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Child Labor and Schooling in a Low Income Rural Economy

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[4] e can think of a period in this model as the time span from birth of a child until the child is of school-age. The number of pre-school children, n_p, can be thought as the fertility outcome for each period,

7 [illegible]

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$i = m, f$" [illegible] ! [illegible] i [illegible] ! [illegible]

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$$y = y(l_{ym}, l_{yf}, n_s l_{ys}; h_m, h_f, \ \ , \ \ ; \ h_s = h(l_{ss}, b; s$$

$$l_{js} = l_{js}(n_p, n_s, s, z_m, z_f, h_m, h_f, \ , \ , m, \ , \ = s, y$$ [illegible]

[illegible]

$$l_{js} = l_{js}(n_p, n_s, s, z_m, z_f, h_m, h_f, \ , \ , m, \ , \ = s, y$$ [illegible]

[illegible] l_{js} [illegible][10]

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[10] Chiappori et al. (1998), for example, make use of the relati e sex ratio as a proxy for the situation in the marriage market.

[illegible] [11] [illegible]

[illegible] l_{ys} [illegible]

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$$\frac{\left[\frac{\partial u_m}{\partial h_s}\frac{\partial h_s}{\partial l_{ss}}\right] + (\ - \left[\frac{\partial u_f}{\partial h_s}\frac{\partial h_s}{\partial l_{ss}}\right]}{\left[\frac{\partial u_m}{\partial c_i}\right] + (\ - \left[\frac{\partial u_f}{\partial c_i}\right]} = p_y n_s \frac{y}{l_{ss}} + p_b n_s \frac{h_s}{l_{ss}} \equiv \ _s$$

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[11] In the unitary model, for example, all that matters is total income and not its intra-household distribution (i.e. income pooling hypothesis).

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[18] Of those children combining school and work, all but two report school as their primary activity.

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[21] It is likely that parents do not report their children as working if the number of hours worked is low. As long as this threshold level of hours of work (μ_w) is the same for all households, (5.4) would be simply replaced by $l_w = 1$ if $l_w^* > \mu_w$, 0 otherwise, without affecting the results. However, if some parents deliberately misreport (i.e. they do not report the child to be working even when hours worked by the child is above μ_w), the resulting coefficient estimates are inconsistent (see Hausman *et al.* 1998). Despite its potential relevance, this issue will not be further explored in this paper.

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[35] The wage equation for mothers, however, is not estimated very precisely.

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Significance levels in parenthesis. Tests of unitary preferences are Wald test of joint significance. Tests of Pareto efficiency are non-linear Wald tests of equality of the ratio of effects of each pair of distributional factors across the school and work equations.

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The estimated correlation between the work intensity probit and the work participation probit, , , is not significant, indicating that there is no selection bias.

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Marginal effects are evaluated at the means of the variables, and represent percentage changes in the relevant probability resulting from a unit increase in the relevant variable (1% increase in the case of credit).

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