INFORMAL BUSINESS AND RURAL-TO-URBAN MIGRATION, HATCH BOX FOR CHILD LABOR

EYERUSALEM GEBREMEDHIN

Addis Ababa University, Ethiopia
E-mail: jerym2020@gmail.com

Abstract - In a world where economic growth and the quest for escaping poverty is high, rural-to-urban migrationis considered as the direct outcome of the economic growth. The migration in-turn contributes to formation of a huge informal business sector which again acts as a hatch box for Child Labor. This has always been a serious challenge for developing countries and continue to be so unless they start addressing the challenge as an integral part of the macroeconomic design. This paper analyzes the interdependence between Rural-to-Urban Migration and Informal Business, and again analyzes the severity to which Informal Business exploits Child Labor. 46% of Informal Business in the geographical areas of this survey use Child Labor and 88% of the children in the Informal Business were migrated from Rural settings to seek better life leaving their families behind. 37% of the children in the Informal Businesses do not go any formal education, while 84% of those going to formal education attend evening classes, which is considered lower quality and esteem an education deserves.

Keywords - Child Labor, Informal Business, Rural-to-Urban Migration, Economic Growth

I. INTRODUCTION

The United Nations Convention on the Rights of the Child (CRC) sets out protection for children from economic exploitation and any work hazardous to their growth. Many Member States to the United Nations are signatory to many relevant Conventions, strongly address in their Constitutions, and have enacted other subordinate laws such as the family law, criminal law and labor proclamation.

Despite all the legal packages enacted, Child Labor is one of many Social crises developing countries are dealing with as they continue to develop economically. The crises are rather stronger for countries going through rapid economic structural transformation, transiting from Low Income Economy to Lower Middle Income Economy.

The world we live in is a world with half of its population is living in economically "Poor" or "vulnerable" according to the 2018 data [1]. The other half is either in "middle class" or "rich" range. The proportion of the "Poor" is declining as countries strive to come out of poverty in all corners of the world.

As countries continue growing, a huge outflow of workforce from Agricultural sector to non-Agricultural sector grows. This outflow, however, is not proportional to the workforce intake capacity of the non-Agriculture sector, nor is it proportional to what the economy would support to sustain a non-productive workforce. As a result of the many economic and social anomalies, children below working age flow from Rural-to-Urban Migration (RtUM) to seek a living for themselves and their families, in majority of cases leaving their families behind in villages.

These children end up in Informal Businesses (IB) that further exploits them by taking advantage of their conditions and their vulnerability, as the Formal Business (FB) do not have room for an employee of their age.When it comes to going to formal education, the possibility of thechildren in the Informal Business going to day-time formal education is very low. Only a smaller percentage of them who run their ownone-manned businesses, such as shoe shining, take courage of going to day-time schooling. Others still toil to attend evening classes. Still more than a third of Children in Informal Businesses do not attend any formal education. This creates a world of career path where the disadvantaged are less likely represented.

II. RURAL-TO-URBAN MIGRATION AND INFORMAL BUSINESSES

The share of the world's population living in urban areas is expected to increase from 55 per cent in 2018 to 60 per cent in 2030, according to a UN Report. This figure was 30% in 1930 [2]. Both Urbanization and its acceleration has been on the rise since the dawning of the 21 Century, the majority of this acceleration coming from Asian countries, China taking the biggest pie.

When countries pass through a speedy structural economic transformation, their governments enforce a strong labor relocation from agricultural sector to non-agricultural sector employments. On the average lower income countries have close to two third of their population employed in the Agriculture Sector. Employment relocation, therefore, means larger number of farmers become victims of the transformation. This translates itself to a labor influx from rural to urban to seek a better life. Dissemination of information in the current world through Printed and Electronics Medias, including Social Medias, has created a wealth of information in the young rural population, in turn creating aspirations of living in urban setting. The dynamics of growth is, therefore, concentrated around urban areas and newly established industrial clusters. This condition creates large number of both Formal and

Informal Businesses. Majority of the businesses are informal at the beginning and take longer time to be formal. During their early stage of establishment, due to lax regulations at a time of such conditions, and to avoid tax payment and related government levies, Informal Businesses inside and around big Cities is considered Common Practice. The Survey in this paper conducted a strong correlation between Child Labor and Informal Businesses, and hence Child Labor and Rural-to-Urban Migration.

III. DATA COLLECTION AND ANALYSIS

Survey has been conducted on very randomly selected business entities. Survey parameters taken are whether the Business is Formal/Registered or Informal, whether or not the Business employs Children under the Working Age (18 in this case). If there are Children involved, then whether the Children came from Rural to Townleaving their families behind, whether or not the Children in Informal Business attend Formal education, if they attend formal education, then whether they attend day classes or evening classes.

More than 2000 Business were Surveyed and the finding of the survey is summarized in the Table below.

	Description of Parameter	Severity level
1	Formal Business engaged in Child Labor	0%
2	Informal Businesses engaged in Child Labor	46%
3	Children in Informal Business that have migrated from Rural-to-Urban leaving their families behind	88%
4	Children in Informal Business that attend day time education	10%
5	Children in Informal Business that attend evening time education	53%
6	Children in Informal Business that do not attend any formal education	37%

The Formal Business (FB) are rarely engaged in hiring Children under working age. This may have strong foundation on a very strict regulation for Formal Business on age limits of their staffs. The Informal Business (IB) are heavily engaged on exploiting Child Labor. 46% of IBs employ at least one Children under the working age limit. There are indications that some of them also have more than one Child in their employee. Also worth noting that the average employees in the IBs surveyed are between two to three.

Majority of the surveyed IBs are personal owned and engaged in petty business, small restaurants, street shopping and street food selling businesses, vendors, porters, public transportation businesses, and etc.

The owners of IBs use Children for their businesses not only to pay lower payments for theservices they receive, but also to avoid controversies that would come from working-age employee at times of immediate terminations. Thechildren workers are without minimum age, as low as 8 yrs, depending on the type of work they are engaged in. For example, children working as porters give their services to persons who need their services. The "employment" relation is established on the streets or in local market. Hence, the wage of the laborer is bargained between the service Giver (the Child) and service Recipient, and is usually the Recipient that dictates how much the Service deserves to be paid.

The main drivers for the engagement of the children in such kind of exploitive condition that is hazardous to their mental, physical, and psychological development are the urge to support poor parents, failure in national exam, lack of optimism in a life in rural areas, and death of one or both of their parents. Additionally, majority of the Child laborers in the Informal Business sector are exposed to verbal and physical abuses. In some instances, the recipients of the service may refuse to pay the initially agreed pay. Hence, are also subject to economic exploitation.

IV. CONCLUSION AND RECOMMENDATIONS

It is encouraging that the percentage of poor population is decreasing across all continents. Countries are passing through economic transformation that results in structural change in terms of GDP contribution and employment share of Agriculture and non-Agriculture sectors. The delicate issue is that the continued decline in employment of Agricultural sector has a direct impact of rural population, the young in particular. This ends up in creating Rural-to-Urban Migration. These Children once migrated to urban, likely end up in some sort of Informal Business which takes advantage of their condition, and exploits them. The Children also end up terminating their education, and a few of them that manage to go to school attend evening classes. The survey indicates that one a Child becomes a victim of migration, it is less likely that he/she would attend formal education and would achieve a successful future. Countries need to take note of the Rural-to-Urban migration from the context of Children being affected.

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