14.73 Essay 4 John Boghossian

**Topic:** This paper discusses causes of the Ivorian government's failure, in the 1980s, to improve schooling in order to decrease child labor. It also provides alternative ways to increase schooling and end child labor, specifically in cocoa plants.

## Cote d'Ivoire: Children at Work, not at School

Chocolate and children are closely related: while children in developed countries savor sweet snacks, others in developing countries use machetes to clear cocoa farms, harvest beans, and apply unhealthy pesticides. Child labor in cocoa farms is pervasive in Cote d'Ivoire, one of the most prosperous West African countries. Children at work, who have never tasted chocolate, are less likely to attend primary school. Extensive education expenditure has not decreased child labor or increased schooling. This essay discusses underlying reasons for this phenomenon and suggests that government should shift funds and efforts to the cocoa industry in the short run and diversify its economy in the long run.

Despite the Ivorian government spending a large fraction of its national budget on education since 1980, only 57% of school-age children attended primary school in 2001 (U.S. Library of Congress, 2008). In rural areas, more than four out of five children worked; only a third managed to combine work with schooling, since labor leads to late (or no) enrollment in school, low grades, and early dropout. Most child labor occurs in cocoa plantations. What mechanisms underlie the interactions among the cocoa industry, child labor, and schooling?

Due to the collapse of world prices for cocoa and coffee, the country's main export crops, Cote d'Ivoire experienced a prolonged economic downturn in the late 1980s. While cocoa bean prices dropped by up to 20% yearly, very poor households increasingly relied on child labor to compensate for falling incomes (Grootaert, 1998). More children entered the workforce instead of schools, despite substantial national education spending.

Further, farmers attribute little welfare improvement to schooling. Households allocate children's time according to where perceived private returns are highest, until marginal returns are equalized across uses of children's time. Since Ivorian curricula educate mainly for the formal sector, which employs a small fraction of the labor force, skills taught at school are considered inadequate for the farming sector (Mathurin and Delgado, 1984).

Lastly, increasing school inputs does not necessarily improve schooling outcomes (Banerjee and Duflo, 2011). Due to the scarcity of qualified teachers in Cote d'Ivoire, expatriate teacher salaries dominate Ivorian education expenditures (Map Zones, 2008), so not enough is spent on *creating incentives* for schooling.

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The cocoa market's fragility and its intimate relationship with schooling suggest that government should tackle this market first. While coercive "child-labor-free" legislation is no solution to impoverished farmers (All Africa, 2008), one short-run response could be to encourage cocoa exporters and manufacturers to raise prices, while simultaneously reallocating education expenditure. Alternatively, the government could tax cocoa exports and distribute revenues to cocoa households via cash transfers, conditional on providing children's school enrolment certificates. In the long run, diversifying the Ivorian economy, thereby lowering its dependence on cocoa and coffee exports, remains an important policy direction (Bils and Klenow, 2000).

What is the difference between the child reaching for the chocolate bar and the child picking the cocoa? The former promises positive returns to the household; the latter may never attend school. Child labor in Cote d'Ivoire is a difficult issue. Income effects due to cocoa price shocks are disproportionately large for farmers precisely because children grow essential national exports. Cocoa prices are at an all-time low; raising them could provide much-needed help to children, their households, and the Ivorian society.

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