

Abstract

Child labor is still a big issue in the developing world. However, with an expanding literature base, we can comprehend its sources and policies in which we try to affect it in a much more precise way. This thesis reviews relevant literature regarding child labor. The scope of this review covers historical origins of child labor during the Industrial Revolution, its basic economic modelling, coercive measures against child labor, the effects of globalization, international trade, transitory income shocks and credit constraints on child labor and education. The main contribution to the literature are the three lessons about child labor. First, the parallels between findings about child labor in today's developing countries and the Industrial Revolution are studied. Second, it is showed that in the case of an import ban on child labor produce, there is always a better solution for children. Finally, previously unstudied consequences of Conditional Cash Transfer programs on children's motivation for education are related.

Keywords

Child labor, history, international trade, globalization, transitory income shocks, credit constraints, education, food for education, coercive measures, intrinsic motivation