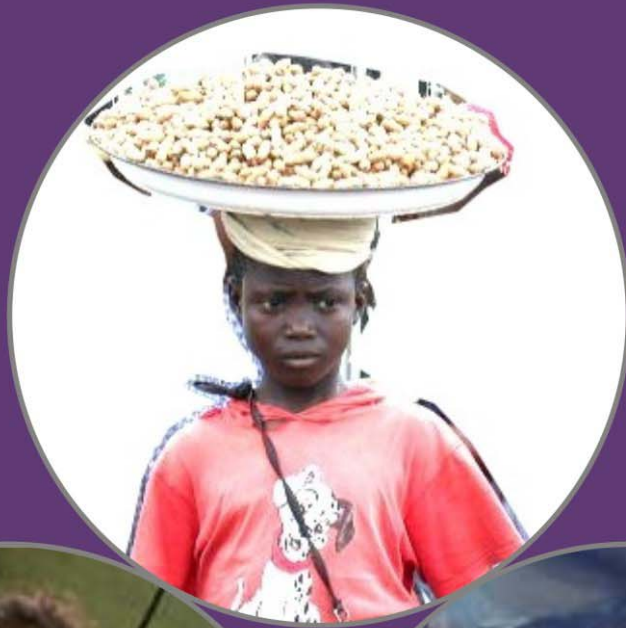


Review of Child Labour, Education and Poverty Agenda



Costa Rica
Country Report
2006

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I Costa Rica: Brief History on the Political System

Colonization in Costa Rica goes back to at least 5000 B.C., but in comparison to great pre-Spanish civilizations of the American Continent, Costa Rican indigenous inhabitants were not numerous nor did they achieve great development. When Christopher Columbus arrived, there were about 30,000 indigenous divided in three groups: Huetares, Chorotegas and Borucas. Those who fought the Spanish conquerors resisted intrepidly; those who did not die from epidemics which devastated the region, died in the battles or fled to farther places.

I.1 The colonial era

Christopher Columbus navigated along the Caribbean Sea coast and discovered Costa Rica in 1502. It is believed that the name Costa Rica came from the abundance of gold objects the indigenous inhabitants displayed.

The Spanish conquerors arrived in this area after exploring most of the regions of Central America, delayed because of their desire to seek for gold and the hostility of the indigenous population. In 1519, Gaspar Espinoza, Juan de Castañeda and Hernan Ponce de Leon arrived at the Nicoya Gulf from Panama, through the Pacific Ocean.

Twenty years later, Hernan Sanchez de Badajoz was given authorization to explore the Costa Rican territory. In 1540, Charles V, King of Spain, granted the title of Governor of the Cartago Province and of Costa Rica to the conqueror Diego de Gutierrez, who, three years later founded Villa Santiago, near the mouth of the Suerre River (now called Pacuare)

During 1561, by mandate of the Guatemala Audience, Juan de Cavallon Arboleda and the priest Juan Estrada Ravago undertook the first colonization inland, in the territory presently known as Costa Rica. During that same year, Juan Vazquez de Coronado, who is considered the actual founder of Costa Rica, arrived in the Central Valley.

At first, Costa Rica was part of the Viceroyalty of New Spain, then became part of the Guatemala Audience and, since 1574, it officially integrated the Captainty General of Guatemala until its independence.

The great distance from Guatemala City and the lack of agricultural and mining wealth forced the country to develop a greater autonomy

than the other Central American provinces. The minor interest shown by the conquerors in this region modified certain characteristic situations which did arise in other nations, thus giving Costa Rica certain peculiarities, since its indigenous population was not subdued and no traffic of African slaves took place in this region.

The development of this territory took place based on an agricultural economy of subsistence without the presence of those enormous wealth differences arising in other countries of the region. The number of government officials and church representatives was less relevant, thus allowing Costa Rica to play only a minor role in the Captaincy General of Guatemala. All these characteristics provoked a differentiated evolution from the rest of Latin America. Until the end of the XVIII century the Spaniards had not been interested in certain agricultural products, especially tobacco which was the main export product. From 1787 on, Costa Rica was granted the monopoly of this product for exports.

I.2 The Republic

Tobacco exports promoted the development of a more prosperous society and the Costa Ricans participated actively in the intellectual and political life of Central America by the beginning of the XIX century. In 1821, the Captaincy General of Guatemala declared its independency and a year later the province of Costa Rica became part of the Mexican Empire of Agustin de Iturbide. In 1823, Costa Rica joined the Confederation of the United Provinces of Central America, alliance which lasted until 1838, when Braulio Carrillo took office. Nevertheless, Costa Rica avoided the involvement in numerous internal conflicts which devastated this Confederation. The actual abandonment, in fact, supposed the independence, although this became official until 1848, proclaiming the Republic of Costa Rica as a sovereign State. Costa Rica's first president was Jose Maria Castro Madriz, who recognized, by means of the Constitution of 1848, a new administrative division: provinces, cantons and districts, and where each canton had a municipality.

At this same time, just as in the rest of Latin America, there were many ideological confrontations between liberals and conservatives. Meanwhile, the cities of San Jose, the most progressive and powerful one, and Cartago, the capital city until 1823, were struggling to obtain

the hegemony of the country. At the Battle of Ochomogo, the Faction "Jose Fina" won, forcing the capital of Costa Rica to be transferred from Cartago to the city of San Jose.

In 1856 the Congress granted absolute power to the President Juan Rafael Mora: ¡Costa Rica was at war! Also, Costa Rica led the Central American conflict against William Walker, the United States filibuster who conquered Nicaragua in 1855. After a bloody coup d'état resulting in the overthrowing of Mora in 1859, Jose Maria Montealegre became the president. A minister in his government was Jesus Jimenez Zamora, who would become president and rule for two periods

I.3 The Liberal State

A liberal regime was established in 1870, led by Tomas Guardia. During his government, Costa Rica became subject of huge foreign investments. By the end of the XIX century, the United Fruit Company (UFC), a North American company, was established in the country to control the banana production of the entire Central America. The UFC started plantations on the coast plains and built new communications infrastructure, although it also forced the Costa Rican economy to be much more dependent on foreign markets and capitals.

The Liberal State, consolidated under the leadership of Tomas Guardia between 1870 and 1882, could afford to make a series of social, political and economic changes which marked the development of the cantons and saw many of its municipal works come to pass, roofed under a liberalism that, paradoxically, led to a scarce and insufficient municipal treasury.

The Liberal State had the opportunity to endeavour a set of measures such as delimiting of the territory and marking of roads, basic services such as infrastructure, community works and public services (water, electricity and security), education and religious measures, agricultural measures and political and commercial measures.

I.4 Democracy and a stable government

Even though by the end of the XIX century and the beginning of the XX century the Costa Rican politics were not stable yet, there was a

clear tendency to withdraw from military solutions in political matters. The Costa Ricans were proud of the fact that they had more teachers than soldiers and a higher status of life than any other Central American country. Coffee exports kept being the mainstay of their economy, but a growing urban middle class initiated a dispute for the hegemony of politics from the owners of the coffee plantations, thus experiencing the flourishing of more modern political parties.

The National Republican Party (PRN for its initials in Spanish) won the elections with Leon Cortes Castro appointed president in 1936, and Rafael Angel Calderon Guardia in 1940. When the PRN tried to stay in office after their defeat in 1948, a new political force, the National Liberation Party (PLN for its initials in Spanish), led by Jose Figueres Ferrer, carried out a coup d'etat and became the dominating party of the nation. With the National Liberation Party in power in Costa Rica, the army was abolished in 1948.

During the decade of the 50's, the creation of public entities, autonomous and semi-autonomous institutions came to strengthen the Costa Rican democratic system. The founding of Aqueducts and Sewers System and the nationalization of the electricity services under the important system of the Costa Rican Institute of Electricity (ICE for its initials in Spanish) and the National Company of Power and Electricity. ICE was born to public life as an autonomous institution on April 8th, 1948. In 1949, the Supreme Court of Elections was established, which arises to guarantee the vote and the transparency of the election process, thus strengthening the democratic tradition of the political system of Costa Rica. That same year, a new Political Constitution is written, which is still in force today.

Under moderate governments, Costa Rica became the most democratic country in Latin America. Figueres held office as president from 1953 to 1958, and in second term from 1970 to 1974. The National Liberation Party won the elections in 1974 with Daniel Oduber as president, but his differences with Figueres in regards to the economic policy brought about the gaining of power, in 1978, of the Democratic Renovation Party, coalition of center right groups led by Rodrigo Carazo.

At the beginning of the decade of the 80's, Costa Rica experienced a rapid population growth, consequently leading to difficulties in its economy. The National Liberation Party was in power again in 1982, when Luis Alberto Monge was elected president; he was succeeded by Oscar Arias Sanchez, also from the National Liberation Party, in 1986.

Arias was awarded the Nobel Peace Prize for his efforts in the peace process of the region.

Rafael Angel Calderon Fournier, of the Social Christian Unity Party and son of the leader of social guarantees, Rafael Angel Calderon Guardia (in exile after the 1948 Civil War and returned to the country in 1958) was elected president of Costa Rica in 1990. Then, in 1994, the social democrat Jose Maria Figueres Olsen, son of leader and winner of the Civil War in 1948, Jose Figueres Ferrer, is elected president. In 1998, the Social Christian Miguel Angel Rodriguez is elected president. He has the responsibility of directing the future of the country to the new century. The Social Christian Abel Pacheco is elected president in 2002, a very respected and influential man among the popular classes of the country.

I.6 Structure of the Costa Rican State

Costa Rica is a democratic republic, free and independent, according to its political Constitution proclaimed in 1949 and still in force today.

The executive power resides with a president and two vice presidents, each one elected by popular vote for four-year terms. The president and vice presidents cannot be succeeded among themselves. Each candidate must get over 40% of the total number of votes casted. The exercise of the right to vote is mandatory for all citizens over 18 years of age.

The legislative power in Costa Rica is enforced by an only chamber, the Legislative Assembly, constituted of 57 congressmen who are elected for four-year terms and cannot be re-elected for consecutive terms.

The judicial power resides within the Supreme Court of Justice, formed by magistrates appointed by the Legislative Assembly for eight-year periods. There are also courts of appeal, of appeal, and subordinated provincial courts. The death penalty has been abolished. Please refer to the Costa Rican Law.

Costa Rica is divided into seven provinces, which are divided in cantons, and these in districts. At present, there are 81 cantons and 28 districts. The municipal government is formed by the municipal council, a body formed by municipal councilmen or syndics elected by popular vote, and an executive official or president, who is elected by the council for four-year periods.

II. Costa Rica: Socioeconomic Environment¹

Costa Rica is located in the southern part of Central America, bounded in the north with Nicaragua, in the East with the Caribbean Sea, in the Southwest with Panama and in the south and west with the Pacific Ocean. The Coco Island, uninhabited and covered with a dense tropical forest, located around 480 Km southwest of the Osa Peninsula in the Pacific Ocean, is part of the national territory. It is a small country in regards to population and land extension: 4.2 million inhabitants in 2004, distributed in 51,100 Km².

The level of development is high, as conveyed by the Human Development Index (HDI) calculated by the United Nations Development Program (UNDP), which in their 2004 Human Development Report and using data of 2002, places the country in the position number 45 in human development, among 177 countries.

This is a very significant fact, since it evidences how a small country with a medium-low IGP per capita, US\$4,180 in 2004, can achieve important progress in the improvement of the standard of living of their inhabitants.

The process of economic and social development, which brings about the current situation of the country, has been slow and a great number of factors have intervened.

The democratic tradition of the country, present for more than a century, and the great political stability, especially after the second part of the past century, takes first place. In the social sphere, the importance placed many years ago upon education and health, accompanied by adequate budgetary assignments from the public funds (social public investment) and truly favoured by the fact that

¹ To write the current chapter, the document "*Objectives of Development of the Millennium: Report on the accomplishments of the country for its fulfillment*" was used as base document. This paper was written by the Social Council of the Government of Costa Rica and the United Nations System in Costa Rica, and used the most current results of the 2004 Census of the National Institute of Statistics and Census

there has been no army for more than fifty years, also plays an important role.

On the other hand, the satisfactory performance of public service institutions, which have been able to accomplish most of the objectives set for them, influenced the direct satisfaction of the needs of the population as well as the support to production growth.

During the first years of the second half of the XX century, the country shifted from an economic agro export-commercial model to one based on substitution of imports and the creation of a regional market, the Central American Common Market, which allowed the country to reach high rates of growth.

At the beginning of the 80's, the country was affected by an economic crisis, which had multiple causes, among them the exhaustion of the imports substitution model and the acuteness of the war conflicts throughout the Central American Region

In this period of time and subsequent years, the country started seeking a new growth model which would allow them to keep moving forward, and found it within the export activity, accompanied by a series of changes in the economic relations prevailing until that time: a greater commercial and capital account openness, modernization of the financial system, reduction of state interventions in many areas and state reform intents.

Just as for all other Latin American countries, for Costa Rica the decade of the 80's was a lost decade, since not only did the drive of the economic and social development process from past years come to a halt, but there was deterioration in some areas.

The new policies implemented during the second part of this decade and the following one, have allowed the country to modestly grow and at least avoid deterioration of the main social indicators.

II.1 Poverty: Evolution and Current Situation

In the last years, poverty², seen as a situation of insufficient income to buy a set of basic goods and services, has affected one out of every five Costa Rican homes (20%). This proportion has stayed practically unchanged since 1994, regardless of the high economic growth in some past years.

Even though emphasis is placed upon deprivation or dissatisfaction of basic material needs poor people experience, poverty involves other dimensions such as inability of the poor to affect their own future or vulnerability to different economic, social and environmental situations

But even from the perspective of deprivation, several dimensions are important since:

- On one hand, the poor lack enough income to buy basic food required for their subsistence (extreme poverty or indigence), or to acquire a greater set of basic goods and services (poverty)
- And, on the other hand, they generally lack access to basic services such as education, health and potable water, as well as decent housing and a safe environment.

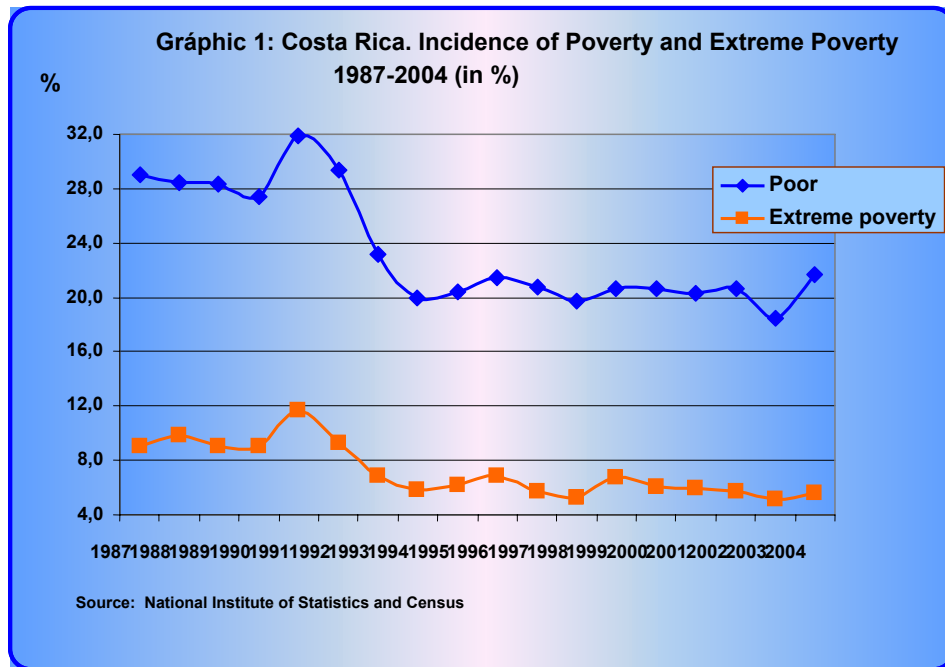
Nationally, those households with insufficient income to buy a basic set of goods and services to satisfy the needs of each and every one of their members are considered poor, while those households with income not enough to acquire basic foods to satisfy the minimum feeding needs of their members, are considered extremely poor

Costa Rica started the decade of the 90's with 27.4% of households in poverty, that is, with insufficient income to purchase a set of goods and services to satisfy the needs of each and every one of their members. And what is worse, with a 9.1% of households in a situation of extreme poverty, that is, households without enough income to allow them to buy basic food to satisfy the minimum feeding needs of their members.

As a result of a recessive economic situation in 1991, there was an increase in extreme and total poverty rates (graphic 1.1). The improvement of the economic situation in subsequent years resulted in a high reduction of poverty until 1994, when a standstill is experienced (with very small variations around the average) and prevailing until

² See definition of poverty categories and indicators in Annex 1

today, although in 2004 a tendency of growth in both variables is suggested.

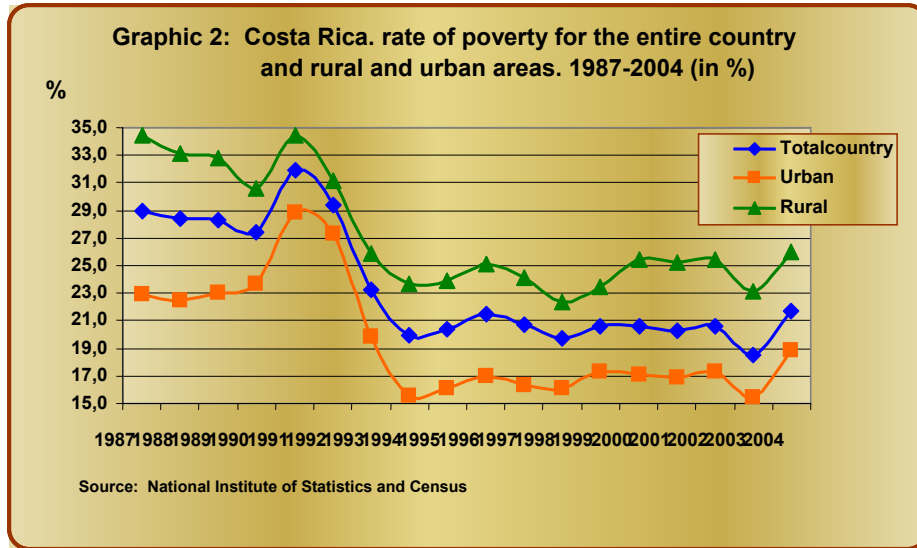


In fact, in 2004 poverty rates reached 21.7% of households, among which 5.6% are under extreme poverty, rates which are higher than those of 2003, which were 18.5% and 5.1%, respectively.

The occurrence of extreme and total poverty shows important gaps between urban and rural areas and between the different regions of the country.

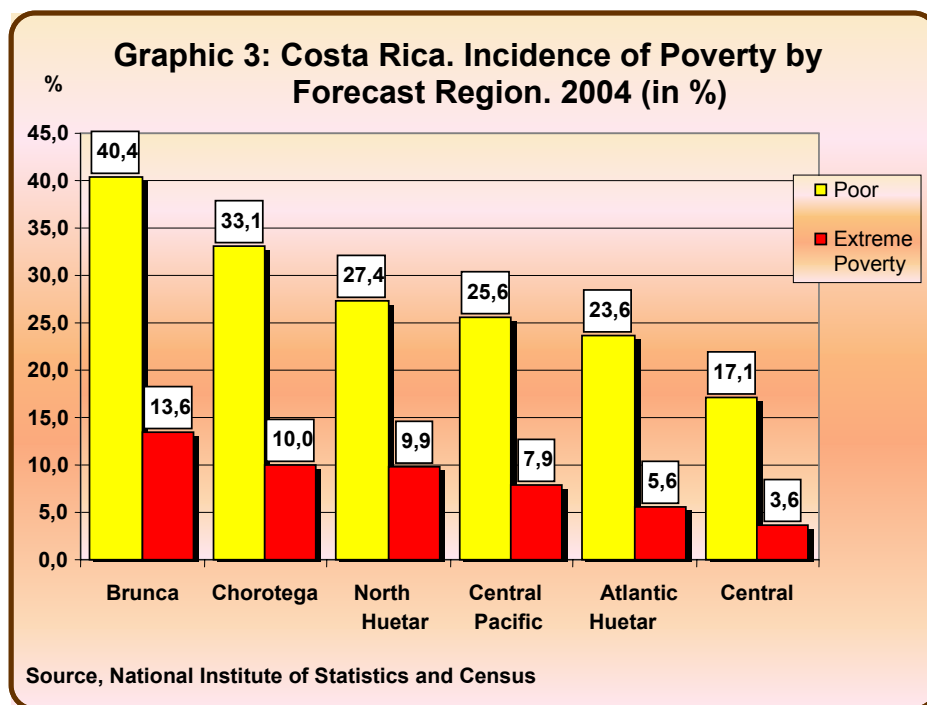
In terms of trend, urban and rural areas show a similar tendency to the national one (see graph 2). Nevertheless, for the most part of the period analyzed, extreme poverty percentage of rural areas is twice as high as that of urban areas.

While in 1987 the percentage of households in extreme poverty in the urban area was 5.7%, in the rural area it increased to 12.0%. For 2004, the corresponding values were 4.0% and 8.0%, respectively



In view of the rate of poverty and extreme poverty by forecast regions (Graphic 3), the Brunca and Chorotega regions show greater rates of extreme poverty as well as of total poverty. The North Huetar, Central Pacific and Atlantic Huetar regions are placed in an intermediate range.

Regardless of the lower incidence of poverty in the Central Region, it must be taken into consideration that, according to the 2004 population census, 64.2% of the inhabitants of the country resided in that region on that specific year, hence the high number of total poor households. In 2004, 49.9% of the total poor households of the country and 40.9% of households in extreme poverty were residents of that area.



Within the Latin American context, Costa Rica, together with Uruguay and Chile, are the countries showing lower rates of poverty (extreme and total) during that period of reference.

Several aspects explain this relatively favourable situation Costa Rica presents.

In first place, since many decades ago, the country has been forging an institutionalism and an adequate normative frame which have allowed the knitting of an important social protection net.

Institutions such as the Costa Rican Bureau of Social Security and the Social Development Fund and Family Appropriations, and a diverse legislation allowing the expansion of education at all levels—such as the declaration of free and mandatory primary education—have played a key role in poverty reduction.

Productive processes and the respect for the law in force have allowed the creation of productive employment, which is protected by the social security and experiencing favourable conditions in regards to payment of minimum salaries and protection by labour laws.

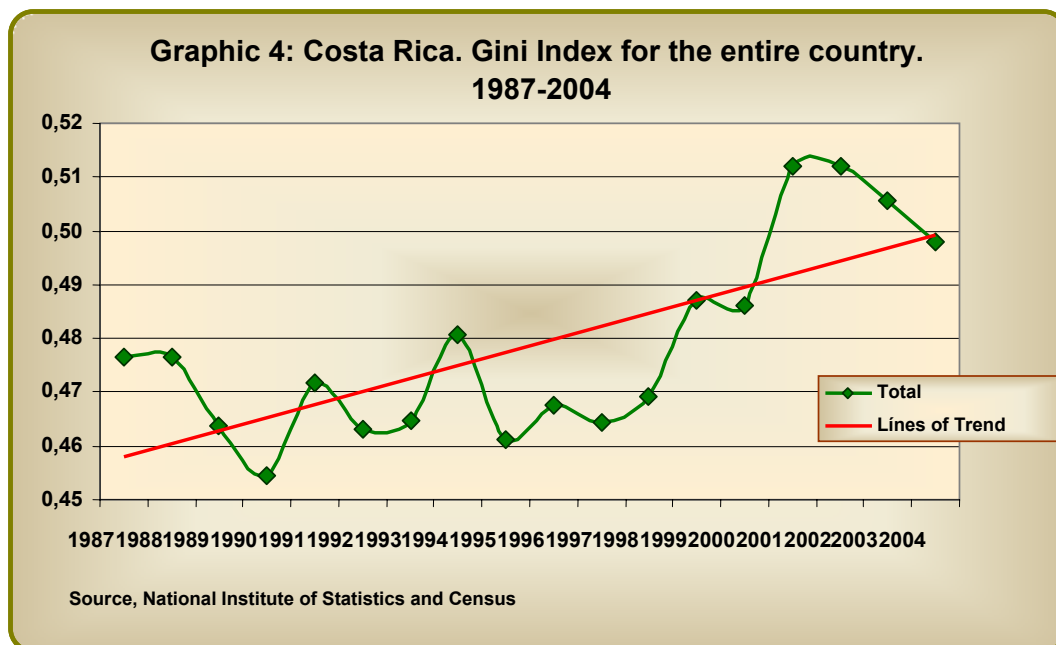
Even though there was an increase in the informality and temporariness of labour during the decade of the 90's, it is also true

that generation of formal quality employment continued, thus avoiding the increase of poverty.

It is important to highlight that the standstill of poverty since 1994 is framed within variable or fluctuating rates of economic growth, although presenting a moderately satisfactory average.

If, indeed, the economic growth should reduce poverty, the standstill of it could be associated with the increase of inequity experienced in the country during these past years.

As reflected by the Gini³ coefficient, after showing certain stability during most of the decade of the 90's, although experiencing a few ups and downs, by the end of the period the inequity points to an important increase, marked by a trend of growth (Graphic 4)



³ The Gini Coefficient is an index of concentration of wealth. Its value lies between zero and one. According to the Gini index, the nearest to one, the greater the concentration of wealth; the nearest to zero, the most equitable the distribution of income is in that country.

This increase in inequity is reflected on the reduction of the proportion of national income corresponding to one fifth of the poorest population, which influences the decrease in spending, particularly on products constituting the set of basic foods, thus bringing an effect on the sustainability and even on the increase of poverty incidence.

II.2 Current Situation of Employment, Unemployment and Income

In July of 2004 the Multiple Purpose Household Survey reveals a net participation rate of the population old enough to work of 54.4%, lower than that registered in July of 2003, which was 55.5%. This decrease is explained by a decrease of the employment rate, since the open unemployment rate practically stays the same. While the employment rate is 50.9% and the open unemployment rate is 6.5%, the respective values for last year were 51.8% and 6.7%. The decrease between 2003 and 2004, added to the values observed in 2002 (practically the same as those of 2003), indicate that there is no growth of the labour market.

In absolute terms, the employed population increases in almost thirteen thousand five hundred people, and the number of unemployed decreases insignificantly. Complementary, the inactive population increases, which is explained by a less significant attraction of economic participation of women mainly in urban areas, and of men in rural areas.

The job market is differentiated by sex. In it, women have a more restricted participation.

Added to the lower level of employment, 33.6% of women against 69.0% of men, and to the highest level of unemployment, 8.5% of women against 5.4% of men, the drop of the net rate of participation and of the employment rate observed during 2004 was higher in women, particularly in urban areas.

The employment structure of the institutional sector indicates that the public sector absorbs 14.1% of the working population and the private sector 85.9%, without significant changes during the last years.

The most important activity sectors within the labour structure are those of services (transportation, finance, public administration, personal and community services, among others) which absorb 37.8% of the labour force; commercial and refurbishing activities, 19.9%;

agriculture, 14.3%; and industrial, 13.9%; these last two slowly losing ground in regards to participation during the last few years. Construction sector plays an important role also, hiring 6.5% of the work force.

The 2004 Household Survey indicates that, during the month of July, the average income in the main line of work was US\$ 363.10⁴ for the total of the employed population, which points to an increase of 6% against the nominal income average declared the year before. Nevertheless, variations differ by working category.

The income of people who are self employed and business owners is practically the same as 2003 figures, while the income of salary employees increased 9.6%, which was slightly higher within salary employees of the private sector (8.6% and 15.0% in domestic help, opposed to a growth of 7.8% of the public sector). Average income for 2004 was US\$ 561.30 for business owners, US\$ 233.90 for self employed and US\$ 380.00 for salary employees (US\$ 595.4 for public sector and US\$ 342.30 for private sector)

The real income, considering inflation and taking 2003 as base year, reflect the loss of purchasing power of the remunerations, since as a whole, the real income falls 5.7%, with a decrease of near 11% for self employed persons (self employed and business owners) and of 2.5% for salaried employees (4.1% for public sector and 3.4% for private sector).

III. Child and Adolescent Labour, Poverty and Education

This chapter pretends to demonstrate the relationship between child and adolescent labour and their situation of education and poverty. The analysis is mainly based on the results of the 2002 Household Survey, which included a module on child and adolescent labour

III.1 Income of working children and adolescents

According to the 2002 Household Survey, there were 127,077 people registered who ranged from 5 to 17 years old, and who were part of the labour force, representing 11.4% of the total population of that age range (1,113,987). It is worth mentioning that 71.5% of this labour force is constituted by males.

⁴ Costa Rican currency is the Costa Rican colon and the exchange rate per US dollar was, as of July of 2004, US\$1 / ¢ 438,40

Of that total child and adolescent labour force, 13,554 youngsters between 12 and 17 years old were unemployed, of which 9 out of 10 were between 15 and 17 years old.

Of the total number of employed in some economic activity (113,523), 64,970 perceived some type of monetary income, while the remaining 42.7% were family workers without pay⁵ (48,533)

At the same time, out of the 64,970 who perceived income, 45,588 were salaried employees and the rest (19,382) were mainly self employed, so this analysis will be carried out based on income and not strictly on wages

Chart 1: Costa Rican Working Population between 5 and 17 years old who perceive income, by Age Group, according to Legal Minimum Wage (LMW)¹ and Poverty Line (PL)². July 2002		
	Age groups	
	5 to 14 yrs old	15 to 17 yrs old
Total Costa Rica		
Employed with income	18,673	46,297
average income (in US\$)	52.32	130.46
Employed under the LMW (%)	84	85
average income /LMW (%)	24	60
Value of income in terms of PL	0.71	1.76
<p>1 Legal Minimum Wage in force as of June 2002 was US\$ 216.90 2 The value of Poverty Line is US\$ 73.97 3 Average exchange rate for June 2002 was 1 US\$ / 357.71 Costa Rican colones Source: Own elaboration based on the Multiple Purpose Household Census of July 2002</p>		

As it can be seen on the chart above, among working children and adolescents, there is a great difference in levels of monthly income among the various age groups. Those between 5 and 14 years old perceived a monthly average of US\$ 52.32.

Even though almost the totality of employed of such ages had an income under the legal minimum monthly salary (US\$216.90), this can be explained since they mainly work an average of 12 hours per week, that is one fourth of the legal shift of 48 hours.

⁵ This does not imply that their economic contribution should be ignored, which will surely be reflected on the income of some of the unemployed adults of their households.

Nevertheless, they were being paid 10% less than the minimum legal hourly rate (US\$ 1.10).

The monthly income of adolescents between 15 and 17 years old was quite superior than that of the former corresponding group: the average was US\$ 130.46, that is 37% less than the legal minimum salary, even though they work an average of 32 hours per week, only 4 hours under the 36 hour-shifts established as the maximum by article 95 of the Code of Childhood and Adolescence to perceive the minimum legal salary.

In spite of that, 42.3% (26,874) work between 46 and 59 hours per week, violating the already mentioned law, even though the majority is self employed.

If we consider the income of children and adolescent workers from the perspective of their contribution to the economy of their family group, we see that such income of working children between 5 and 14 years old, represents 71% of the value of poverty line⁶, in other words, their contribution helps pay for around 2/3 of the cost of their own food and other needs.

In the case of adolescents, even though their average income is equal to 1.76 poverty lines, it pays for their subsistence and contributes to $\frac{3}{4}$ of the needs of another household member.

This information highlights the importance of the contribution made by child and adolescent labour to family economy. Such situation seems to be in opposition to the actions to eliminate or mitigate child and adolescent participation in the job market. This is supported by the legal banning of working youngsters under 15 and the mandatory incorporation to the education system, as well as the advantage of having adolescents to at least finish secondary education to improve future possibilities of employment and income.

Nevertheless, the fact that production and exchange of goods and services carried out by the child and adolescent work force could be

⁶ Such value is composed of two elements: a) the cost (per capita) of a basic set of foods, predefined in conjunction with the Ministry of Health and taking as reference the consumption pattern of a group of households. Those households which have a per capita income under this value are considered indigent, and b) the cost of basic needs not related to food, which is estimated similar to that of the basic set of foods (107% of its value). If both costs are added, we have the value (per capita) of the line of poverty.

assumed by adults, preferably of the same household, should be taken into consideration.

In order to put into perspective the possibility of substituting child and adolescent labour for adult labour, in terms of full employment, the 70,614 jobs performed by these children and adolescents with declared income are equivalent to 32,351 full jobs⁷

III.2 Contribution of Child Labour to reduction of poverty⁸

The income of working girls between 12 and 17 years old, according to the 1990 Household Survey, represented between 25% and 30% of the income per capita of their households. This fact was reflected on a 15% decrease of the indigence gap in households in extreme poverty and of 23% in poor households, surpassing this way the indigence line (refer to Chart 2)

CHART 2. COSTA RICA. POVERTY RATES WITH AND WITHOUT WORKING YOUNGSTERS (1990)					
	TOTAL	SITUATION OF POVERTY			NOT POOR
		SUBTOTAL	INDIGENT	POOR	
Costa Rica with working minors	100	20.5	10.7	9.8	79.5
without working minors	100	22.5	12.1	10.4	77.5
Households with working minors	100	25.4	12.5	12.9	74.6
without working minors	100	43.7	24.6	19.1	56.3

Source: Pisoni, R., *The Working Children of Central America*

Without the productive contribution of under-age workers, the proportion of households in poverty, where they actually live, would substantially grow from 25.4% to 43.7%⁹. The totality of poor households which count on the income of under-age workers, would fall into a situation of extreme poverty if this income or productive contribution is not considered, thus duplicating the number of families in extreme poverty

⁷ A full job is that which is remunerated with the minimum legal monthly salary, and a working week of 48 hours. It must be taken into consideration that this is only an exercise, since, in reality, it would be almost impossible to document such exchange.

⁸ The information in this chapter corresponds to an investigation carried out in 1991: Pisoni, Rodolfo. *Working Children of Central America*. PREAL/ILO-UNICEF. Social Sciences Booklets, FLACSO, January 1994, San Jose, Costa Rica.

⁹ Please note that even so, the majority of households (53.6%) where working youngsters live are not in poverty. This would be analyzed later.

Almost 10,000 households, which fall into the category of not poor, would fall under the line of poverty. In reality, these are poor and extremely poor families which have overcome such situation thanks to the contribution of under-age workers within their households.

Without the contribution of those working children and adolescents, the poverty rate in Costa Rica would have resulted 2% higher (from 20.5% to 22.5%) back in 1990.

Consequently, child labour becomes an important factor in reducing poverty and indigence gaps. Poverty reduction, which must be a primary responsibility of the State, is being assumed in good part by the weakest members of society: child and adolescent workers.

This is not only unfair, but also anti economic, if seen from the perspective of the scarce or null productivity they would be able to contribute with in the future as adults. This is mainly due to the low educational level and physical and mental deterioration these children and adolescents are exposed to, because of the precarious conditions—not risk free—they generally work in.

III.3 Characteristics of the Families

This chapter comparatively analyzes demographic, occupational, income, educational and head of household characteristics of two groups: households with youngsters 5 to 17 years old who are part of the labour force, which will be called HMT households, against households with youngsters of the same age group who are economically inactive (HMNT households)

Chart 3: Main Demographic, Occupational, Income and Educational Characteristics of Households with Minors from 5 to 17 years old By Type of Household. July 2002		
Demographic, Occupational, Income and Educational Characteristics	Households with minors 5 to 17 yrs old who are	
	Economically active (HMT)	Economically inactive (HMNT)
Total population	548,030	2,279,485
Total households	99,846	483,487
Number of members per household	5.5	4.7
0 to 4 years old	0.4	0.4
5 to 17 years old	2.5	1.8
18 years old and older	2.6	2.5
Workforce per household	3.0	1.7
Employed by household	2.8	1.6
5 to 17 years old	1.1	-
18 years old and older	1.7	1.6
Poverty Rate (%) ¹	31.9	23.0
Do not satisfy basic needs	21.3	16.6
Extreme poverty	10.6	6.4
Household Total Income (US\$)	513.52	697.67
Income per capita (US\$)	93.56	147.98
Income employed adults (US\$)	386.53	659.68
Income employed minors (US\$)	126.99	-
Average schooling of head of household (yrs)	6.0	8.1
Average schooling of adults (yrs)	6.6	8.7
Households with female head (%)	24.8	23.3
1/percentage of households under poverty line		
Source: Own elaboration based on the 2002 Multiple Purpose Household Census		

In regards to family size, the HMTs have an average of 5.5 members, almost one more than that of the HMNTs (4.7) and which is explained by a greater presence of youngsters between the ages of 5 and 17. Since those are bigger families, they would require a higher family income to face their basic needs. Nonetheless, HMTs have an income of US\$ 513.52, which is 26% lower than that of HMNTs (US\$ 697.67)

Secondly, HMTs have a greater number of employed members per family (2.8); HMNTs have 1.6 employed members. This is due mainly to the presence of child and adolescent workers who, in average, reach to one employed member per family.

In third place, the income perceived by employed adults who belong to HMT families (US\$386.53) is a little over 50% of what is perceived by working adults of HMNTs (US\$ 659.58). This goes in direct relation to the level of education of heads of household and adults in these families

(6 and 6.6 years), in respect to the HMNT households (8.1 and 8.7 years)

The scarce income obtained is insufficient for the subsistence of more numerous families. Even with the income contribution made by child and adolescent workers (US\$ 126.99), the income per capita of the HMTs (US\$ 93.56) is lower than that of the HMNTs (US\$ 147.98) which is in direct relation to the greater poverty rates of the HMTs (31.9%) in respect to the HMNTs (23%). If HMT households did not perceive the economic contribution of minor workers, their levels of poverty and indigence would greatly increase, as mentioned in the above paragraph.

This explains the need for these families to increase the offer of family labour by means of employment of youngsters, which allows them to complement their family income, due to the scarce income adults perceive to cover the needs of their numerous families.

HMNT households, even though they find themselves in a situation of poverty or indigence but since they have fewer children, would prefer them to dedicate their time exclusively to go to school, though knowing that by doing this they sacrifice the possibilities of reaching an improved welfare. It would be the same situation if HMT households made their children work. A good explanation for this would be the higher level of education of the parents.

Finally, even though there is a greater proportion of women head of households in the HMTs (24.8%) in respect to the HMNTs (23.3%), the difference is not significant.

III.4 Education

There are great differences in regards to the educational situation and performance of children and adolescents, depending if they are working or inactive. The latter constitutes the "norm" against which the educational situation of working youngsters is measured.

As observed in the next chart, comparatively the workers present the worst educational situation if compared to those inactive youngsters.

44.1% of those youngsters have dropped out of school, reaching 26% among those between 10 and 14 years old, and 62.5% among adolescents between 15 and 17 years old; of these, 47.1% are males and 36.3% are females, and this rate is higher among residents of rural areas (47.3%) against those of urban areas (37.4%).

Chart 4. Population 5 to 17 years old by Educational Situation 1, according to their Participation in Economic Activities, Grouped by Age, Gender and Zone. July of 2002

	Total Persons 000s	Drop Outs (%) 2	Attending		
			Total in 000s	Not Deferred (%) 3	Deferred (%) 3
1. Employed Minors	112.04	44.14	62.58	48.26	51.74
<u>by age group</u>					
- 5 to 9 yrs old	12.43	3.26	12.03	89.31	10.69
- 10 to 14 yrs old	36.12	26.01	26.72	54.56	45.44
- 15 to 17 yrs old	63.49	62.47	23.83	29.48	70.52
<u>by gender</u>					
- male	81.55	47.07	43.17	48.57	51.43
- female	30.49	36.33	19.41	45.68	54.32
<u>by area/zone</u>					
- urban	35.39	37.41	22.15	42.75	57.25
- rural	76.65	47.25	40.43	51.35	48.65
2. Economically Active Minors	941.87	6.87	877.2	73.36	26.64
<u>by age group</u>					
- 5 to 9 yrs old	356.68	2.68	347.1	94.66	5.34
- 10 to 14 yrs old	390.56	5.05	370.83	72.25	27.75
- 15 to 17 yrs old	194.63	18.17	159.27	52.41	47.59
<u>by gender</u>					
- male	461.55	4.91	438.89	71.42	28.58
- female	480.32	8.75	438.31	75.25	24.75
<u>by area/zone</u>					
- urban	546.27	4.58	521.26	75.48	24.52
- rural	395.6	10.02	355.94	70.21	29.79

1. Unknown are excluded as well as those not attending because of age
2. Percentage in respect to the total population
3. percentage in respect to the total population attending school
Source: own elaboration based on the 2002 Multiple Purpose Household Census

Among those who study and work, more than half of the total (51.7%) are deferred students, of which 45.4% are between 10 and 14 years old and 7 out of every ten adolescents. 51.4% are females and 54.3% are males, and the over-age affects in greater measure those working youngsters in urban areas (57.3%) than those in rural areas (48.6%)

Among inactive youngsters, the educational situation improves substantially. Drop-outs as well as deferred students, by group, by gender or by area, are perceptively lower than those of youngsters who work.

Analyzing once again the issue of poverty rates, it was stated (Chart 3) that these reached 31.9% in households with working children and adolescents, numbers quite higher than those prevailing during that same year for the total population. There was also evidence (see Chart 2) of the fact that, without the income of under-age workers, the number of households in a situation of poverty would increase considerably, from 25.4% to 43.7%.

Nevertheless, the fact that the majority of the child and adolescent work force did not belong to poor households must be emphasized. This situation was only given in Costa Rica, since for the rest of Central America, the great majority of the child and adolescent work force was constituted by members of households in a situation of poverty

It is then necessary to penetrate deep down into the analysis of the census information to find evidence of this peculiar phenomenon.

For those workers between 5 and 17 years old who were not attending school, the census questioned their reasons. Even though the questionnaire includes ten possible causes, for analysis purposes they were grouped in three categories.

1) *Reasons of educational origin*, which include:

- a) *Problems of access to the school system* such as not assisting to school because there are no schools close to their neighbourhoods, or not adequate for their needs or level; it also takes into account the limitations or requirements the system imposes upon them to access it, such as not having school records, thus not being able to make the transfer, or not admitted because there was no capacity for more students, or because he/she was suspended for the rest of the year, or because there is no teacher for that particular grade, or any other limitation out of the control of the student or his family.
- b) *Learning difficulties*: that is when the student is excluded from the system due to educational learning difficulties with the subjects taught in the classroom.
- c) *Not interested in formal education*. Comprises those children and youngsters who do not like or are not interested in attending elementary school or middle school.

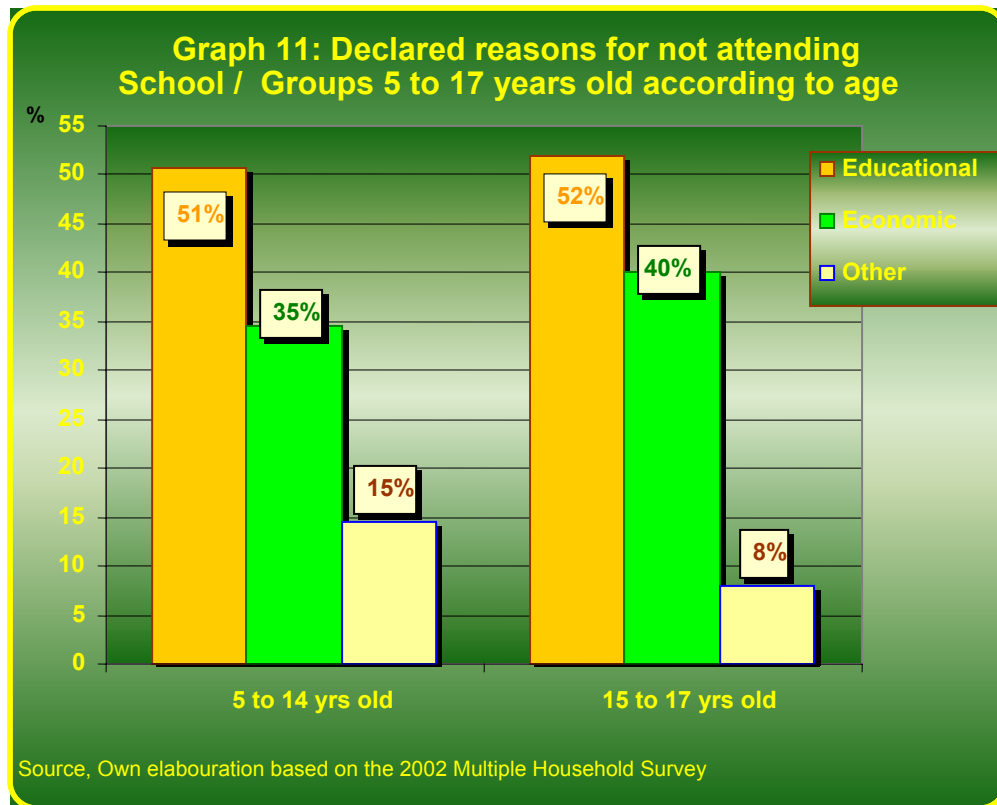
These two last causes seem to have a more subjective origin, and maybe they are also a result of failures of the system

2) *Economic Reasons.*

- a) *He/she has to work.* When the youngster must leave formal schooling aside in order to work, either to help the household with income or to earn their own living.
- b) *He/she has to help with the housework.* When the youngster must interrupt their formal education to support or substitute the father, the mother or to be in charge of house chores.
- c) *Cannot afford to pay for their schooling.* When the interruption of their education is due to lack of money to pay for tuition, to buy books, to pay for transportation, uniform, and others.

3) *Other reasons.*

This includes all other causes of interruption of formal studies such as: pregnancy or marriage, illness or handicap, temporary interruptions due to family crisis, scholarships or trips abroad having come back when the school term was well advanced, and any other reason not corresponding to the others mentioned above.



In the above Graphic, according to the opinion of the informers of households, it can be observed that the reasons of educational origin could explain around half the cases of economically active youngsters not assisting to school.

The economic reasons have a second place in order of importance, motivating 35% of the causes of children from 5 to 14 years old not attending school, and 40% among adolescents from 15 to 17 years old.

This is very important, since the first place is usually held by economic causes explaining school drop-outs and child and adolescent labour. Even though this is true in the great majority of countries with similar problems, things tend to indicate that in Costa Rica, if priority is given to policies and actions pertaining the expansion of educational infrastructure and improvement of quality of education, the impact of such measures regarding decrease of child and adolescent labour, would become very important, especially in rural areas and for secondary education.

IV. Persons under age who perform domestic activities

One of the purposes of this investigation is to explore the situation of those children and adolescents who regularly and daily perform domestic activities in their homes, trying to find some connection between having to do these activities and their educational performance.

Although these home chores are not really a job—in the sense of an economic activity—it has to be taken into consideration that the II National Action Plan for the Prevention and Eradication of Child Labour and Special Protection for Those Working Adolescents in Costa Rica for 2005-2010, in its first chapter, Legal and Conceptual Frame, establishes that *“The definition of child and adolescent labour adopted within this framework is sustained by what is contained in the Code of Childhood and Adolescence of Costa Rica, with the understanding that child labour is ‘that work or economic activity carried out by children under 15 years of age, whichever their employment conditions might be; salaried job, independent work, family job without pay and any other work which prevents them from growing with dignity, thus restricting their participation and right to education and harming their health, physically, emotionally and spiritually’.* **It is also considered child labour when children do excluding domestic chores equivalent to an economic activity”**

As it can be seen on the following Chart, child and adolescent population who used to do domestic activities regularly for 10 or more hours a week reached 176,214 people, which represent 15.8% of the total population between 5 and 17 years of age.

Chart 5: Costa Rica. Total Population and Population Engaged in Domestic Activities (P.A.D.) between 5 and 17 years of age, according to Gender and Age Group. July 2002

Gender and Age	Total Population	P.A.D.	
		Total	Rate of Participation %
TOTAL 5 to 17 yrs old	1,113,987	176,214	15.8
5 to 14 yrs old	840,228	93,491	11.1
15 to 17 yrs old	273,759	82,723	30.2
Males 5 to 17 yrs old	575,506	48,731	8.5
5 to 14 yrs old	436,354	30,136	6.9
15 to 17 yrs old	139,152	18,595	13.4
Females 5 to 17 yrs old	538,481	127,483	23.7
5 to 14 yrs old	403,874	63,355	15.7
15 to 17 yrs old	134,607	64,128	47.6

Source: Own elaboration taking as base the July 2002 Multiple Purpose Household Census

Thus, those between 5 and 14 years old (93,491) represented 11.1% and adolescents between 15 and 17 years old represented 30.2% of the population for their respective ages.

Nevertheless, this participation, which increases with age, was a more intense characteristic among girls and female adolescents, reaching important proportions among those between 5 and 14 years old (15.7%) and those between 15 and 17 years of age (47.6%)

Consequently, in the distribution by gender, girls and female adolescents were predominant (127,483), representing 72.5% of the total population of youngsters carrying out domestic activities. This is in inverse proportion to the participation by gender of boys, girls and adolescents in the work force, confirming the distribution according to gender of the roles within the household.

IV.1 Total time dedicated to domestic activities.

This group of boys, girls and adolescents engaged in domestic activities was circumscribed to those who carry them out regularly, dedicating at least 10 hours per week¹⁰

¹⁰ The criteria to establish this time limit to serve as the base from which to consider domestic activities as excluding, keeps direct relation with the time dedicated to domestic activities and the increase in desertion and educational deferring. When dedicating between 1 and 9 hours per week to house chores, desertion and deferring levels are similar to those of who do not carry out domestic or economic activities. After 10 hours of work, both indicators had a dramatic increase and assumed increasing values as the number of hours dedicated to domestic activities increased.

Chart 6: Population between 5 and 17 years of age who participate in domestic activities, by age group, according to number of hours per week dedicated to house work¹. July 2002.

Nr of hours dedicated to house work	Total 5 to 17 yrs old			5 to 14 yrs old			15 to 17 yrs old		
	Total	%	avg. Hours	Total	%	horas prom.	Total	%	avg. hours
TOTAL	186421	109.3	19	91163	100.0	16	79375	100.0	23
10 to 24 hs.	152013	89.1	14	82395	90.4	14	54228	68.3	15
25 to 36 hs.	22887	13.4	29	7234	7.9	29	15214	19.2	30
37 to 48 hs.	6058	3.6	42	969	1.1	42	5089	6.4	42
49 hs. And over	5463	3.2	61	565	0.6	55	4844	6.1	62

1/ Unknown are excluded from dedicated hours (5.676)
 Source: Own elaboration taking as base the July 2002 Multiple Purpose Household Census

The total number of hours dedicated to domestic activities increased with age. Those between 5 and 14 years of age dedicated an average of 16 hours per week to domestic activities and 90.4% used less than 24 hours per week. Adolescent males and females between 15 and 17 years old reached an average of 23 hours per week and in this case, 31.7% dedicated more than 24 hours per week, reaching in extreme cases between 42 and 62 hours per week, in average.

It is worth mentioning the existence of a group of 24,324 children and adolescents who, aside from working, regularly carried out domestic activities¹¹.

IV.2 Domestic activities and education

Even though those who carry out domestic activities in their homes present minor levels of desertion and over-age than those people under age who work (refer to Chart 4), this number is important in comparison to educational participation and performance of children and adolescents who do not work nor carry out domestic activities, as can be seen on the following Chart.

¹¹ This group is included among young workers as well as among those who carry out domestic activities.

Chart 7: Population between 5 and 17 years of age, by Educational Situation¹, according to Condition of Activity and Age Groups. July 2002

Condition of Activity and Age Groups	Total Population ('000)	Drop-outs (%) ²	Attending		
			Total ('000)	Not deferred (%) ³	Deferred (%) ³
Youngsters in domestic activities	150.4	21.2	118.5	58.8	41.2
- 5 to 14 yrs old	69.6	11.8	76.1	69.7	30.3
- 15 to 17 yrs old	65.7	35.5	42.3	42.7	57.3
Inactive Youngsters⁴	791.5	4.1	758.7	76.2	23.8
- 5 to 14 yrs old	321.0	3.6	641.8	84.7	15.3
- 15 to 17 yrs old	129.0	9.3	116.9	55.9	44.1

1 Unknown are excluded as those not attending because of age

2 Percentage in respect to the total population

3 Percentage in respect to total attending

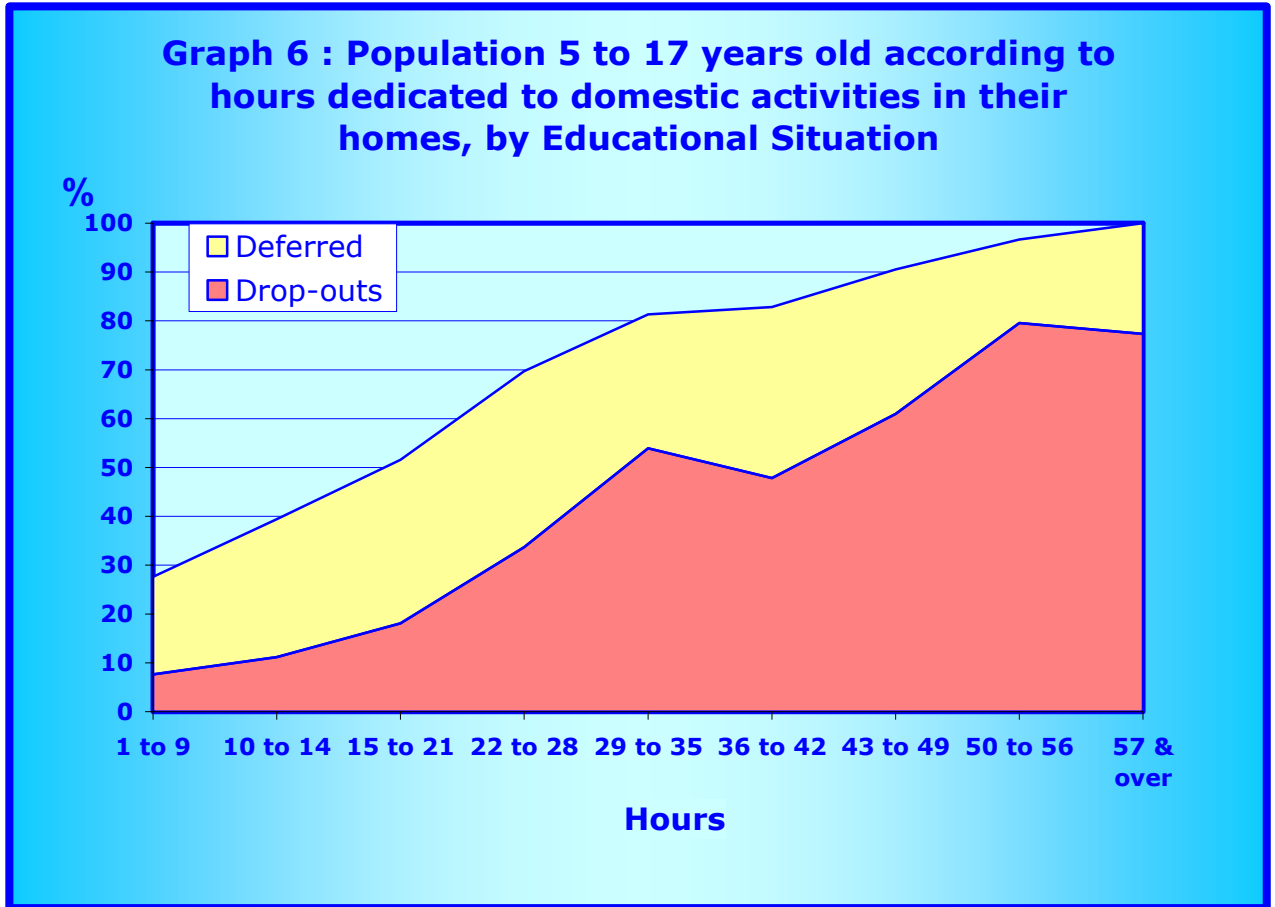
4 Do not carry out economic or domestic activities

Source: Own elaboration taking as base the July 2002 Multiple Purpose Household Census

At a very early age, dedication to domestic activities seems to affect educational participation as well as performance. For those who were between 5 and 14 years old, desertion reached 21.2% and among those in school, 30.3% were over age. Among adolescents between 15 and 17 years old, indicators reached disturbing levels: desertion of 35.5% and deferring of 57.3%

Those youngsters, who did not work nor carried out domestic chores in their homes for more than 10 hours per week, were those with higher levels of educational participation and performance.

If the total hours worked are compared with the scholastic situation of these youngsters, the exclusion of the school system and the deferring increase dramatically in direct relation to the increased number of hours dedicated to domestic activities, as shown on the following Graphic.



IV.3 Characteristics of households with youngsters engaged in domestic activities

Households with youngsters dedicated to domestic activities in their homes (HMAD) present similar characteristics to those households with working youngsters (HMT) and greatly contrasting with those households with youngsters of the same age but not engaged in economic or domestic activities (HSMAD)

These families have an average of 5.2 members per household, similar to the number of members per HMT households (5.5) and superior to the 4.6 members of the HSMAD households.

The HMAD households have a similar average of employed adults (1.6) than the other two categories: HMT with 1.7 and HSMAD with 1.6, even though the difference with the average of the work force of HMAD homes (2.1) indicates that the rate of unemployment is around 24%.

The income of employed adults of the HMAD is slightly higher (US\$ 448.63) than that of those of the HMT (US\$ 386.53) and greatly under that of those employed adults of HSMAD households (US\$ 691.58). This income results insufficient to support these families, which are equally numerous, which explains why 30.1% of these households are under the line of poverty, situation similar to that of the HMT households.

In the same manner, the scarce schooling of heads of household—an average of 6.6 years—as well as schooling of adults of HMAD households (7.4 years), contrasts with that of the adults of HSMAD households (8.4 years for head of households and 9 years for adults). Again, there is a great similitude with schooling of heads of households and adults of HMT households (6.0 and 6.6 years, respectively)

Chart 8: Main demographic, occupational and income characteristics of households with youngsters between 5 and 17 years old, by Type of Household. July 2002

	Households with youngsters 5 to 17 years of age who:	
	Carry out domestic activities	DO NOT carry out economic or domestic activities
	(Hmd)	(Hmtd)
Total population	742,668	1,744,920
Total households	141,955	376,750
Members per household	5.2	4.6
0 to 4 yrs old	0.4	0.4
5 to 17 yrs old	2.3	1.7
18 yrs and older	2.5	2.5
Work force per household	2.1	1.7
Employed per household	1.9	1.6
5 to 17 yrs old (in Domestic activities)	1.2	-
18 yrs and older (in Economic activities)	1.6	1.6
Poverty Rate (%)¹	30.1	21.5
Do not satisfy basic needs	20.4	15.7
Extreme poverty	9.8	5.8
Total household income (us\$)	551.99	733.08
Income per capita (us\$)	105.51	158.29
Income employed adults (us\$)	513.89	691.58
Income employed youngsters (us\$)²	126.02	
Average schooling head of household	6.6	8.4
Average schooling adults	7.4	9.0
Households with female heads (%)	27.3	22.2

1/ Percentage of households under line of poverty
2/Includes those who aside from domestic activities are employed with income
Source: Own elaboration based on the Jul 2002 Multiple Purpose Household Census

The survival strategy of these households, opposed to those who have working youngsters, would consist on girls and female adolescents totally or partially in charge of domestic chores, in order to free adult work force, especially females. As evidence, there is the higher proportion of female heads of household in these homes.

It is worth explaining that HMT and HMAD homes are two entities that superpose; that is, there are households that are HMT and HMAD at the same time. There are 36,322 households with youngsters carrying out both activities, or two youngsters carrying out an economic and a domestic activity, respectively. These households are in relatively worst situation. The average number of members is 5.9 per household; 36.6% are under the line of poverty (22.2% do not satisfy their basic needs and 14.3% are in extreme poverty), they have an income per capita of US\$ 81.38, the average schooling of the head of household is 5.5 years and 6.1 years for the adults.

Annex A: Concepts and Definitions

Concepts and Definitions about Work Force:

- **Work Force:** People 12 years old or older who worked at least one hour per reference week or who, although not working, had looked for a job in the past five weeks.
- **Employed:** People in the work force who worked at least one hour during the week of reference or who, although not working at the time, had a job from which they were absent for different circumstances (illness, leave of absence, vacation, strike, other). The employed are classified in fully employed, visibly sub employed (insufficient employment terms) and invisible sub employed (low levels of income)
- **Unemployed:** People in the work force who were out of work the week of reference but were available to work immediately and had taken concrete measures during the past five weeks to look for a salaried employment or independent job. The unemployed are classified in two categories: those ceased and those looking for work for the first time.
- **Economically Active Population (EAP) or Work Force:** Those people of active age who are working or have a job (employed) or who, even though did not have a job were readily available to work, and had taken concrete measures to look for a salaried employment or independent job (unemployed).
- **Rate of Participation:** This is the relation between the economically active population and the total population, expressed in percentage.
- **Rate of Open Unemployment:** This is the rate between the number of unemployed and the EAP, expressed in percentage.
- **Economically Inactive Population (EIP):** Those people who, having the minimum age to work, were not employed or looking for a job, nor available for work. Typically, the categories of inactivity are: student, housewife, retired, with independent economic means and handicapped.

- **Categories of Employment:** Employer or active partner, self employed, employee or laborer, domestic helper (salaried) and family worker without pay.

Indicators

- **Net rate of participation:** Percentage of the work force in respect to the population 12 years old or older.
- **Gross rate of participation:** Percentage of the work force in respect to the total population of the country.
- **Employment rate:** Percentage of employed population in respect to the population 12 years old or older.
- **Rate of open unemployment:** Percentage of the unemployed population in respect to the work force.
- **Rate of visible sub employment:** Percentage of visible sub employed converted to the equivalent of open unemployed in respect to the work force.
- **Rate of invisible sub employment:** Percentage of invisible sub employed converted to the equivalent of open unemployed in respect to the work force
- **Rate of total sub utilization:** This is a summary indicator of the sub utilization problem of the labour and it is defined by adding the rates of open unemployment with the visible sub employment and the invisible sub employment.

Methodology to Estimate Lines of Poverty and Indigence.

This method has been traditionally used to calculate lines of poverty and consists in determining, based on minimum nutritional requirements, a standard food budget and from that, a minimum budget to apply to a set of basic needs. With the assumption that lack of food is proportional to lack of other goods and services, it is possible to find the poverty line from the information on the cost of nutritionally necessary foods and the relation of expenditures for food in respect to the total expenditures of the lowest income households.

This way, the cost of the established basic set of foods—or line of indigence—is initially set, to then find the established total set of

goods and services—or line of poverty. This is why the comparison is made with income per capita of the families.

The **rate of poverty** quantifies the proportion of households and of population with income inferior to the minimum established budget to satisfy the basic needs.

The **poverty gap** is an index of insufficiency for the income per capita of the poor; that is, the amount of resources that would allow them to raise their family income up to the value of the line of poverty. This measure is expressed as a percentage of the value of the line of poverty and it varies according to the distance of the income of each household in respect to this line, but without considering the number of poor households.

The **indigence gap** is equivalent to the explanation above about the poverty gap but, in this case, in respect to the value of the line of indigence.