confined to the worst forms of child labor so that this child labor convention will have a higher probability of being ratified and implemented (Kellerson 1998). The farther reach of the preceding convention (C138°) proved to be a ratification deterrent for many countries. Out of all the core labor standard conventions, C138° remains one of the least frequently ratified convention, while the most recent child labor convention (C182°) is one of the *most* quickly ratified.

This dissertation examines the effect of the Minimum Age Convention of the ILO passed in 1973. This convention reflects the spirit of international agreements dealing with children's rights better than the former about hazardous child labor because it generally prohibits the employment of children below the age of 15. This is of particular interest since children younger than 15 years of age who enter the labor force are more likely to not even attain a basic education. The right to education is also specified in the Declaration on Human Rights (Art. 26 (1)) and is furthermore proclaimed in more binding contracts like the "Pact for Economic, Social, and Cultural Rights" in 1966 (Art. 13 (2)) (Bornschiefer 1990). The right of the child to be free from economic exploitation is furthermore specified in the UN Convention on the Rights of a Child (Art. 32) declared in the 1990s.

## ***1.2. Theoretical Approach: The World Society Theory and its Contestants***

To date, the question lingers whether the ILO's "methods of moral persuasion" such as declarations of conventions and pressuring countries to ratify them yield any effect. Surprisingly perhaps, there are no studies that systematically examine, on a global scale, the connection between country characteristics, ratification patterns, and structural changes concerning the state of labor standards in that country. This dissertation seeks to fill this gap using an integrated model containing relevant, intra- as well as international economic, social, and political variables.

Much of the large body of development literature discussing core labor standards focuses on several intra-national economic issues: First, the economic reasons for a country's failure to ratify social standard conventions or violating labor rights. Second, the connection between economic growth and such violations. Third, the economic incentives for employers choose children over adults (Charnovitz 1994, Kulesa 1995, Leisink 1999, Scherrer 1998). Development literature discussing the way nation states deal with the core labor standard prohibiting child labor mostly focuses on endogenous, i.e. intra-national economic explanations such as a low GDP per capita (Anker 1998: 15, Archavanikul 1998, Bequele & Meyer 1995, Black 1995, Canagarajah & Coulombe 1997, Lance Compa 1993, ILO 1997a, 1997b, Fallon & Tzannatos 1998, Graitcer & Lerer 1998, Grootaert 1998, Jennings 1999, Ravallion & Wodon 1999, UNDP 1998). The importance of international regulatory codes, structures, and values created by the U.N. in the form of conventions, recommendations, and guidelines on labor standards are proclaimed in the development literature. Yet their leverage or influence concerning the formal adoption into national law or de facto implementation were never examined (e.g., Hople 2000, for an overview of the discussion see Blanpain 2000).<sup>36</sup> So while

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<sup>36</sup> The development literature has statistically analyzed social labels in respect to ILO-conformity (Diller 1999, Hilowitz 1997, OECD 1999). However, no cross-nation studies exist if and how the influence of the world society reaches beyond formal provisions pertaining to

many tenets of the development literature may be valid, their explained variance may be deceptive, since not all relevant economic and international influence variables are integrated into the model. To include all theoretically relevant variables into statistical models is essential if the problems of confounding correlations are to be avoided.

Research developed in line with the neo-institutionalist World Society Theory has established such an integrated, quantitative model, providing evidence for the increasing importance international regulatory regimes exert on national legal provisions. This study is therefore conducted within the framework of the World Society Theory because it provides the most integrated model, i.e. a model addressing inter- and intra-national factors. Furthermore, this approach is the only theoretical framework employing a genuinely sociological conception (Wobbe 2000) and having sufficient empirical data and research to substantiate their positions. Differing conceptualizations of a world society, polity or system exist with divergent emphasis on economic, political, cultural dimensions or communicative possibilities (e.g., see Bornschier 1996, Finnemore 1996, Forschungsgruppe Weltgesellschaft 1996, Luhmann 1994, Robertson 1992, see also Heintz 1982 for different conceptualizations of the “world society”).<sup>37</sup> The conception of world society employed by Meyer et al. (1997a) is understood as a partially integrated collection of world-level organizations, understandings, and assumptions that specify the legitimate way nation states deal with domestic and international issues (see Meyer et al. 1997, Meyer et al. 1997a). This concept is therefore not limited to economic globalization, nor political and military alliances but portrays world society as a social construction, with one of the core cultural dimensions being the notion of individuals as bearers of rights (Finnemore 1996a, Meyer et al. 1997a, Wobbe 2000). These notions are codified in the Declaration of Human Rights, and other more binding international agreements, and carried into nations by world

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core labor standards.

<sup>37</sup> Burton's (1992) “spin web model“ represents an early conceptualization of a sociological concept of the world society.

associational arenas such as the UN-system (Meyer et al. 1997) and a multitude of Inter-Governmental (IOs) and Non-governmental organizations (INGOs).

Large-scale quantitative analysis supports the thesis that “many features of the contemporary nation-state derive from worldwide models constructed and propagated through global cultural and associational processes” (Meyer et al. 1997: 144, emphasis in the original). On the national level, these models reinforce the nation state as the only legitimate form of political organization (Meyer 1987, McNeely 1995). Within the nation state, they foster the emergence of “subeconomies”. Despite vast economic and cultural differences between states, these subeconomies “tend towards isomorphism with each other and with the rules of the wider system — surprisingly similar institutions of modernity (e.g., state forms, state services, educational systems) appear in all sorts of societies” (Meyer 1987: 42).<sup>38</sup> Like many formal organizational structures, these isomorphisms often do not reflect the most efficient way to coordinate activity (Meyer & Rowan 1977). Rather, they function as myths to gain legitimacy (ibid.) in what Powell & DiMaggio (1991: 9) label “organizational fields” or “sectors” which are the frames of reference for the organizations. In the case of the nation state these fields are constituted by other states in the world polity and crystallize in intergovernmental organizations. According to this theory, labor standard conventions would be adopted, not for efficiency reasons, but in order to appear legitimate. Child labor would be reduced because that is the legitimate way nation states deal with this issue according to international conventions.

Through the common reference to these organizational fields, national societies “reflect exogenous cultural models in several ways” (Meyer 1997, Ramirez & Meyer 1998: 64). These patterns of influence between and conformity among nation states extend beyond those explainable by economic or functional rationality, cultural or religious traditions or even power relations (Boli & Thomas 1999). Different mechanisms exist for transmitting these cul-

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<sup>38</sup> Isomorphism pertains to the quality of being identical or similar structure despite a different history and functional requirements (isomorphism: the quality of being isomorphic).

tural models (Ramirez & Meyer 1998). One mechanism is the many governmental and non-governmental organizations that have emerged in the past hundred years, such as the UN or Green Peace (Boli & Thomas 1999).

Researchers of this school were able to demonstrate the increasing leverage of exogenous factors concerning a large variety of themes including women's share of higher education (Bradley & Ramirez 1996), mass schooling (Meyer et al. 1992), anti-discrimination legislation (Berkovitch 1999: 119, 1999, Ramirez & Meyer 1998: 70), women's suffrage (Ramirez 2000, Ramirez et al. 1997), school systems (Meyer et al. 1992), welfare policy and land reform (Thomas & Lauderdale 1988) as well as constitutions (Boli 1987). In the case of protective legislation of children, Boli & Meyer (1987: 220) have provided evidence that the ideology of childhood in constitutions and the consequent references to employment of children "reflect legitimating ideas dominant in the world system at the time of their creation" and are not a product of intra-national socio-economic constellations.

However, the neo-institutionalists have not systematically studied the ratification patterns of child labor standards, the determinants of the reduction of child labor rates, nor, in general, the coupling between the formal ratification and subsequent structural labor market changes. They have, however, covered subjects related to social policy and gender aspects of core labor standards.

Laws regulating labor, in particular some core labor standards such as child labor, provided the historical foundation of social policy and the welfare state in the West (Achinger 1971, Reinhold 1992: 553). Social policy and labor standards are historically connected. The studies of the world society scholars have so far attended to other issues than core labor standards and their effect on welfare provisions: Mohr (1998) has studied whether relief practices were "gendered" during the Progressive Era in the USA. Aiming at a classification of gender regimes, Orloff (1998) has examined the effects of state social provisions on gender relations. The regarding institutionalization of worker's compensation for industrial accidents was investigated by Grattet (1998).

Espinosa (1998) took a closer look at workers protection in the USA and Germany. Examining the world society sources of national welfare, Thomas and Lauderdale (1988) have shown that countries with very different economic and political characteristics adopt formally similar welfare programs. As mentioned above Boli and Meyer (1987: 220) have examined the ideology of childhood in national constitutions but not in respect to ILO-regulations.

This dissertation thus employs a theoretical perspective novel to the labor standard literature by applying the World Society Theory, and examines an area not systematically studied in either the development literature or the neo-institutionalist world society literature. Within these theory frameworks, I study the factors influencing ratification and the coupling between ratification and actual reduction of child labor.

## **2. Hypothesis**

The following three clusters of hypotheses will address the questions I stated at the outset of the dissertation: (1) What are the determinant factors in the ratification of the child labor convention (ILO-C138)? (2) Does ratification lead to child labor rates dropping faster? (3) If, in fact, there is only a very weak effect of ratification what determines the development of child labor rates?

### ***2.1. Ratifications***

The world society perspective predicts that countries ratify treaties not only out of political or economic calculations but to appear as legitimate nation states. Allowing child labor within one's borders was increasingly delegitimized. Although the Geneva Declaration of the Rights of the Child dates back to 1924, in the post World War II period the first reaffirmation of the rights of the child was made in 1959 when the UN General Assembly proclaimed the *Declaration of the Rights of a Child* (Makaramba 1997). Note that this declaration did not contain a prohibition of child labor.



According to the World Society Theory, the extent to which a nation state is linked to world associational arenas through IOs and INGOs determines its need to enhance its reputation by ratifying human rights treaties. Thus country level affiliation to and permeation by agents of the world society (indicated by the number of intergovernmental memberships and Non-governmental organizations in a country) will significantly increase the perceived need (or in the event history jargon: “hazard”) to ratify the child labor convention.

**Hypothesis 1: Drawing on the World Society Theory, ratification of C138 will be more likely for countries exhibiting strong linkages to the world society (holding the factors explicated further down constant).**

To examine this prediction in the case of child labor is an especially difficult test for the world society approach. The convention banning child labor is not just a “feel-good covenant”. Ratifying this convention does not permit countries to effortlessly upgrade their human rights record. Ratification entails potentially serious drawbacks. In the case of child labor, studies show that this is the only core labor right that, if implemented, would reduce the (short-term) international competitiveness of labor-intensive Third World industries employing child labor (Levison et al. 1996, Maskus 1997).

Ratifying the convention and *not* putting it into effect entails serious ramifications. First, the ratification of an ILO-convention opens the country to ILO scrutiny and potential public reprimands, and hence humiliation, regarding efforts of its implementation. The ILO monitors states concerning the elapsed time period before enacting national laws and establishing supervisory bodies as stipulated in the convention. Second, ratification will yield countries with industries or companies employing child labor vulnerable to trade sanctions. According to international law, a country can only be sanctioned for violating conventions which it has ratified since conventions do not represent mandatory international law but merely contract law (see Döhring 1999). Especially in the 1990s, trade sanctions have been fervently debated as an incentive to uphold labor standards (see Charnovitz 1994, Frank 1999, Grote et

al.1998, Langhammer 1999, Liemt 1989, Malanowski1997, OECD 1995, Sapir 1995, Wet 1998: 447, Windfuhr 1999, Zeeb 1994).

Although it would be ideal to directly perform this event history analysis with child labor rates as an independent variable predicting ratification, I use the proxy GDP per capita instead due to data constraints. Child labor data is only available every ten years, i.e. for 1960, 1970 etc. and would thus impede an event history analysis. Child labor rates and GDP per capita are highly correlated and analysis using the available data to extrapolate child labor rates yielded the same results as using the GDP per capita as an independent variable. (The correlation of the logged GDP per capita with child labor rates has the mean of  $-0.8314$  and is significant at the .01 level over 35 years.)

One could assume that countries with low income levels (measured in GDP per capita) and correspondingly high child labor rates will be less likely to ratify the convention banning child labor according to the development literature and a rational choice approach. They are prone to rely on child labor in their labor intense sectors and have fewer resources at their disposal to implement ratified conventions. Potential trade sanctions represent a threat to nations that ratify the child labor convention while having a high rate of child labor.

If, however, ratification does not occur out of short-term economic calculations, but due to the desire to appear legitimate, the primary indicator of economic development -- GDP per capita -- should be insignificant concerning the ratification probability. One could also argue that while economic calculations still play a role, they are balanced out by the need, especially of peripheral nations, to appear legitimate. This world society hypothesis stands in conflict with much of the development literature on labor standards or a rational choice approach concerning the prediction of nations to ratify.

To examine if nations ratify the C138 – although it stands against their own interests (from a more narrow rational choice perspective) – is in many ways the stronger test of the World Society Theory than just investigating if linkages also matter. From a rational choice perspective, the GDP per

capita would decisively influence the ratifying pattern from the world society perspective it is not.

**Hypothesis 2: Contrary to the suggestions of the development literature on labor standards the development indicator GDP per capita will not be significant regarding the propensity of nations to ratify the child labor convention.**

If hypothesis 2 is correct and the rational choice approach is deficient, then this question remains: Are there other factors or indicators of socio-economic development that explain the recurring argument in the literature that less developed nations are less likely to ratify? Is it that they just cannot afford to ratify? Or does it reflect, as Greven and Scherrer (1998) argue, reflect the state siding with the interest of business?

However, while the GDP per capita may not be significant, indicators of social (not purely economic) development may affect the way nation states deal with ratifying issues or they may reflect the extent to which the social well-being and health of the population is seen as a state responsibility. The GNP per capita is a very narrow measure of development. Thus other measures have been developed that supposedly measure socio-economic development more broadly and validly than merely the GDP per capita. These other factors are reflected in the Human Development Index (HDI), a measure established by the UNDP. One important indicator for socio-economic development, besides the life expectancy, is the infant mortality rate (see Chabbott 1999, Nuscheler 1996).

This analysis employs the infant mortality rate rather than the life expectancy to capture the welfare efforts of the state, such as setting up low-cost medical services, because this variable reflects a broader range of state activities (vs. life style factors of the individual). I argue that it is not just the economic development (measured by GDP per capita and GDP per capita growth rates) impacting the formal commitment to uphold human rights (i.e. banning child labor) but rather the nexus of a lower social-economic development and the general perceived welfare responsibility and efforts of the state

(as signified by infant mortality rates) that shapes the ratification patterns. Turned negatively, this “responsibility” is also an indicator for what Foucault (1977:170) terms the “bio politics” of the state; which is the degree to which the state extends its tentacles into every aspect of the life and health of its citizens. According to this line of reasoning, high infant mortality rates will significantly lower the likelihood of nations ratifying the convention because, more than just being a proxy for development like the RGDP (Real GDP is adjusted for inflation) per capita, these rates also signify the welfare attitude of the state (i.e. is basic medical service a human right or not?).

**Hypothesis 3: A high infant mortality will have a negative effect on the propensity to ratify.**

One feature that distinguished the original, core neo-institutional organizational theory as explicated by Meyer and Rowan (1977), and Meyer et al. (1997a: 154ff) from later theories is that it argues that nations formally commit to goals to legitimate themselves and that being legitimate is a goal *in itself*. The permeation by and coupling to the world society by linkages effect the perceived need of nation states to legitimate themselves by adopting world level standards and norms more due to cognitive processes and do not just represent tactical maneuvers.

Later developments of the neo-institutional organizational theory differentiated between different driving forces for adopting world standards. Powell and DiMaggio (1991a: 67ff) have established a typology of three mechanisms of isomorphism: (1) coercive isomorphism that stems from political influence and the problem of legitimacy, (2) mimetic isomorphism resulting from standard responses to uncertainty, and (3) normative isomorphism associated with professionalization or historical or organizational ties. Finding valid and mutually exclusive indicators for the different types of isomorphism is challenging.

Powell and DiMaggio (1991a) give the “problem of legitimacy as goal in itself” an “instrumental” spin. Hence, nations would try to appear le-

gitimate due to political pressures from the outside and not because they have adopted these views themselves. This theory suggests that legitimacy is a means to an end and not a goal in itself. Since this is a common argument against the original, core World Society Theory, my analysis controls for coercive isomorphism when testing the effects of normative isomorphism (organizational linkages<sup>39</sup> and colonial ties<sup>40</sup>). In this context, a mechanism of coercive isomorphism could be external debt since new international lines of credit are often linked to human rights records. External debt therefore can serve as an indicator for coercive isomorphism.<sup>41</sup>

**Hypothesis 4: Coercive isomorphism, measured by severe indebtedness (% of GDP), will not yield a significant effect on ratification, especially if institutional linkages are controlled for. However, normative linkages will have a significant effect.**

The previous hypotheses are analyzed with an event history model. The next section will discuss the hypothesis concerning the effects of ratification on structural change. The hypotheses in section 2.2. are tested with a panel analysis.

## ***2.2. (De)coupling?: Ratification and Structural Change***

Despite differing explanations, the more economically focused development literature on labor standards (often written by practitioners) and the sociological neo-institutionalist world society approach provide convincing explanatory models for the often noted decoupling of talk and action in state institutions.

The relative importance of exogenous influences for *de facto structural change* in societies has not received much attention by the scholars of the

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<sup>39</sup> see above

<sup>40</sup> Walter Powell had suggested colonial links as channels for isomorphism in a conversation in Stanford, Spring 2001.

<sup>41</sup> Note that this assumes that donor really did attach child labor conditionalities to loans.

world society approach so far. It remains an open question in neo-institutional<sup>42</sup> literature if the exogenous cultural models that states adopt only pertain to *formal* dimensions (e.g. the passing of a law or the creation of ministries) or if world societal influences also account for real, substantial change. The original, core literature does suggest, though, that there is generally little connection between formal commitments to goals (such as ratification) and structural change due to the “loose coupling” of official policy and implementation efforts (Weick 1976).

According to the original, core neo-institutional organizational theory, a decisive reason for this decoupling occurs because nations formally commit to goals to legitimate themselves and not due to functional requirements that prompt action or a sincere desire to enact the formal goals (see Meyer 1997<sup>43</sup>). Meyer and Rowan (1977) and Meyer et al. (1997a: 154ff) argue that loose coupling or decoupling is a feature of institutionalized rules. Rules reflect what is viewed as legitimate rather than what is done in practice. Decoupling between official policy and implementation is thus a typical organizational phenomenon of all institutions including nation states that strive for legitimacy rather than efficiency (Meyer & Rowan 1977).

Critics from the development literature argue that the establishment of formal rights are merely rhetoric (Braunmühl 1998). The development literature shows that not actual change but merely the establishment of institutions to promote such a change (e.g. the creation of a women’s ministry) is sufficient to shield states from economic or political sanctions. Similarly, not the labor standard violations in the particular countries that are seen as reasons for sanctions, but lack of state efforts to follow instructions of the relevant international organizations (ILO 1999, 1997b, OECD 1995, Weltbank 1995).<sup>44</sup>

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<sup>42</sup> Institutions are defined by scholars of the neoinstitutional approach as collections of cultural rules establishing taken for granted shared meanings and values to actors and activities (DiMaggio & Powell 1991). (For a lucid essay comparing and contrasting the old and new institutionalism and the sociological version with that of other disciplines also see *ibid.*)

<sup>43</sup> This argument was made explicitly when analyzing the structuring of a world environmental regime.

<sup>44</sup> Instructions are given for codification and establishment of institutions to ensure the confor-

Analyzing the implementation of development goals, Bierschenk and Elwert (1993) have shown that development packages are often “unpacked”: some parts are utilized, others modified, still others rejected. Different explanations exist in the development literature: Decoupling is portrayed as a result of lacking resources according to the governments of many developing nations (Weltbank 1995). Alternatively, some academics view the wide divergence between *proclamation* and the actual *implementation* rather as a lack of will, due to the pressure of business groups (Greven & Scherrer suggest 1998). All these theories imply the same outcome, that is, the decoupling of official policy and implementation.

**Thus hypothesis 5 predicts: There is at best a very weak effect of the ratification of C138 and the reduction of child labor rates.**

I control for the development level (GDP per capita), the economic progress (GDP per capita growth), the resources of the state (General government final consumption expenditure in % of GDP) and other theoretical and regional variables that I will discuss below.<sup>45</sup>

However, irrespective of the direct impact of ratification manifested as implementation efforts of the state, it is conceivable that there are various channels in which world societal influence may work. To again draw on the idea of isomorphism, one could argue that indicators of normative and coercive isomorphism should yield a significant impact.

Again, I will argue that the linkages to the world society will exert a pressure on the nation state to reduce child labor. Three different types of linkages are tested:

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mity with conventions of UN organizations like the International Labour Organization (ILO). See for example the ILO demands towards states ratifying the conventions a against discrimination (ILO-conventions 100 and 111) <http://ilolex.ilo.ch:1567/scripts/convde.pl?C100>, <http://ilolex.ilo.ch:1567/scripts/convde.pl?C111>.

<sup>45</sup> Resources are controlled for to ensure an to ensure that the states can actually implement these laws.

Organizational linkages indicated by the number of IOs and INGO memberships. The World Society Theory suggests that there are world wide diffusion processes of certain models (for an outline of what shapes and accelerates diffusion in general see Strang & Meyer 1993). These diffusion processes are accelerated by organizational linkages. These memberships are not only channels transporting the norms of the world society *into* a society (for an illustration the impact of the ILO on India see Joshi 1985, esp. chapter 4). *Within* a society, they also provide an internal backing for lobby groups or are lobby groups themselves, particularly in the case of NGOs, that press for the formal adoption of global norms. Some research suggests that this also holds true for actual change not just symbolic commitments (e.g. see Bongaarts & Watkins 1996 for fertility rates). Furthermore these memberships also allow lobby groups like labor to transport their wishes *out of* the society onto global arenas which then again influence the national governments. E.g. Kruglak demonstrates how the AFL-CIO (union) was able to “utilize its powers of influence to largely control the governmental policy forming process towards the ILO”. The world society literature suggests that these linkages will spur adherence to world norms, and thus be significantly inversely correlated with child labor. Other studies strengthen this prediction. Examining the North American Agreement on Labor Cooperation (NAALC), Dombois and Hornberg (1999) as well as Frank (1999) have shown that social standard regimes are only effective under certain political, intra-national circumstances. In this study, the most important prerequisite was the existence of autonomous organizations capable of strategic actions and transnational alliances, e.g. internationally linked trade unions. I test this for the reduction of child labor rates.

Coercive linkages measured by aid per capita (current US\$). Developmental aid could be constructed as an indicator for coercive isomorphism: The granting of aid is often tied to certain conditions (“conditionality”), one of which is perceived efforts to implement human rights. As shown above, the need to labor as a child, and hence not be able to go to school, is defined as a violation of human rights by most major donors. At the same time aid is also an indicator for normative isomorphism since “aid” does not primarily signify



a cash transfer but rather also “services” (see in footnote 44), such as sending “professional development workers” into the country and hence also promoted diffusion effects.

Economic linkages measured by trade as percent of the GDP. These economic connections could work in two ways. First, they could, as the practitioner developmental literature argues, increase the wealth of the nation (Weltbank 1995) and therefore decrease child labor indirectly. If this were the case, trade could be assumed to significantly reduce child labor. Secondly, the discourse about fair trade and the different initiatives to uphold core labor standards emerging in the 80s could have induced countries that are very dependent on trade to combat child labor. In this case, trade should only show an effect in the 80s.

Conceivably, these different mechanisms effect the propensity of structural change, in this case the reduction of child labor, differently in different time periods. The hypotheses derived from the discussion of these linkages are the following:

**Hypothesis 6: Countries with more ties to the world society reduce child labor faster than countries with no ties or only a few ties.**

**Hypothesis 7: Countries receiving more developmental aid<sup>46</sup> should have a significantly faster reduction rate for child labor than countries receiving less or no aid.**

**Hypothesis 8: Countries that trade more can be assumed to be more dependent on trade and should thus reduce child labor rates faster, especially in the 80s, when a vivid discourse evolved demanding that laws governing trade and the production in Third World countries should integrate social standard provisions.**

As much of the development literature suggests that poverty is the reason for child labor, the GDP per capita is employed as a control variable.

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<sup>46</sup> The variable “Aid (% of GNP)” is defined as “Official development assistance and net official aid record the actual international transfer by the donor of financial resources or of goods or services valued at the cost to the donor, less any repayments of loan principal during the same period. Aid dependency ratios are computed using values in U.S. dollars converted at official exchange rates.” (WDI, World Bank 2001)

Note that my argument is not that I can assess whether or not poor families are forced to send their children to school. Any such line of reasoning will be riddled with ecological fallacy. The goal here is to evaluate how strong the general level of economic development impacts the reduction rates next to other factors. Furthermore, as the discussion about free versus fair trade shows, the often implicit and sometimes explicit argument is that (1) economic *growth* will go hand in hand with the reduction of child labor and (2) a higher economic development *level* will lead to less child labor.

Since the ratio of child labor is dropping world-wide and long-term GDP is rising, the two are likely to show some correlation over time regardless of the direct causal effects. It is therefore important to test if a rising GDP accelerates the reduction of child labor as the development literature on labor standards suggests.

**Hypothesis 9: Growth of GDP will parallel an accelerated reduction of child labor rates.**

Concerning the effect of the level of development, different schools would imply different predictions. The practitioner development literature stresses that the poverty of nations constrains their reduction of child labor. Hence poor nations are not able to effectively reduce child labor (Archavanikul 1998, Black 1995, Canagarajah & Coulombe 1997, Grootaert 1998, Hemmer et al. 1997, Jennings 1999).

The world society perspective suggests that the international ostracism of child labor will have spurred the isomorphic phenomenon that all nations put efforts into the reduction of child labor. Countries with more resources, i.e. a higher GDP per capita, could use these means to comply with international norms.

**Hypothesis 10: Building on the World Society Theory, GDP per capita should only have a significant, positive impact on the child labor reduction rates after 1973 when eliminating child labor was established as an international norm.**

Canagarajah and Coulombe's (1997) findings suggest that its not poverty or other variables relating closely to the degree of a nation's development that are decisive, but rather the desolate school system and lacking the prospect of regular employment that robs the children of an incentive to enroll in schools. I use the "Primary school pupil-teacher ratio" as a proxy for the quality of the education system. This "is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment)." (World Bank 2000, see WDI table 2.9.)

**Hypothesis 11: Bad quality of education, such as a high pupil teacher ratio decreases child labor reduction rates.**

In testing these hypotheses, I employ a number of control variables. I control for the strength of the state (measured by the general government final consumption expenditure in percent % of GDP)<sup>47</sup> to account for the resources of the state to institute policies. The female labor force (% of total labor force) is accounted for in the models because of the argument that child and female labor in developing countries are often substitutes (Grootaert & Patrinos 1999: 5).

The regional controls are employed because as the discussion showed (part I, section 5), regional, and implicitly cultural factors, are often highlighted when discussing child labor. This claim is questioned by the relatively steady rates of decline in all regions.

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<sup>47</sup> The World Bank (2000) defines the "General government consumption (% of GDP)" the following way: General government consumption includes all current spending for purchases of goods and services (including wages and salaries). It also includes most expenditures on national defense and security, but excludes government military expenditures that are part of government capital formation.

### **3. Operationalization, Data, and Methods**

The goal is to investigate (1) the ratification patterns of the Convention of the ILO banning child labor and (2) whether ratification has any effects on child labor reduction rates and if it does not (3) what does?

#### ***3.1. Ratification Patterns: Event History Analysis 1973-1995***

To assess the first question and hypotheses 1 through 4, I examine the ratification patterns between 1973 (the declaration of the child labor convention) and 1995 (the begin of the fervent international discussion) in an event history analysis. Since the first declaration banning child labor was passed in 1973, this is the year “the clock starts ticking” for nations that were independent at that time. Nations that gained independence later enter the event history data set the year they attained nationhood. The year 1995 is taken as an end point because this was the beginning of the debate about sanctioning the failure of implementing the ratified convention.<sup>48</sup>

The core problem – the ratification pattern of the Child Labor convention – can only be captured by temporal analysis. The substantive problem examined here requires that the units be observable over time, from the time of the declaration onwards. Besides this intrinsic, substantive reason, there are also a number of methodological reasons to conduct a temporal analysis, e.g. to avoid a specification bias. Temporal analysis alleviates the effects of omitting stable variables that covary with included variables (see Tuma 2000a: 1-8).

Of the different possibilities of temporal analysis, e.g. time series etc., event history is most appropriate for my analysis. “The ‘event’ is a change

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<sup>48</sup> An additional problem was that many of my independent variables are only available up to 1995. Event history analysis requires that information on all events and times are in the data file in the observational period (Tuma 2000b: 2). A standard remedy for this problem is to fill in the missing values of following years by carrying forward the last available observation to the following years. However, in conjunction with the first problem it seemed unreasonable to do so.

in the value of some discrete random variable,  $Y(t)$ , that is defined over some time interval and that has a countable number of exhaustive and mutually exclusive values” (Tuma 2000b: 1). In this case, the event is obviously ratification (yes/no). There is no left censoring; however approximately 76% of the sample is right censored, which is substantial. Different than the classical topics of survival analysis, like mortality, the event does not have to occur for all units at some time. Some nation states may never ratify. So one cannot a priori say if the observed time period was merely too short to observe the event taking place for all nation states.

The unit of analysis is the nation state. Event history analysis has been employed to study the adoption of treaties (Tsutsui 1998) or disputes between nations (Hironaka 1997). Only nation states that belong to the ILO are included because only ILO-members can ratify. This does not significantly diminish the sample, however, because practically all nation states of the world are part of the ILO except for tiny island states such as Tonga or contested territories such as Taiwan.

The sample is not random. In the strict sense, it is not even a sample since almost all the nation states of the world are included – provided they report data or let the UN or World Bank “guestimate” data in negotiations with the country. According to an unofficial correspondence with a former World Bank consultant in January 2002, statistics are often “negotiated” between international organizations and the country. Which countries are covered thus becomes a question of why certain countries fail to collect, report or acknowledge data on certain topics. In the following section, I will briefly discuss this for the variables I use.<sup>49</sup>

The most problematic variable is income. Concerning the Real GDP per capita, a bias is thus likely both regarding (1) the values and (2) the countries dropping out because they contain missing values. Concerning (1): The reported values are likely to be an underestimation since only countries be-

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<sup>49</sup> Note that my event history models do not contain many variables as there are only 36 events and, as a rule of thumb, there should be ten events for every variable in the model.

low a certain threshold are eligible for Official Development Assistance (ODA) credits at especially good conditions (Nuschler 1996). Third World countries thus have an incentive to systematically underreport. Concerning (2): Countries listed in the World Development Indicator data base of the World Bank seem to have missing values because (a) they are very small island states with a presumably insufficient state infrastructure to collect data, e.g. Sao Tome, Dominica, Bahamas, St. Kitts, St Lucia etc. or (b) have civil strife/war like Afghanistan or (c) belong to very rich oil states like Qatar or Kuwait that are not “developed” in the sense that they command over a functioning state infrastructure but nonetheless have enough money to *not* have an interest in being assessed (and “helped”) by international agencies. Instead of using the Real GDP per capita variable which has a lot of missing data one could use dummies for income categories. However, just using dummies would discard too much information and drastically reduces the chances of attaining significant results.

I draw on data available in the World Development Indicators (WDI) database maintained by the World Bank<sup>50</sup>, data gathered by the World Society Project<sup>51</sup>, and data about ILO ratifications I coded myself.

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<sup>50</sup> Regarding my inquiries how the data in the WDI are compiled I received the following information: “Most of the data presented in the WDI is drawn from other international agencies (<http://www.worldbank.org/data/wdi/wdi-prt1.htm>), who in turn normally collect the data from the countries' statistical offices. This means that there are a variety of methodologies in use. . . . Many statistics generated by national statistical agencies are compiled from a variety of methods (chiefly censuses, surveys and administrative records), and these statistics offices do not usually provide measures of accuracy. When surveys are designed by these statistical agencies, they probably do make estimates of sampling errors, and in some countries, this type of information may be available from the statistical agencies in the form of methodological notes. But in many developing countries, this documentation is not readily available. Information from developed countries may be much better in this regard. The Bank's data group (DECDG) check the data for consistency before publishing, however, data might be consistent without being reliable.” Correspondence with Anat Lewin, Development Data Group, The World Bank email: [info@worldbank.org](mailto:info@worldbank.org) (21 Jun 2001).

<sup>51</sup> The data of this project draws both on publicly available data such as assembled by Banks as well as on the data coded by generations of graduate students at Stanford University under Prof. Meyer and Ramirez.

### ***3.2. Structural Change: Panel Analysis 1960-1990***

To investigate the question of coupling between formal endorsement and change, I conduct a cross-country panel analysis for the time period 1960 – 1990. My dependent variable is the rate at which the percent of child labor decreases available from the World Development Indicators data base of the World Bank for the years 1960, 1970, 1980, and 1990 (WDI edition 2001). The World Bank draws this data from the ILO.<sup>52</sup> The ILO also conducts estimates and projections. Anat Lewin of the Development Data Group of the stated this as follows: “I spoke to one of our labour data specialists and was advised that we receive base year data from the ILO and that the remaining years are estimates and projections (also conducted by the ILO).”<sup>53</sup>

As defined above, “laboring children” are defined as children below the age of 15 that are part of the labor force. Labor force comprises all people who meet the ILO’s definition of the economically active population.<sup>54</sup> The World Bank states that the data excludes children engaged in agricultural or household activity.<sup>55</sup> Since the first and comprehensive child labor convention was issued in 1973, valid pre- and post convention declaration / ratification comparisons may be drawn with the World Development Indicators database.

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<sup>52</sup> Regarding my inquiries if the World Bank estimates child labor data, I received the following reply: “My understanding is that the ILO data published in our World Development Indicators are not adjusted . . .” Correspondence with Anat Lewin, Development Data Group,

The World Bank, email: [info@worldbank.org](mailto:info@worldbank.org) 28 Feb. 2001.

<sup>53</sup> Email: [info@worldbank.org](mailto:info@worldbank.org) 5 March 2001.

<sup>54</sup> That is all people who supply labor, potentially full-time, for the production of goods and services during a specified period. It includes both the employed and the unemployed. While national practices vary in the treatment of such groups as the armed forces and seasonal or part-time workers, in general the labor force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

<sup>55</sup> Correspondence with Anat Lewin, Development Data Group, The World Bank, email: [info@worldbank.org](mailto:info@worldbank.org) 5 March 2001.

For the control variables, I again draw on the World Development Indicators database of the World Bank as well as on social and political data available through the international politics center at the Hoover Institute at Stanford University. Independent and control variables include social (literacy, infant mortality rates), economic (GDP and development aid per capita, debt etc.), political (such as political system and strength of the state as measured by percentage of state consumption of GDP) and historical (former colonizer), geographical (such as region of the world), linkage to the world system (number of international organizations governmental and non- governmental, treaties signed, radios per capita) dimensions.

This dissertation employs a complete sample of the approximately 170 ILO-member states existing prior to 1989. For the newly founded states separate analysis will be conducted because they are “successor states” and thus according to international law obliged to maintain the treaty obligation of their predecessor. However, in practice, each member of the GUS, for example, handles it according to its own gusto. Since the broad question explored is if formal commitment (ratification of the ILO-convention) exhibits a structural impact (decreasing child labor), only countries that have the potential to ratify ILO-conventions by being a member of the ILO are included. For this reason, the sample also excludes autonomous territories.

Furthermore, there is no data available on non-ILO member states. So while the factors accounting for child labor in non-ILO countries compared to ILO-countries may be a worthwhile question, it cannot be explored yet.

Approximately 1/4 of the countries (mostly OECD-nations) report having no child labor and another 10% of the countries the percentage of working children of an age cohort hovers around 1%. However, about 2/3 of countries have child labor rates ranging up to 50% with a slight skew towards the lower end. The sample is quite small (149 subjects). Due to the small sample size I will not employ any elaborate models but use an OLS regression with robust standard errors.<sup>56</sup>

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<sup>56</sup> This is due to a helpful comment by Nathaniel Beck, Summer 2001, Ann Arbor, Michigan.



## **4. Discussion**

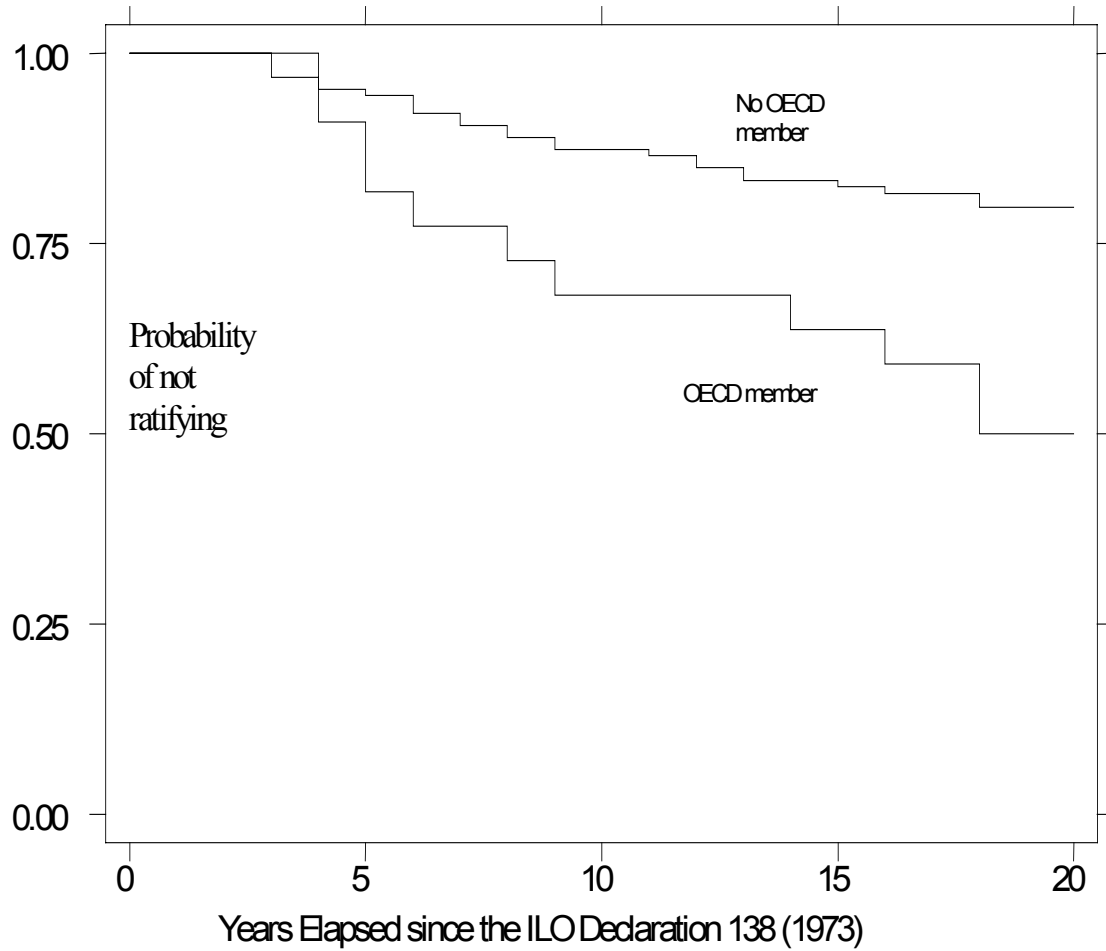
### ***4.1. Ratifications***

#### **4.1.1. Overview: Few Ratifications**

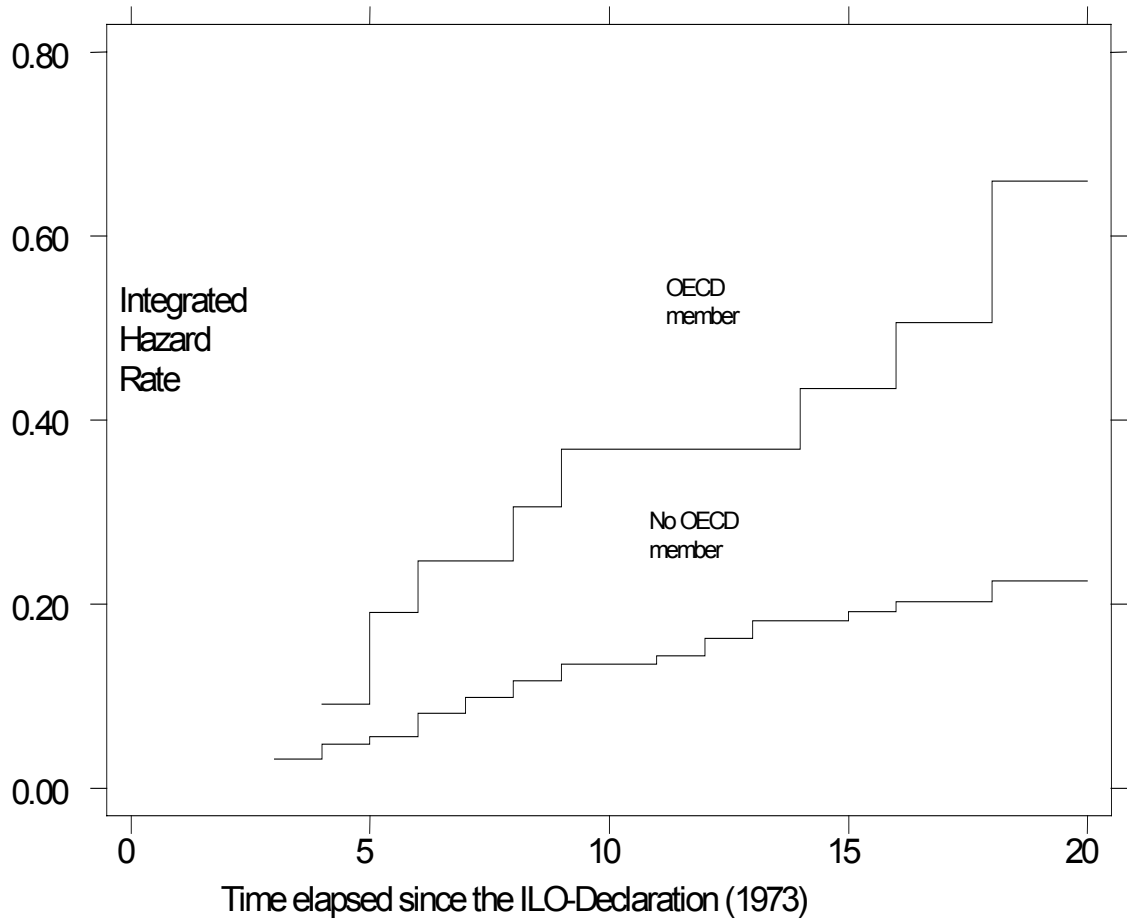
A striking feature is that the survival graph of the null model shows that the first ratification of the treaty took 3 years! This is unusual since the festive declaration of a treaty is often accompanied with an upsurge of initial ratifications. Although it would exceed the space limits of this dissertation to portray the ratification patterns of all the other core labor conventions, my analysis showed that they generally have a characteristic upsurge in ratifications after declaration. E.g. the declarations against forced labor (1930 and 1957) prompted a flood of ratifications. Only 6 and 4 years later (respectively) over 50% of all ILO members had ratified. Note that at that time, the proportion of Western nation states in the ILO relative to Third World nations was larger (Ghebali 1989).

In contrast, as the survivor graph of the child labor convention shows, 20 years later hardly half of the OECD nations (mostly comprised of nations colloquially referred to as “the West”), and not even a fourth of the non-OECD nations (the “rest of the world”), have ratified this convention. Over approximately 20 years, the survivor rate is monotonically falling very slowly. No nation denounced its previous ratification. There is a saddle point in the 80s (year 7 to 17 of the analysis time), the “lost decade”. Clearly, since the child labor convention is associated with potentially significant costs, many nations are weary to ratify this convention. Although, the time after 1998 falls outside the scope of this analysis, it is noteworthy that the pressure of the ILO on all member states to ratify the 8 core conventions did lead to over half of the nations having ratified this convention by 2000.

**Figure 1: Kaplan-Meier Estimates of the Survivor Function for Ratifying the ILO-Convention on Child Labor, by OECD Membership**



**Figure 2: Integrated Hazard Rate of the Ratification of the Child Labor Convention, by OECD Membership**



Obviously, the “survival rates” for not ratifying are different for the high-income OECD countries than for other nation states. Using the log-rank test for equality of survivor functions confirms this.<sup>57</sup> The differences between OECD and non-OECD countries also becomes apparent if you look at the hazard rate. While the hazard rate for OECD countries is monotonically increasing at a fairly steady rate, it is monotonically increasing at a decreasing rate for non-OECD countries.

Ironically, most OECD countries hardly had any child labor (the mean was less than 1 percent) by the 80s. Ratification was thus cheap. So can one conclude that high-income countries with no child labor are generally willing to make formal commitments that they have already fulfilled before signing the treaty? No. Interestingly, non-OECD high-income countries, e.g. the OPEC states, have a low probability of ratifying although they also have child labor rates of less than 1%.

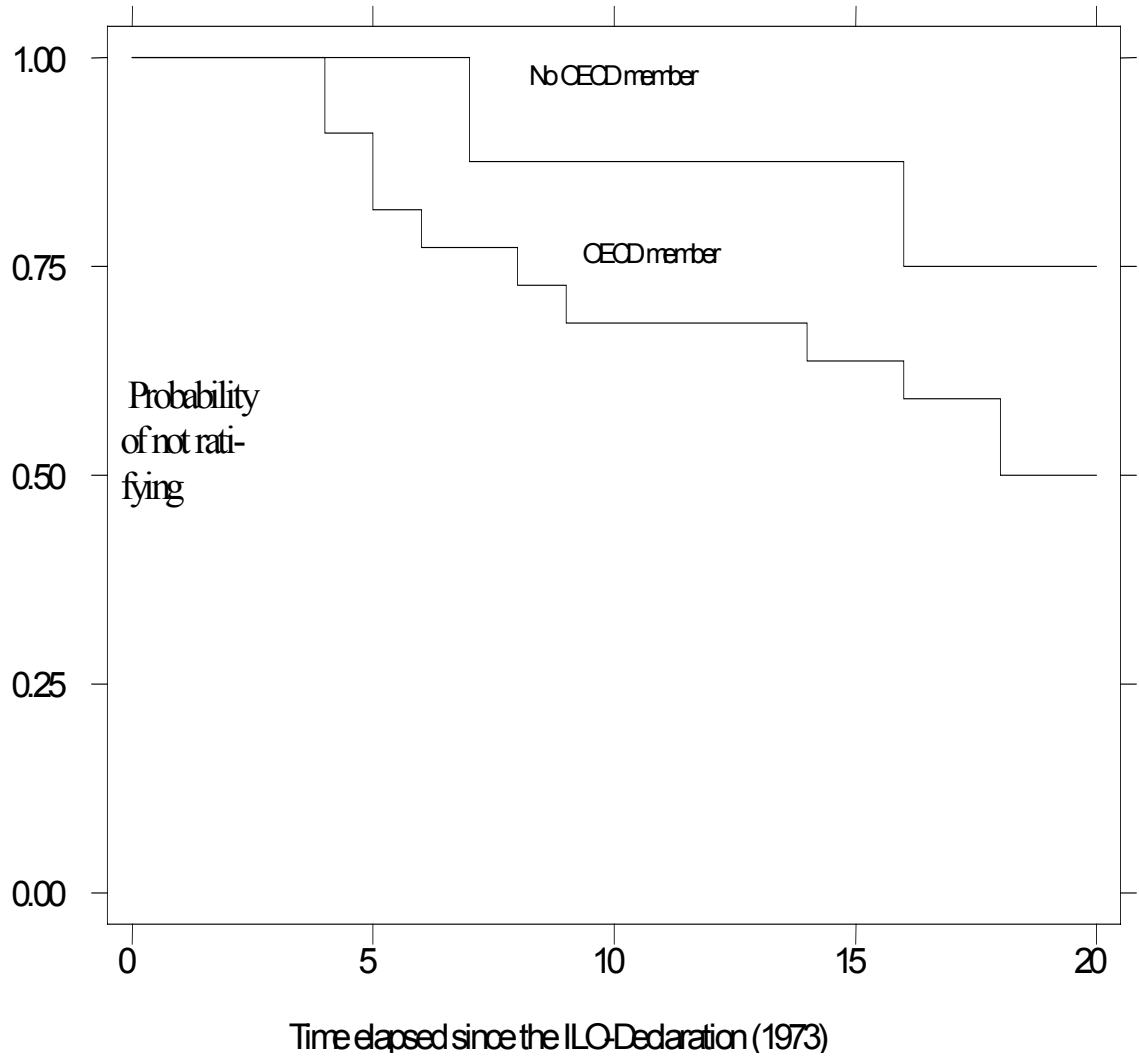
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<sup>57</sup> That the survivor functions are equal can be rejected on a .01 significance level.

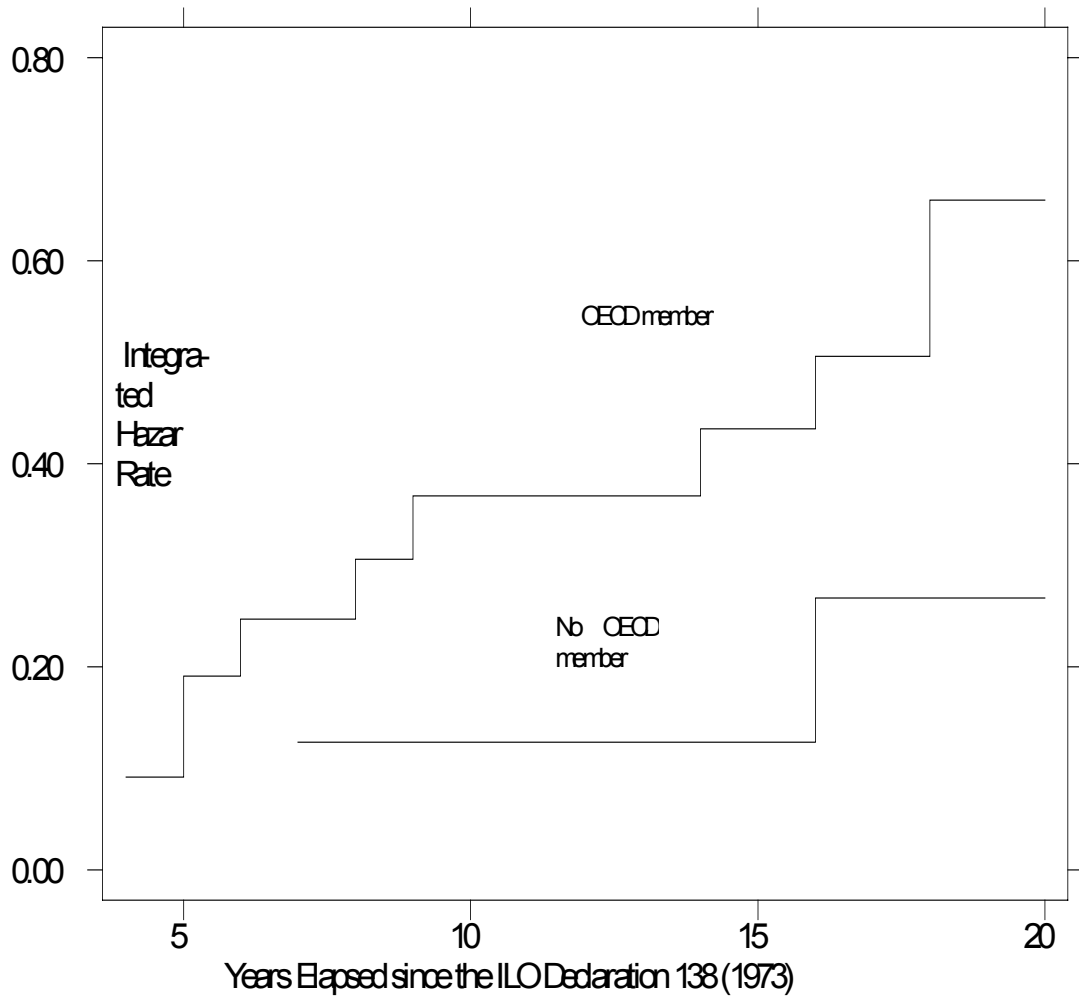
Log-rank test for equality of survivor functions

	Events observed	Events expected
No OECD member	25	31.18
OECD member	11	4.82
Total		
chi2(1) =	9.30	
Pr>chi2 =	0.0023	

**Figure 3: Kaplan-Meier Estimates of the Survivor Function for Ratifying the ILO-Convention on Child Labor of High Income Countries, by OECD Membership**



**Figure 4: Integrated Hazard Rate of the Ratification of the Child Labor Convention for High Income Countries, by OECD Membership**



As argued above other factors than merely income must also effect the ratification probability as is so often espoused in the development literature. To perform a regression, I use the semi-parametric Cox Model so the data are not forced into a certain shape.

The following section thus aims to attain an overview of the net influence of these factors.

### **4.1.2 Cox-Models**

As implied by the World Society Theory, international organizational linkages (i.e. how many Non-Governmental and Governmental Organizations a country belongs to) are highly significant thus confirming hypothesis 1. This remains constant over time as the test of the proportional hazard assumptions based on Schoenfeld residuals shows. As Meyer et al. (1997) and Frank (1999: 529) had already observed in the area of the environmental treaties, organizational participation prompts treaty ratification.

Despite playing such an important role in the development literature, the development indicator GDP per capita was never significant regarding the probability of nations to ratify the child labor convention. Since GDP per capita is the variable with the most missing data, this could be the effect of a biased sample. To rule this out, alternative models using dummies for the income variable were also run. These dummies (high income, upper middle income, lower middle income, low income) had no missings and hence the sample was not biased due to countries omitting to report their GDP per capita out of reasons that could have a relationship with the dependent variable. However, another indicator capturing more the social than the economic degree of development, decreased the likelihood of ratification slightly but significantly thus confirming hypothesis 2. The indicator capturing the social development and responsibility/penetration of the state, infant mortality, is significant. The lower the social development, the less likely it is that the nation will ratify the child labor convention like hypothesis 3 asserted.

Coercive isomorphism, measured by severe indebtedness, never had a significant effect on the likelihood to ratify like hypothesis 4 predicted. (The model shown tests if severe indebtedness have an effect once linkages are controlled for. I also tested the effect of debt independently, i.e. omitting linkages, and attained the same results which are not displayed here.)

Non-coercive linkages that built upon the colonial history, such as the common wealth, are, however, highly significant. Great Britain did not ratify the child labor convention. Countries that are former colonies of Britain are about 75% less likely to ratify the convention.

The regional variables that are so strongly stressed in the practitioners' literature are always insignificant once the theoretically justified variables are included. They are included in the model to reduce heteroskedasticity.



**Table 1: Estimates of Effects of Covariates on the Hazard Rate of Ratifying the ILO Minimum Age Convention °138 (1973-1995)<sup>58</sup>**

		Model 1 <sup>59</sup>	Model 2	Model 3	Model 4
<b>Concept</b>	<b>Covariates</b>				
Organizational and professional linkages to the World Society	Sum of number of IGOs and INGOs, logged	1.852455**		2.03** (.63)	2.01** (.63)
Coercive linkages	Severe indebtedness <sup>60</sup>				1.2 (.72)
Historical linkages	Colony of Great Britain		.26*** (.14)		
Social development / infrastructure efforts of the state	Infant mortality rate	.98** (.01)	.98** (.01)	.98** (.01)	.98** (.01)
Economic development indicator	GDP per capita, PPP	.6449433 (.24)	.81 (.27)	.61 (.25)	.616 (.25)
Regional control variables	Africa			1.91 (1.39)	1.85 (1.37)
	South or Central America			1.18 (.64)	1.14 (.62)
	Middle East and Upper Saharan Africa			1.81 (1.32)	1.8 (1.31)
	The models are tested against the null model.	N subjects = 136 N obs = 2569 N failures = 31 LR chi <sup>2</sup> = 19.05*** D.F. 3	N subjects = 136 N obs = 2569 N failures = 31 LR chi <sup>2</sup> = 21.9 *** D.F. 3	N subjects = 136 N obs = 2569 N failures = 31 LR chi <sup>2</sup> = 20.31*** D.F. 7	N subjects = 136 N obs = 2569 N failures = 31 LR chi <sup>2</sup> = 14.11** D.F. 6

\*p<.1 \*\*p<.05 \*\*\*p<.01

<sup>58</sup> The Efron estimator is used to handle ties, i.e. an two or more events occurring at the same time.

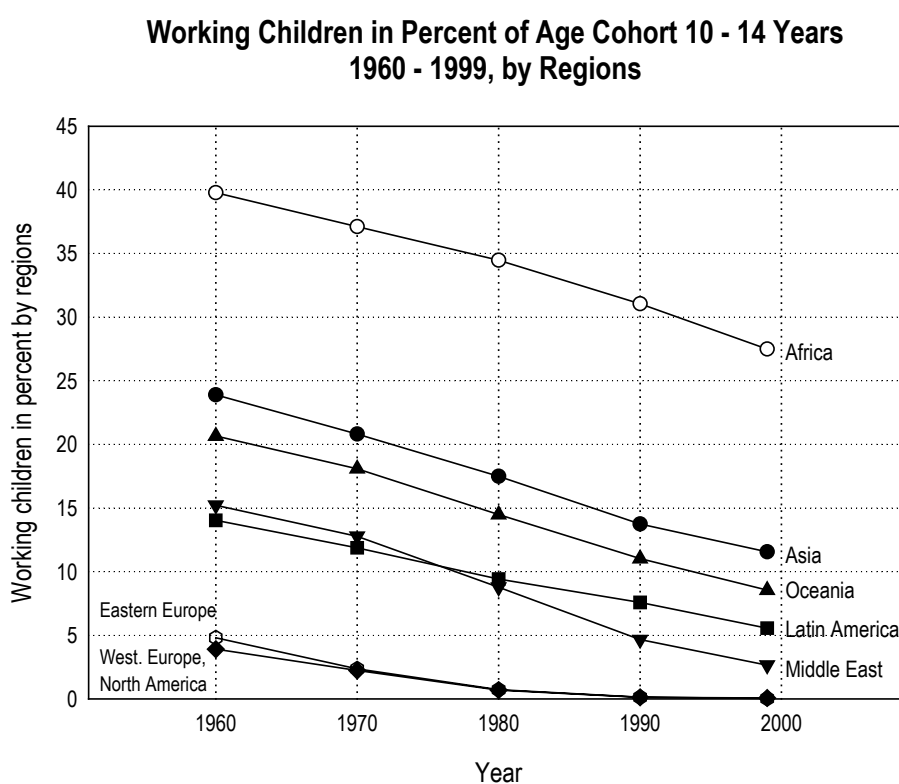
<sup>59</sup> The assumption of the Cox model is proportional hazard. Testing proportional hazard assumption based on the Schoenfeld residuals confirms that (on a significance level of .05) the variables do not systematically vary over time.

<sup>60</sup> In different models, I also tested for indebted in general, moderate and severe indebtedness, the above in-and excluding linkages and always attained the same effect.

## 4.2. Reduction of Child Labor

Despite the common assumption in the literature that labor standard violations are increasing, child labor rates have actually decreased *dramatically*. This is true for *all* regions. In the 90s, there is a slight deceleration of reduction in the Middle East and Asia, however certainly not an increase.

**Figure 6: Development of Child Labour Rates over Four Decades**



The following table paints the same picture. While the mean reduction rate of child labor was a little over 20% in the 60s, the reduction rate almost *doubled* to 40% in the 70s when the ILO passed the Minimum Age Convention. In the 80s it stayed this high and dropped to about 30% in the 90s. Note that 30% is still 50% higher than the original reduction rate of about 20% in the 60s when child labor was not yet declared to be a violation of workers' rights by the ILO. The increased reduction rate in the effort after 1973 was,

however, not uniform across the countries as the high standard deviation in the post 60s decades shows.

**Table 2: Reduction of Child Labor in Percent (1960-1999)**

<b>Reduction of Child Labor in Percent<sup>61</sup></b>	<b>Number of Countries</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
<i>1960 to 1970</i>	157	-22,84	84,02	22,10	18,89
<i>1970 to 1980</i>	157	-,20	100,00	38,70	37,29
<i>1980 to 1990</i>	125	1,01	100,00	37,05	35,63
<i>1990 to 1999</i>	104	1,59	100,00	30,61	27,09

The decelerated reduction rates in the 90s could also be a floor effect. Note the drop in the number of cases from the 70s to the 90s of about 50%. That signifies that around a third of nations exited the sample because they had no child labor in the 90s (hence there was a zero in the denominator, which prompted the case to drop out). Another intrinsic reason that may have caused the reduction rate of child labor to drop is that the child labor instances most easily rectified may have already been eliminated.

Also depicting the reduction rate in percentage points rather than percentage points suggest a floor effect.

**Table 3: Reduction of Child Labor in Percentage Points (1960-1999)**

<b>Reduction of Child Labor in Percentage Points</b>	<b>Number of countries</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
<i>1960 to 1970<sup>62</sup></i>	157	-5,87	9,90	2,56	2,18
<i>1970 to 1980</i>	157	-,09	11,40	2,76	2,23
<i>1980 to 1990</i>	157	,00	15,47	2,68	2,88
<i>1990 to 1999</i>	157	,00	13,71	2,15	2,46

<sup>61</sup> The rates were computed the following way:  $((\text{child labor rate } 1960 - \text{child labor rate } 1970) / \text{child labor rate } 1960) * 100$ .

<sup>62</sup> The rates were computed the following way:  $(\text{child labor rate } 1960 - \text{child labor rate } 1970)$ .

**Table 4: Regression with Robust Standard Errors:<sup>63</sup> Factors Effecting Child Labor Reduction Rates (1960-1990)<sup>64</sup>**

		<b>1960-70</b>	<b>1970-80</b>	<b>1980-90</b>
<b>Formal adoption of international norms</b>	Ratification of the ILO Child labor Convention 138		<b>3.48 (8.16)</b> .02	<b>.06 (4.72)</b> .00
<b>Linkages</b>				
<i>Normative</i>	International organizational linkages (lagged 2 years)	<b>.020 (.01)</b> .329***	<b>.0146 (.01)</b> .15**	<b>-.002 (.01)</b> -.02
<i>Coercive</i>	Aid per capita (current US\$)	<b>.236 (.09)</b> .134***	<b>-.107 (.19)</b> -.04	<b>-.061 (.04)</b> -.13
<i>Economic</i>	Trade (% of GDP)	<b>.072 (.057)</b> .21	<b>.080 (.07)</b> .078	<b>.080 (.04)</b> .12*
<b>Development indicators</b>				
<i>Progress</i>	Real GDP per capita growth (based on Banks data)	<b>.013 (.01)</b> -.33	<b>.018 (.01)</b> .11**	<b>.175 (.07)</b> .22**
<i>Level of development</i>	Real GDP per capita (based on Banks data)	<b>-.013 (.01)</b> .06*	<b>.013 (.002)</b> .38***	<b>.006 (.00)</b> .34***
<b>Control variables</b>				
<i>Strength of the state</i>	General government final consumption expenditure (% of GDP)	<b>-.236 (.17)</b> -.07	<b>-.011 (.39)</b> -.001	<b>.424 (.34)</b> .08
<i>Substitution effect of child and female labor</i>	Labor force, female (% of total labor force)	<b>8.20e-08 (7.59e-08)</b> .16	<b>.343 (.30)</b> .11	<b>-.268 (.29)</b> -.08
<i>Quality of schools</i>	Pupil-teacher ratio, primary	<b>-.365 (.17)</b> -.22**	<b>-.219 (.26)</b> -.07	<b>.485 (.219)</b> .16**
<i>Ceiling and floor effects</i>	Labor force, children 10-14 (% of age group)	<b>-.509 (.16)</b> -.49***	<b>-.523 (.22)</b> -.25***	<b>-.652 (.26)</b> -.33***
<b>Regional/"cultural" effects</b>	<b>Africa</b>	<b>-3.46 (6.64)</b> -.084	<b>13.55 (8.66)</b> -.17	<b>-26.95 (10.5)</b> -.39***
	<b>Asia</b>	<b>-7.99 (4.54)</b> 1.01*	<b>-6.16 (8.71)</b> 0.53	<b>-27.36 (8.98)</b> -.30***
	<b>South/Central America</b>	<b>-7.29 (4.22)</b> -.16	<b>-5.76 (9.09)</b> -.06*	<b>-23.90 (9.57)</b> -.30***
	<b>Middle East &amp; Upper Saharan Africa</b>	<b>-12.15 (3.8)</b> -.21***	<b>1.47 (8.88)</b> .013	<b>-.657 (11.36)</b> -.01
	<b>F-test (vs. nested model without linkage variable)</b>	<b>N = 120</b> <b>R<sup>2</sup> = 0.5</b> <b>sig = 0.00</b>	<b>N = 134</b> <b>R<sup>2</sup> = 0.72</b> <b>sig = 0.00</b>	<b>N = 109</b> <b>R<sup>2</sup> = 0.69</b> <b>sig = 0.00</b>

\*p<.1 \*\*p<.05 \*\*\*p<.01

<sup>63</sup> The dependent variable was computed the following way: ((child labor rate 1960 - child labor rate 1970)/ child labor rate 1960)\*100. For more models see appendix. The coefficients in a fat font are unstandardized, the standard errors are in parenthesis, the standardized coefficients are below the standard errors and NOT FAT.

<sup>64</sup> Unless otherwise specified, the independent variables are lagged by 10 years.

As hypothesis five tentatively suggested, the ratification of the child labor convention has no significant effect on the child labor reduction rates. The model shows the ratification variable with a lag of at least two years. Longer lags are also not significant.

Like the World Society Theory predicts, the reduction of child labor occurs significantly faster in countries with professional and normative world linkages, i.e. many international organizations. The coefficients are quite small since the range of the variable is large. I therefore report the standardized coefficients. In the 60s the number of linkages is by far the strongest factor accelerating the reduction rate of child labor thus affirming hypothesis 6.

This effect, however, is only observable up to the 80s. There are several possible explanations for this phenomenon. First, as I have already pointed out above, the sample size drops because a number of countries do not have child labor anymore in the 80s. All the countries where international organizations have already made a large difference simply drop out of the sample. A possible hypothesis is: linkages only mattered in cases where child labor is residual due to political carelessness, and not pervasive due to poverty.<sup>65</sup>

This hypothesis is not substantiated by further research. If one splits the sample by region, a striking finding is that linkages are always highly significant in Africa, the continent with the most pervasive child labor problems (42 cases).

Contrary to what hypothesis 7 suggests, higher aid per capita is only effective in accelerating the reduction in child labor rates in the 60s. In later decades it is insignificant. This is also true if one runs the models excluding the high-income countries. Interestingly this effect varies by region. While aid to African nations proved insignificant, aid to Latin American nations in the 80s is associated with child labor rates dropping significantly slower. However, due to the small sample size (only about 24 cases) these results should be

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<sup>65</sup> Another observation leading to this hypothesis was that if one runs the same model with an arbitrary cut-off point, linkages lose their significance in the 70s. While in the 60s linkages are effective, in the 70s neither linkages nor the growth of GDP per capita, if one specifies that

seen cautiously and are not shown here. Overall, the conclusion is that aid does not have the assumed stable effect in the direction of reducing child labor.

Contrary to the general positive effect hypothesis 8 predicted, trade is only significantly effective in the hypothesized direction in the 80s. As shown in part I, the discourse as well as the initiatives to uphold core labor standards only developed in the 80s. One could thus argue that *not trade in itself*, e.g. by creating wealth, contributes to the reduction of child labor. However, trade *can* do so if it is established as a vehicle to upgrade labor standards.<sup>66</sup> As I have shown above, in the 80s several bilateral and multilateral as well as company and INGO initiatives developed to link a preferential trade status or supplier relationship to respecting certain labor standards. As the diagram in part I showed, many of the non-governmental organizations focused on the reduction of child labor in their initiatives. To investigate this hypothesis further, a time series analysis within certain trade systems like the GSP would be needed.

One of the more astonishing results of this panel analysis is that only in the 70s and 80s, after child labor was declared to be something to be combated by every legitimate nation state, did the growth of GDP per capita parallel a significantly larger reduction in child labor rates. So rather than the growth of GDP per capita always leading to the reduction of child labor as hypothesis 9 suggested, it does so only under certain world cultural circumstances.

This is confirmed by the fact that that before child labor was declared condemnable in the 70s, a higher GDP per capita resulted in a slower reduction of child labor. In the 70s and 80s, this effect was reversed. Richer nations used their resources to eliminate child labor. Hypothesis 10 thus only holds true for the post Child Labor Convention period.

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the child labor rate in 1960 had to exceed 8 percent (with 92 observations).

<sup>66</sup> Also with a better data base it would be prudent to examine the separate effects that reliance on exports, not trade in general has.

This sheds a new light on the fervent discussion portrayed in part I. The implicit assumption if many proponents of free trade is that it leads to economic growth and economic growth in turn, independently of any political constellations, leads to the reduction of child labor as it did in the West. Chirot (1991) already gave good general arguments against this very simplistic historical view about how and why labor standards were implemented in the West. In this case, I will argue that economic resources *only* enhance labor standards if they are accompanied by norms, such as conventions, that direct how these (new) resources should be targeted.

The pupil:teacher ratio is the only variable besides the ratification variable that is not lagged by 10 years because the causal direction between child labor and a low quality school system is unclear. This variable was included to assess the argument that low child labor rates and good school systems are complements. The argument is that children may start to work *because* of the bad school system (see above). This argument differs from the classical argument that it is the need to work that keeps children out of school. In the 60s, a high pupil teacher ratio (many students, few teachers and hence an indicator for low quality schooling) correlated with significantly lower child labor reduction rates as hypothesis 11 suggested. In the 70s the pupil teacher ratio did not make a difference. In contrast, in the 80s a high pupil:teacher ratio correlates with a fast reduction of child labor contrary to hypothesis 11. This somewhat puzzling finding could again be due to the floor effect discussed above, i.e. all the countries with a low pupil:teacher ratio having dropped out of the sample. Future research would need to examine if this is the reason the acceleration is taking place in low quality school countries or whether it is a kind of “catching-up” modernization.

While in the 80s regional variables were not significant, most Third World nations reduced child labor significantly slower compared to Eastern and Western Europe in the 60s and 90s (the excluded dummy). Only the Arabic nations stand out. Holding the other variables constant, they did not have slower reduction rates than the West and former East Block.

## 5. Conclusion

Although the individual hypotheses drawn on in the World Society Theory were largely confirmed, perhaps the most astonishing finding of the dissertation is the substantial global reduction of children belonging to the labor force. In the case of child labor, the World Society Theory proved correct regarding actual structural changes than the formal endorsement hypothesis. Despite just a marginal ratification rate of the Minimum Age Convention the fact that such a convention exists seemingly accelerated the reduction rates of child labor. While education was already defined as a human right in the Human Rights Declaration of the UN and child labor was illegitimate insofar as it displaced education, the ILO Minimum Age Convention “outlawed” child labor as such. This ban seems to have doubled the pace at which child labor has decreased.

By establishing the connection to the international system espousing this norm, IOs were shown to facilitate the isomorphic effect of eliminating child labor worldwide. The World Society Theory, however, does not predict which types of IOs, international governmental versus nongovernmental, are more successful at producing such effects. The next section will address this question.