



Organización
Internacional
del Trabajo



Understanding Children's Work Programme Working Paper Series, November 2010

*Trends in children's employment and child labour in the
Latin America and Caribbean region*

Country report for Panama

November 2010

*Trends in children's employment and child labour in
the Latin America and Caribbean region*

Country report for Panama

November 2010

Understanding Children's Work (UCW) Project

Villa Aldobrandini
Via Panisperna 28
00184 Rome - Italy

Tel: +39 06.4341.2008

Fax: +39 06.2020.687

Email: info@ucw-project.org

As part of broader efforts towards durable solutions to child labor, the International Labour Organization (ILO), the United Nations Children's Fund (UNICEF), and the World Bank initiated the interagency Understanding Children's Work (UCW) project in December 2000. The project is guided by the Oslo Agenda for Action, which laid out the priorities for the international community in the fight against child labor. Through a variety of data collection, research, and assessment activities, the UCW project is broadly directed toward improving understanding of child labor, its causes and effects, how it can be measured, and effective policies for addressing it. For further information, see the project website at www.ucw-project.org.

This paper is part of the research carried out within UCW (Understanding Children's Work), a joint ILO, World Bank and UNICEF project. The views expressed here are those of the authors' and should not be attributed to the ILO, the World Bank, UNICEF or any of these agencies' member countries.

*Trends in children's employment and child labour in
the Latin America and Caribbean region*

Country report for Panama

November 2010

Abstract

The current country brief is part of a broader effort to improve understanding of how child labour is changing in the Latin America and Caribbean (LAC) region over recent years, and to ensure that policies relating to child labour adequately reflect these changes.

Building on data from the *Encuesta del Trabajo Infantil* 2000 and 2008 and the *Encuesta de Niveles de Vida* 2003, the country brief provides an overview of the child labour phenomenon in Panama. Particular attention is given to the links between child labour and schooling.

*Trends in children's employment and child labour in
the Latin America and Caribbean region*

Country report for Panama

November 2010

CONTENTS

1. National context: factors underlying the child labour phenomenon in Panama.....	1
2. Extent and nature of children's employment.....	4
3. Trends in children's employment and schooling.....	12
3.1 Changes in the levels of children's employment and schooling.....	12
3.2 Changes in the characteristics and time intensity of children's employment.....	17
Annex: additional statistical tables	19
Children aged 7-14 years.....	19
Children aged 15-17 years.....	20
References.....	24

1. NATIONAL CONTEXT: FACTORS UNDERLYING THE CHILD LABOUR PHENOMENON IN PANAMA

1. Located in Central America, Panama borders the Caribbean Sea and the North Pacific Ocean. The country lies between Costa Rica and Colombia



Central Intelligence Agency, 2009

and is the linchpin between North and South America. Divided into nine provinces and the Comarca de San Blas, the dominant feature of the country's landform is the central spine of mountains and hills that forms the continental divide. The

terrain of Panama is mostly steep and dissected; whereas coastal areas are marked by large plains and rolling hills.

2. Panama is a small and young nation of approximately 3.5 million people. One out of three Panamians is less than 14 years old. However, according to the 1990 and 2000 censuses the population ageing process seems to be confirmed, due to a relative demographic inertia. The population is ethnically diverse and is mainly composed of Mestizos (mixed Amerindian and White), which account for 70 percent, and Amerindians (20 percent). Ten percent of the population is made up of indigenous peoples. Panama's ethnic minorities are the Kuna, Gnobe-Buglé, Embera-Wounaan, Teribe, and Bri-Bri indigenous communities and the Afro-Latino population (Afro-Darienite y Afro-Caribbean), which are classed as poor and highly vulnerable segments of the population. Indigenous communities living in isolated areas are disproportionately more impoverished than the average Panamanian (World Bank, 2009a).

3. Panama's economic development has been closely linked to its very fortunate location and to the existence of three service enclaves: the Canal, the Colón Free Trade Zone (CFZ), and the international banking center. Interaction among these enclaves and the country's distinctive monetary regime have afforded it an unusual degree of price stability. Thus, over time, the Panamanian economy has developed a dual structure which still exists today. This structure is divided between a modern, dynamic, competitive sector based on exportable services which is integrated into the international economy, and a production sector oriented toward agricultural or industrial activities that are not internationally competitive. The lack of job opportunities in the formal sector of the economy has also fueled a headlong expansion of the informal sector. Notwithstanding a slump between 2001 and 2002, Panama's economy has experienced in recent

years an economic boom, with growth in real gross domestic product (GDP) averaging over 9.5 percent from 2006-2008 (World Bank, 2009a). Today, the Panamanian economy is among the fastest growing and best managed in Latin America.

4. Despite Panama's status as an upper-middle income nation – as measured by per capita GDP – it remains a country of stark contrasts. Perpetuated by dramatic educational disparities, over one-third of Panama's population was living in poverty in 2003 and 16 percent in extreme poverty. Strong economic performance has reduced the national poverty level to 29 percent in 2008, although the country's poverty levels are fairly high. Poverty is concentrated in rural areas, where 75 percent of the country's poor and 88 percent of its extremely poor inhabitants live. Poverty is even higher and more severe in indigenous communities. In 2003, 98.4 percent of indigenous people lived in poverty, while 90 percent lived in extreme poverty (World Bank, 2009a).

5. Income inequality (measured by the Gini coefficient, 48.5 percent in 2003) is among the highest in the region and in the world, and considerably higher than the average for countries with a similar per capita income level. The Panama and Colon provinces, where the Canal economy is concentrated, account for more than eighty percent of total output, but only about 60 percent of population. The concentration of the economic boom in the service sector suggests that income inequality in the 2003-2008 period may have increased (World Bank, 2009c).

6. Panama is one of the two Central American countries that have experienced a rise in chronic malnutrition of children under 5 in the last six years. Malnutrition affects about 19 per cent of this population. The problem is more serious among children living in areas with a predominantly indigenous population: more than half of all these children suffer from underweight (UNICEF, 2009).

7. Notwithstanding its progresses, Panama faces many development challenges. A key one is to ensure that economic stability and growth are maintained and that benefits are broadly shared. Social outcomes, as economic growth, exhibit a wide dispersion. In the indigenous areas, for instance, chronic child malnutrition rates are as high as 56 percent while the national average is 21 percent. In the area of education, challenges to be met include the need to extend available pre-school education from one to two years, and the need to support completion of the basic education cycle, which according to Panamanian law includes at least three years of high school.

Table 1. Panama: selected socio-economic indicators

Indicators	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Human Development Index (HDI) ^(a)	0.775					0.797					0.812
Population growth (annual %)	2.04	2.03	2.02	2.00	1.97	1.94	1.90	1.86	1.82	1.79	1.75
Population, total (thousands)	2670	2725	2781	2837	2893	2950	3006	3063	3119	3175	3232
Population ages 0-14 (% of total)	33.31	33.00	32.71	32.42	32.14	31.85	31.56	31.25	30.95	30.65	30.36
Population ages 15-64 (% of total)	61.51	61.75	61.98	62.18	62.39	62.60	62.82	63.04	63.26	63.47	63.65
Population ages 65 and above (% of total)	5.18	5.24	5.32	5.39	5.47	5.55	5.63	5.71	5.79	5.88	5.99
Poverty headcount ratio at national poverty line (% of population)	..	..	37.30	..	..	..	..	..	..	..	..
Poverty headcount ratio at rural poverty line (% of rural population)	..	..	64.90	..	..	..	..	..	..	..	..
Poverty headcount ratio at urban poverty line (% of urban population)	..	..	15.30	..	..	..	..	..	..	..	..
GINI index	57.06	56.31	..	..	..	56.56	..	56.51	56.08	..	..
Improved sanitation facilities (% of population with access)	..	..	..	..	..	..	..	..	..	73.00	..
Improved sanitation facilities, rural (% of rural population with access)	..	..	..	..	..	..	..	..	..	51.00	..
Improved sanitation facilities, urban (% of urban population with access)	..	..	..	..	..	..	..	..	..	89.00	..
Improved water source (% of population with access)	..	..	..	..	..	..	..	..	..	90.00	..
Improved water source, rural (% of rural population with access)	..	..	..	..	..	..	..	..	..	79.00	..
Improved water source, urban (% of urban population with access)	..	..	..	..	..	..	..	..	..	99.00	..
Mortality rate, under-5 (per 1,000)	29.50	..	..	..	..	25.50	..	..	..	..	24.00
GDP growth (annual %)	1.75	2.81	6.46	7.34	3.92	2.72	0.57	2.23	4.21	7.56	6.38
GDP per capita (constant 2000 US\$)	3470	3496	3647	3838	3910	3939	3887	3901	3992	4217	4408
GDP per capita growth (annual %)	-0.30	0.75	4.33	5.22	1.89	0.75	-1.32	0.35	2.32	5.66	4.53
Employment in agriculture (% of total employment)	20.80	20.10	18.60	17.80	17.40	17.00	18.10	17.40	17.50	16.00	15.70
Employment in industry (% of total employment)	18.10	18.40	18.40	18.10	18.20	17.40	17.30	17.00	17.20	17.60	17.20
Employment in services (% of total employment)	60.30	60.90	62.40	63.90	64.10	65.60	64.60	65.60	65.20	66.30	67.10
Unemployment, total (% of total labor force)	14.00	14.30	13.40	14.00	11.80	13.50	14.70	14.10	13.60	12.30	..

Source: where not otherwise specified, the primary source is World Development Indicators, (2008), The World Bank

^(a) UNDP, http://hdrstats.undp.org/countries/data_sheets/cty_ds_PAN.html

2. EXTENT AND NATURE OF CHILDREN'S EMPLOYMENT

8. Data from the *Encuesta del Trabajo Infantil*, 2008 show that children's employment¹ is not uncommon in Panama. An estimated nine percent of children aged 7-14 years², over 47,000 children in absolute terms, were engaged in employment in 2008. At the same time, school attendance was high – 97 percent of children in the 7-14 years age group attended school. Involvement in employment is higher among older children. 24 percent of 15-17 year-olds (some 40,000 children in absolute terms) were in employment. School attendance also appears to be lower for this age range: only 79 percent of children attended school in 2004.

9. A comparison with estimates from earlier rounds of the same survey points to an increase in children's employment: an estimated nine percent of children aged 7-14 years were in employment in 2008 against four percent in 2000 (21,000 children in absolute terms). Children's employment trends are discussed in more detail in section 3 of this report.

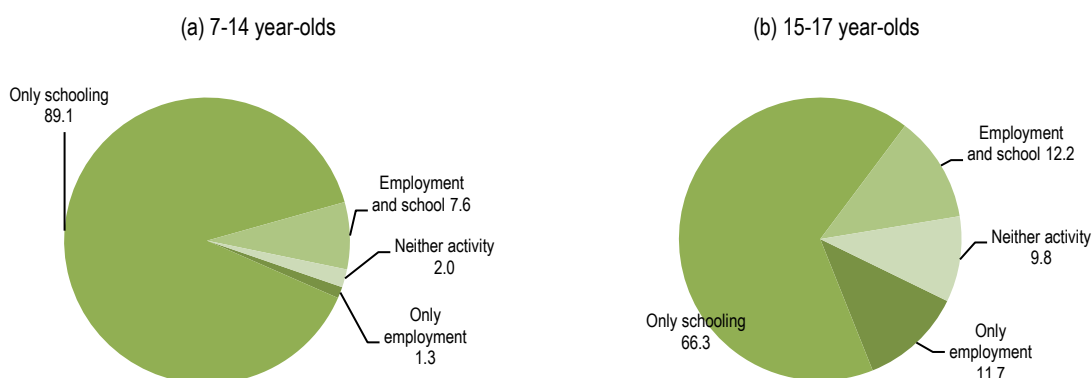
10. Disaggregating the child population into four non-overlapping activity groups – children only in employment, children only attending school, children combining school and employment, and children in neither – offers an initial view of how children's employment interacts with their schooling (Figure 1). This disaggregation shows that 89 percent of 7-14 year-olds attended school unencumbered by work responsibilities, while about eight percent were combining employment and school in 2008. Only one percent of all 7-14 year-olds were in employment without simultaneously attending school. A small residual group of children (two percent of 7-14 year-olds) reported neither being in employment nor attending school. Activity patterns differed somewhat for older children³, ages 15 to 17; a higher fraction was in employment or inactive and a lower fraction in school.

¹ *Children in employment*, or *children's employment*, is a broad concept covering all market production and certain types of non-market production (principally the production of goods for own use). It includes forms of work in both the formal and informal sectors, as well as forms of work both inside and outside family settings. Involvement in employment for at least one hour during the reference period (usually the week preceding the survey) is sufficient for a child to be classified as employed. This definition does not, however, include unpaid domestic and personal services performed in a child's own household (e.g., cleaning, preparing meals, care of other household members and other household chores).

² The lower bound of seven years coincides with the age at which children are expected to attend school regularly.

³ Additional statistics are provided in the Appendix.

Figure 1. Distribution of children by activity category, 7-14 years and 15-17 years age group



Source: Panama, Encuesta del Trabajo Infantil, 2008.

11. Aggregate estimates of children's activities mask important differences by sex, age, ethnicity, residence and provinces (Table 3, Figure 2 and Figure 3).

- Gender plays an important role in children's employment in Panama. Boys are twice more likely than girls to be in employment. On the other hand, girls are more likely than boys to attend school only and less likely to combine employment and school (Table 2). The gender gap increases with age.
- Older children are more likely than their younger counterparts to be in employment. However, the percentage of very young working children is far from negligible: eight percent of ten year-olds are already in employment (Figure 2).
- Ethnicity strongly influences children's activity patterns. Indigenous children in the 7-14 years age group are more likely to be in employment compared to their non-indigenous peers (26 percent versus 6 percent). At the same time, indigenous children are less likely than non-indigenous children to attend school (92 percent versus 98 percent).
- Children's employment is overwhelmingly a rural phenomenon. Children living in cities and towns are considerably less likely than their rural counterparts to be in employment and more likely to attend school (98 percent versus 95 percent).
- There are large regional differences in children's employment. Almost one-fourth of children are employed in Darien Province, and large proportions of children are also in employment in a Bocas del Toro, Veraguas, Los Santos and Herrera (Figure 3). By contrast, the rate of children's employment is particularly low in Panamá and Colon, at three percent and four percent respectively.

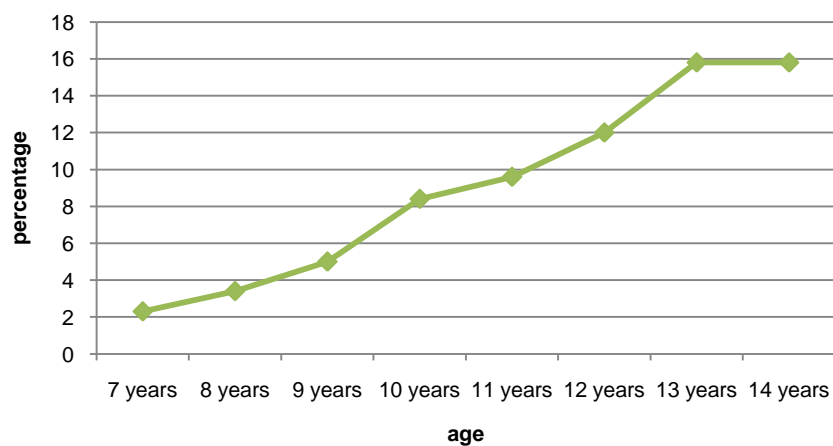
Table 2. Child activity status, by sex, residence and ethnicity, 7-14 age group

Background characteristics		Mutually exclusive activity categories				Total in employment ^(a)	Total in school ^(b)
		Only employment	Only school	Employment and school	Neither activity		
Sex	Male	1.6	85.9	10.5	2.1	12.1	96.3
	Female	0.9	92.6	4.5	2.0	5.4	97.1
Residence	Urban	0.3	96.0	2.1	1.6	2.4	98.1
	Rural	2.6	79.9	14.8	2.7	17.4	94.7
Ethnicity	Indigenous	4.6	69.8	21.8	3.9	26.4	91.5
	Non Indigenous	0.7	92.5	5.1	1.7	5.8	97.6
Total 7-14		1.3	89.1	7.6	2.0	8.9	96.7

Notes:(a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status

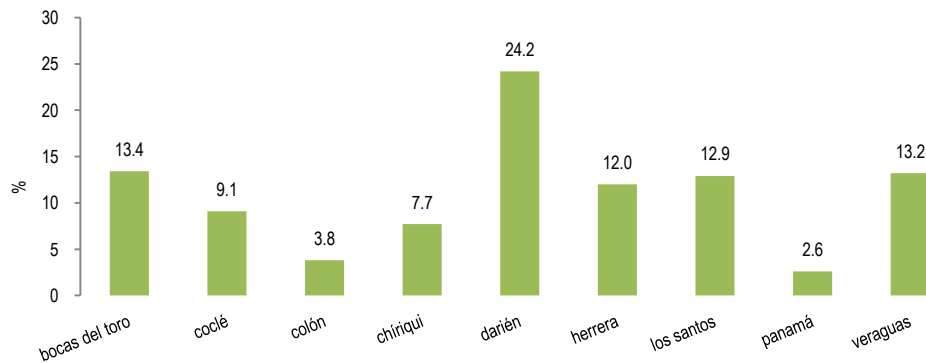
Source: Panama, Encuesta del Trabajo Infantil, 2008.

Figure 2. Children's involvement in employment by age



Source: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2008.

Figure 3. Children's involvement in employment, 7-14 year-old age group, by province



Source: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2008.

12. Children in employment vary in terms of industrial sector in which they are found and the specific modalities under which they work (Table 3). Children's employment is concentrated mainly in agriculture. Almost 73 percent of 7-14 year-old children in employment work in agriculture, against 12 percent in services, 11 percent in trade sector and three percent in manufacturing. There are large differences in the nature of children's employment by sex, place of residence and ethnicity. While agricultural work predominates in rural areas (85 percent of children in employment), employment in the services and trade sectors is concentrated in urban areas, (77 percent of children in employment). Girls are more likely than boys to work in services, trade and manufacturing and less likely to be employed in agriculture. Indigenous children are much more likely than their non-indigenous peers to work in agriculture, and less likely to work in trade and services.

13. The overwhelming majority of children in employment work for their family as unpaid labour (76 percent of 7-14 year olds children). About eight percent of working children are in wage employment while 13 percent are in self employment. The remaining three percent are found in domestic services. Girls are much more likely to perform domestic services than boys (eight percent against one percent). Unpaid family work is much more common in rural areas and among indigenous children. Wage employment is mainly performed by urban and non indigenous children.

Table 3. Sector and modality of child economic activity, by age, sex, residence and ethnicity, 7-14 age group

Characteristics		Sector					Modality			
		Agriculture	Manufact.	Trade	Services	Other	Unpaid	Self	Wage	Domestic
Sex	Male	77.8	2.0	9.1	9.9	1.4	75.1	13.3	10.7	0.9
	Female	62.3	5.3	13.8	18.5	0.2	78.6	11.0	2.8	7.7
Residence	Urban	9.1	9.5	32.3	45.2	3.9	32.6	41.3	15.5	10.5
	Rural	85.0	1.7	6.5	6.3	0.5	84.0	7.4	7.1	1.5
Ethnicity	Indigenous	91.4	2.1	3.1	3.3	0.0	91.3	5.0	2.2	1.6
	Non indigenous	58.6	3.6	16.4	19.6	1.8	63.8	18.8	13.5	4.0
Total 7-14		73.3	2.9	10.5	12.3	1.0	76.1	12.6	8.4	2.9

Source: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2008.

14. Panamanian children aged 7-14 years in employment log an average of over 12 working hours each week (Table 4). Children in employment who do not attend school log many more hours (26 hours) than their counterparts that combine school and employment (nine hours per week). There is little variation by sex, place of residence or ethnicity in terms of working hours. However, employment appears more time intensive for urban and non indigenous children who are in employment exclusively. Urban children only in employment log 36 hours of work per week, while rural children in the same category log an average of 24 hours per week. Indigenous children who are not attending school put in an average of seven fewer hours each week than non indigenous children in the same category.

Table 4. Average weekly working hours, by sex, residence and ethnicity, 7-14 age group

Characteristics		Employment	Only employment	Employment and school
Sex	Male	11.3	25.9	9.1
	Female	12.0	25.9	9.1
Residence	Urban	12.5	36.4	9.4
	Rural	11.4	24.4	9.0
Ethnicity	Indigenous	11.3	22.6	8.9
	Non indigenous	11.8	29.7	9.2
Total 7-14		11.5	25.9	9.1

Source: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2008.

15. Before concluding the discussion of children's employment in the 2008 reference year, it is worth addressing one final question: the extent to which this work constitutes "child labour" for elimination in accordance with

international legal standards ratified by Panama.⁴ This question is critical for the purposes of prioritising and targeting policy responses to working children.

Table 5. Child labour legislative framework

RATIFIED CONVENTIONS RELATING TO CHILD LABOUR	
CONVENTION	Ratification
The Minimum Age Convention (No. 138) (Minimum age specified: 14 years) ^(a)	10-31-2000
The worst forms of child labour Convention (No. 182) ^(a)	10-31-2000
Convention on the Rights of the Child (CRC) ^(b)	12-12-1990

Sources:

- (a) ILO, <http://webfusion.ilo.org/public/db/standards/normes/appl/appl-byCtry.cfm?ctychoice=0460&lang=EN&hdroff=1>
 (b) UNICEF, <http://www.unicef.org/panama/spanish/G0442417.pdf>

16. Estimates of child labour are presented below based on the international legal standards and the new global guidelines for child labour measurement, and applying the general minimum working age specified by Panama upon ratification of ILO Convention No. 138. The child labour definition constructed on this basis consists of (i) children in employment below the age of 14 years; and (ii) children aged 14-17 years in hazardous forms of employment⁵. Hazardous forms, in turn, consist of work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children, as set out in Article 3, subparagraph (1) of ILO Convention No. 138. As it is difficult to match national legislation with available statistical, child labour is approximated as children in employment below the minimum working age, and children in hazardous work. Involvement in hazardous work is estimated on the basis of the hazardous industries,⁶ occupations⁷ and conditions⁸ utilised in the ILO global child labour estimates.

⁴ Child labour is a narrower concept than children in employment. Implicit in this distinction is the recognition that work by children *per se* is not necessarily injurious to children or a violation of their rights. Three main international conventions – the UN Convention on the Rights of the Child (CRC), ILO Convention No. 182 (Worst Forms) and ILO Convention No. 138 (Minimum Age) – define child labour and provide a framework for efforts against it.

⁵ The two categories derive specifically from ILO Convention No. 138, which stipulates that the minimum age for admission to employment or work should not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years (Art. 2), and that children in the age group 15 (or the national minimum age for employment, if different) to 17 years are, in principle, allowed to work, unless they are in “any type of work which by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young persons” (Article 3).

⁶ Hazardous industries consist of: (1) mining; (2) quarrying; and (3) construction.

⁷ Hazardous occupations consist of: (1) optical and elect equip operators; (2) health associated professional; (3) nursing midwife; (4) protective services; (5) forestry and related workers; (6) fishery, hunters and trappers; (7) miners, shot fires, stone cutters and carvers; (8) building frame and related workers; (9) building finishers; (10) metal moulders, welders, and related workers; (11) blacksmith, tool makers and related workers; (12) machinery mechanics and fitters; (13) electrical and electronic equip mechanics and fitters; (14) precision workers in metal; (15) potters, glass makers and related workers; (16) mining & mineral processing plant operators; (17) metal processing plant op.; (18) glass, ceramics and related plant op.; (19) wood processing & papermaking plant op.; (20) chemical processing plant op.; (21) power production and related plan operators; (22) metal & mineral machine operators; (23)

17. A number of qualifications should be kept in mind in interpreting the child labour estimates calculated in this manner. First, the estimates do not include hazardous household chores, despite the fact that the Resolution II of the 18th International Conference of Child Labour Statisticians leaves to the Governments the option of including them in the child labour estimates,⁹ due to data limitations. Second, they do not include children in worst forms other than hazardous,¹⁰ again due to a lack of data. Third and most importantly, sector-specific provisions (if any) concerning minimum working age and hazardous work are not taken into account in the estimates. For these reasons, the estimates do not capture the entire population of child labourers in the country and nor do they strictly coincide with the legal definition of child labour in Panama. Nonetheless, they provide a useful benchmark for international comparative and monitoring purposes.

18. Child labour measured on this basis is common in Panama. Over 38,000 children below the age of 14 years are in employment, and an additional 13,000 (14-17 year-old) children are in hazardous forms of work or are working excessive hours. Putting these groups together yields an estimate of 52,000 children aged 5-17 years in child labour, six percent of this age group (Table 6).

chemical machine operators; (24) rubber mach. op.; (25) wood products mach. op.; (26) textile, fur, leather mach. op.; (27) food mach. op.; (28) assemblers; (29) other mach. op.; (30) motor vehicle driver; (31) agric and other mobile plant op.; (32) ships' deck crew and related workers; (33) street vendors & related workers; (34) shoe cleaning other street services; (35) messengers, porters, doorkeepers, & related workers; (36) garbage collectors & related workers; (37) agric. fishery and related workers; (38) mining and construction labourers; and (39) transport and freight handlers.

⁸ Hazardous conditions consist of work exceeding 43 hours per week. It is worth mentioning that these estimates do not take into account different exposure to risks at the workplace.

⁹ Global guidelines for child labour statistics are set out in Resolution II (2008) of the Eighteenth International Conference of Child Labour Statisticians (ICLS). The resolution states that child labour may be measured in terms of the engagement of children in productive activities either on the basis of the general production boundary or on the basis of the SNA production boundary. The former includes unpaid household services (i.e., household chores) while the latter excludes it. When the general production boundary is used as the basis for measuring child labour, the resolution recommends classifying those performing hazardous unpaid household services as part of the group of child labourers for measurement purposes. (For further details, see: Resolution II, Resolution Concerning Statistics of Child Labour, as cited in: International Labour Organization, *Report of the Conference, 18th International Conference of Labour Statisticians, Geneva, 24 November–5 December 2008. Resolution II*. Rpt. ICLS/18/2008/IV/FINAL, International Labour Office, Geneva, 2009).

¹⁰ Worst forms other than hazardous refer relate to Art. 3(a)-(c) in ILO Convention No. 182: (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; and (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties.

Table 6. Child labour indicators, by age group, sex and residence, 5-17 age group

		Children in employment		Children in hazardous work		Children in Child Labour	
		Age 5-13		Age 14-17		Age 5-17	
		No.	% of total age group	No.	% of total age group	No.	% of total age group
Sex	Male	27383	8.7	11301	9.7	38684	9.0
	Female	11128	4.0	2205	1.9	13333	3.4
Residence	Urban	5904	1.7	5053	3.5	10957	2.3
	Rural	16024	8.3	6987	10	23011	8.7
Total		38511	6.5	13506	5.8	52017	6.3

Source: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2008.

19. Table 6 shows that children's involvement in child labour is largely a rural phenomenon. Children living in cities and towns are considerably less likely than their rural counterparts to engage in work which constitutes child labour. Gender plays also a role in the child labour phenomenon in Panama. Differences by sex in children involvement are important among 5-13 year-olds, and emerge even more clearly among 14-17 year-olds. Indeed, boys in the latter age group are five times more likely than their female counterparts to be involved in hazardous forms of work.

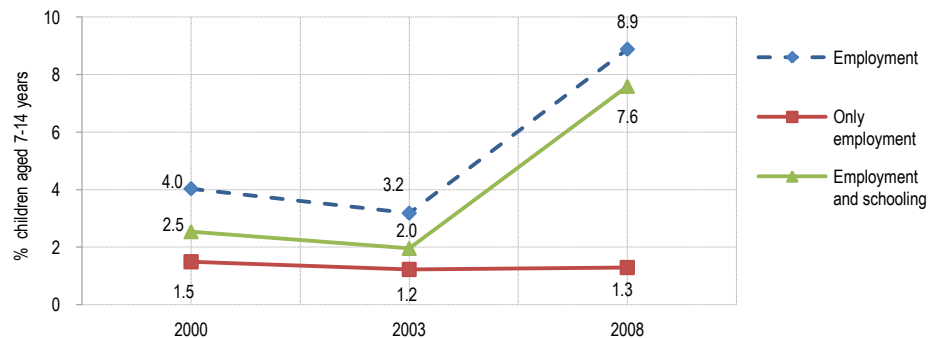
3. TRENDS IN CHILDREN'S EMPLOYMENT AND SCHOOLING

3.1 Changes in the levels of children's employment and schooling

20. A comparison of the results of *Encuesta del Trabajo Infantil 2000* and 2008 and the *Encuesta de Niveles de Vida 2003* indicates an increase in employment among 7-14 year-olds of almost five percentage points over 2000 to 2008 period, from four percent to nine percent. But this rise was not at the expense of children's school attendance – the proportion of 7-14 year-olds attending school, already high in 2000 at 94 percent, rose further to 97 percent over the same period. As shown in Figure 4, the rise in children's employment over the 2000 to 2008 years period was uneven, with one period of progress between 2000 and 2003 followed by a sharp reversal between 2003 and 2008.

21. It is worth noting that the magnitude of the change from 2000 to 2008 may be in part the product of difference in the survey instruments upon which the estimates were based. The *Encuesta del Trabajo Infantil* (the basis of the 2000 and 2008 estimates) is a specialized child labour survey instrument, while the *Encuesta de Niveles de Vida* (the basis of the 2003 estimate) is an household expenditure survey instrument.¹¹

Figure 4. Changes in children's involvement in employment, 7-14 year-olds, 2000-2008



Sources: UCW calculation based on Panama, *Encuesta del Trabajo Infantil*, 2000 and 2008. *Encuesta de Niveles de Vida*, 2003.

22. Table 7 and Figure 5 illustrate in more detail how the composition of children's time between school and employment changed over this period. They show that the progress of children's school attendance was a product of both an increase of the proportion of children combining employment and school and of a decrease of the proportion of inactive children. Similarly, the rise in employment during 2000-2008 was driven by an

¹¹ See also 'Towards consistency in child labour measurement: assessing the comparability of estimates generated by different survey instruments'(UCW, 2009). The study addresses the comparability of child labour estimates produced by different common household surveys.

increase in the proportion of children combining employment and school. The proportion of children in employment without also attending school actually fell over the 2000 to 2008 period.

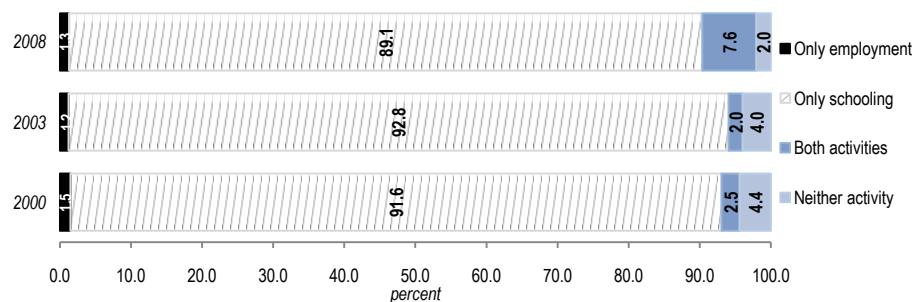
Table 7. Changes in the composition of children's time use, 7-14 year-olds, 2000-2008

Activity Status	2000	2003	2008
Only employment	1.5	1.2	1.3
Only schooling	91.6	92.8	89.1
Both activities	2.5	2.0	7.6
Neither activity	4.4	4.0	2.0
Total in employment^(a)	4.0	3.2	8.9
Total school^(b)	94.1	94.8	96.7

Notes:(a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status.

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Figure 5. Changes in children's activity status, 7-14 years age group, 2000-2008



Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

23. Tables 8 and 9 and Figure 6 look at changes in children's employment and school attendance broken down by sex, residence and age. They suggest that the increase in children's employment during the period 2000-2008 was broad-based, extending to both girls and boys, and to children living in both urban and rural settings. The increase in children's employment was largest for girls and for children living in rural areas.

Table 8. Changes in children's activity status, 7-14 age group, 2000-2008, by sex

Activity status	Male			Female		
	2000	2003	2008	2000	2003	2008
Only employment	2.5	1.6	1.6	0.4	0.8	0.9
Only schooling	89.8	92.4	85.9	93.5	93.3	92.6
Both activities	4.0	3.2	10.5	1.0	0.6	4.5
Neither activity	3.8	2.8	2.1	5.1	5.3	2.0
Total employment^(a)	6.5	4.9	12.1	1.4	1.4	5.4
Total schooling^(b)	93.8	95.6	96.3	94.5	94.0	97.1

Notes:(a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status.

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

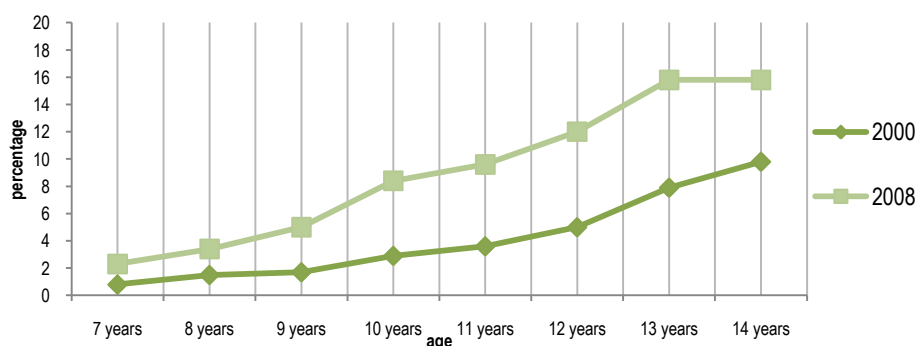
Table 9. Changes in children's activity status, 7-14 age group, 2000-2008, by residence

Activity status	Urban			Rural		
	2000	2003	2008	2000	2003	2008
Only employment	0.4	0.5	0.3	2.8	2.1	2.6
Only schooling	96.3	96.1	96.0	85.7	89.0	79.9
Both activities	1.3	1.6	2.1	4.0	2.4	14.8
Neither activity	1.9	1.9	1.6	7.5	6.5	2.7
Total employment^(a)	1.8	2.1	2.4	6.8	4.5	17.4
Total schooling^(b)	97.7	97.7	98.1	89.7	91.4	94.7

Notes:(a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status.

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Figure 6. Changes in children's involvement in employment, 2000-2008, by age



Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008.

24. In 2000, indigenous children aged 7-14 years were almost three times as likely to be in employment and 15 percentage points less likely to be in school compared to their non-indigenous peers. Table 10 indicates that

progress were made in reducing the school gap between indigenous and non indigenous children during the 2000-2008 period, while at the same time the employment gap widened. Employment among indigenous children rose by 16 percentage points over this period whereas the proportion of non indigenous children in employment increased by less than three percentage points. School attendance rose by about ten percentage points among indigenous children, outpacing the progress made by non-indigenous children over the same period. However, indigenous children were still less likely to be in school compared with their non indigenous peers in 2008.

Table 10. Changes in children's activity status, 7-14 age group, 2000-2008, by ethnicity

Activity status	Indigenous		Non Indigenous	
	2000	2008	2000	2008
Only employment	4.2	4.6	1.2	0.7
Only schooling	74.8	69.8	93.4	92.5
Both activities	6.4	21.8	2.1	5.1
Neither activity	14.7	3.9	3.3	1.7
Total employment^(a)	10.6	26.4	3.3	5.8
Total schooling^(b)	81.1	91.5	95.5	97.6

Notes: (a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status.

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

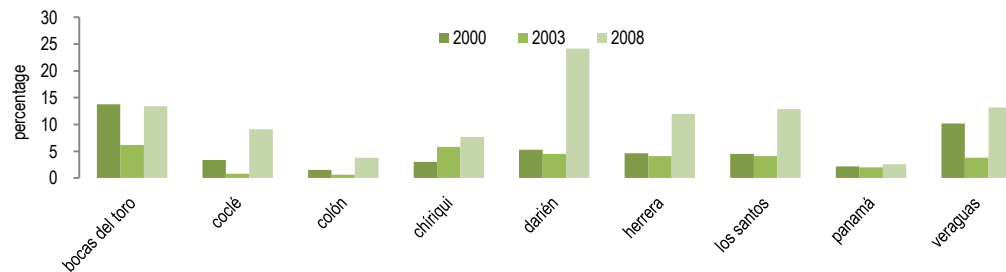
25. Data for the 7-14 years age group point to large variation in terms of children's employment trends across provinces (Figure 7). Panama was characterized by substantial regional differences at the beginning of the period considered, with Bocas Del Toro and Veraguas Provinces showing higher children's employment and lower school attendance rates with respect to the rest of the country. We do not observe a convergence across regions in terms of children's employment; indeed, regional differences widened over the 2000 to 2008 period. Figure 7 shows that children employment rose much more in Darien province (from five percent to 24 percent) than in the rest of the country. Children's employment fell slightly in the Boca del Toro Department. Data also point to geographic differences in educational trends, although every region has made progress in school attendance with the exception of Bocas del Toro. An in-depth analysis would be required to identify the reasons behind the differences across provinces.

Table 11. Changes in children's involvement in employment, 7-14 years age group, 2000-2008, by Province

Province	Employment			School Attendance		
	2000	2003	2008	2000	2003	2008
Bocas del toro	13.8	6.2	13.4	92.3	89.8	90.4
Coclé	3.4	0.8	9.1	92.7	95.7	96.4
Colón	1.5	0.6	3.8	98.4	99.5	98.4
Chiriquí	3.0	5.8	7.7	94.2	96.5	96.3
Darién	5.3	4.5	24.2	88.2	93.0	93.7
Herrera	4.6	4.1	12.0	94.8	94.6	97.6
Los Santos	4.5	4.1	12.9	95.0	95.7	96.3
Panamá	2.2	2.0	2.6	96.3	96.3	97.8
Veraguas	10.2	3.8	13.2	94.7	95.6	97.6

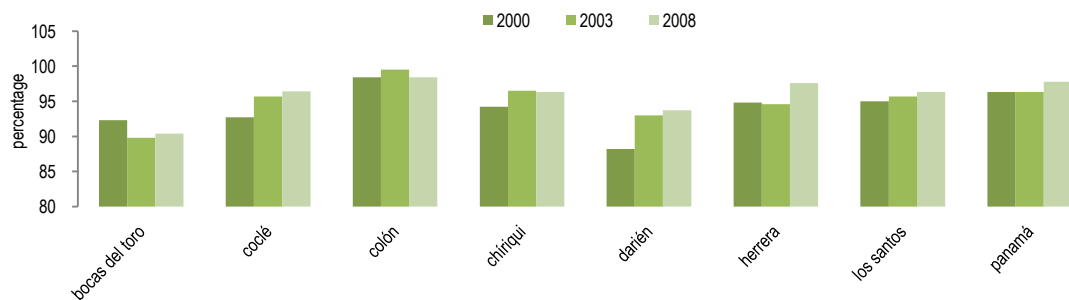
Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Figure 7. Changes in children's employment, 7-14 year-olds, 2000-2008, by Province



Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Figure 8. Changes in children's participation in school, 7-14 year-olds, 2000-2008, by Province



Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

26. A comparison of the results of the *Encuesta del Trabajo Infantil* surveys 2000 and 2008 and the *Encuesta de Niveles de Vida 2003* survey for older, 15-17 year-old, children points to a growing tendency for children to stay in school longer but without delaying entry in employment in order to do so. There was a rise the proportion of children combining employment and school (from five percent to 12 percent) over the 2000-2008 period, while the proportion of children *only* in school changed little and the proportion on of children *only* in employment actually fell. The overall changes in employment and schooling over this period was also driven by a large fall in the proportion of inactive children (Table 12).

Table 12. Changes in the composition of children's time use, 15-17 year-olds, 2000-2008

Activity Status	2000	2003	2008
Only employment	13.3	12.4	11.7
Only schooling	65.3	66.0	66.3
Both activities	5.0	8.3	12.2
Neither activity	16.5	13.3	9.8
Total employment^(a)	18.2	20.7	23.9
Total school^(b)	70.3	74.3	78.5

Notes:(a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status.

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

3.2 Changes in the characteristics and time intensity of children's employment

27. The 2000-2008 period also saw changes in the composition and time intensity of children's employment. Compared to 2000, children aged 7-14 years in employment in 2008 were more likely to work in the agriculture and manufacturing sector and less likely to be found in commerce and services (Table 13). Regarding to the modality of employment, there was a shift away from paid and self employment to unpaid jobs. As shown in Table 13, the proportion of children working as unpaid workers rose by 25 percentage points, while the proportion of children working as paid employees fell by eight percentage points over the eight-year period.

Table 13. Trends in child activity status during 2000-2008, 7-14 years age group

Sector/Modality	2000	2003	2008
Agriculture	59.7	57.6	73.3
Manufacturing	2.3	3.1	2.9
Trade	14.7	15.6	10.5
Services	20.7	17.3	12.3
Other	2.6	6.5	1.0
Unpaid	48.9	56.6	76.1
Self	28.9	12.4	12.6
Wage	16.4	24.9	8.4
Domestic	5.8	6.1	2.9

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

28. The time intensity of children's employment fell by over half over the 2000-2008 period, both for children in employment only and for children combining school and employment (Table 14). The fall in working hours was broad-based, extending to all economic sectors and to all modality of employment. Although there was a higher proportion of children working in 2008 compared to 2000, therefore, there was fall in the amount of time children actually spent working.

Table 14. Changes in average weekly working hours, 7-14 years age group, 2000-2008, by sector, schooling status and modality

Sector/Schooling status/Modality	2000	2003	2008
Total	22.3	19.6	11.5
Agriculture	22.3	17.5	11.1
Manufacturing	20.3	22.4	13.6
Trade	22.4	26.1	12.4
Services	23.0	16.4	13.2
Other	14.9	29.3	9.2
Unpaid	23.7	19.6	10.7
Self	18.7	15.9	12.7
Wage	21.3	18.1	15
Domestic	34.4	32.9	19.4
Employment only	33.0	28.8	25.9
Employment and schooling	16.0	13.8	9.1

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

ANNEX: ADDITIONAL STATISTICAL TABLES

Children aged 7-14 years

Table A1. Changes in the composition of children's employment, 7-14 years age group, 2000-2008, by sex

Work sector/modality	Male			Female		
	2000	2003	2008	2000	2003	2008
Agriculture	65.8	62.0	77.8	31.7	41.3	62.3
Manufacturing	1.4	2.5	2.0	6.5	5.2	5.3
Trade	12.5	16.1	9.1	25.0	13.6	13.8
Services	17.9	17.7	9.9	33.7	15.7	18.5
Other	2.5	1.7	1.4	3.2	24.3	0.2
Unpaid	50.8	56.4	75.1	40.5	57.4	78.6
Self	30.4	13.4	13.3	22.0	8.9	11.0
Wage	17.0	30.3	10.7	13.5	4.9	2.8
Domestic	1.8	0.0	0.9	24.1	28.9	7.7

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Table A2. Changes in the composition of children's employment, 7-14 years age group, 2000-2008, by residence

Work sector/modality	Urban			Rural		
	2000	2003	2008	2000	2003	2008
Agriculture	6.5	11.4	9.1	82.9	82.4	85.0
Manufacturing	0.2	5.7	9.5	3.2	1.7	1.7
Trade	36.0	31.2	32.2	5.4	7.2	6.5
Services	49.7	43.4	45.2	8.1	3.3	6.3
Other	7.6	8.3	3.9	0.4	5.5	0.5
Unpaid	12.6	36.8	32.6	64.8	67.2	84.0
Self	52.9	22.1	41.3	18.5	7.2	7.4
Wage	20.5	30.0	15.5	14.6	22.2	7.1
Domestic	14.1	11.1	10.5	2.2	3.4	1.5

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Children aged 15-17 years

Table A3. Changes in children's activity status, 15-17 years age group, 2000-2008, by sex

Activity status	Male			Female		
	2000	2003	2008	2000	2003	2008
Only employment	19.3	18.5	16.9	7.0	5.8	6.6
Only schooling	61.9	60.5	57.9	68.9	71.9	74.7
Both activities	6.7	11.2	18.4	3.2	5.2	6.0
Neither activity	12.2	9.8	6.9	20.9	17.1	12.7
Total employment^(a)	25.9	29.7	35.3	10.2	11.0	12.6
Total schooling^(b)	68.5	71.7	76.3	72.1	77.1	80.6

Notes:(a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status.

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Table A4. Changes in children's activity status, 15-17 years age group, 2000-2008, by residence

Activity status	Urban			Rural		
	2000	2003	2008	2000	2003	2008
Only employment	5.8	6.4	5.4	24.9	20.4	22.4
Only schooling	76.8	76.2	78.3	47.3	52.2	46.2
Both activities	4.8	8.0	7.7	5.2	8.7	19.7
Neither activity	12.6	9.4	8.7	22.5	18.6	11.7
Total employment^(a)	10.6	14.4	13.0	30.2	29.2	42.2
Total schooling^(b)	81.6	84.2	85.9	52.6	61.0	65.9

Notes:(a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status.

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Table A5. Changes in children's activity status, 15-17 years age group, 2000-2008, by ethnicity

Activity status	Indigenous		Non indigenous	
	2000	2008	2000	2008
Only employment	30.2	23.1	11.8	10.1
Only schooling	33.4	34.5	68.1	70.7
Both activities	8.6	25.8	4.7	10.3
Neither activity	27.8	16.6	15.5	8.9
Total employment^(a)	38.9	48.9	16.5	20.4
Total schooling^(b)	42.0	60.3	72.7	81.0

Notes:(a) Involvement in employment regardless of schooling status; (b) Involvement in schooling regardless of employment status.

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Table A6. Changes in children's involvement in employment, 15-17 years age group, 2000-2008, by Department

Province	Employment			Schooling		
	2000	2003	2008	2000	2003	2008
bocas del toro	30.1	24.2	28.5	59.8	68.6	60.3
coclé	27.8	20.7	33	54.3	67.2	73.4
colón	12.6	2.3	18.3	76.3	85.3	83.3
chiriquí	13.5	25.8	22.9	71.5	77.9	83
darién	35.2	40.5	57.1	47.9	63	34
herrera	17.7	19.9	37	72.5	75.4	75.7
los santos	23.6	26.5	35.4	73.6	77.2	74.8
panamá	13.4	16.6	14.5	76.6	79.8	82.3
veraguas	26.3	21.8	29.5	67.9	74.6	79.2
comarca de san blas	31.5	32.2	44.4	55.3	37.9	63.8
comarca emberá	100	76.8	62.7	0	32.7	65.9
comarca ngobe bugle	37.1	41.2	80.1	41.6	31.8	67.3

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Table A7. Changes in the composition of children's employment, 2000-2008, 15-17 years age group

Sector/Modality	2000	2003	2008
Agriculture	35.8	40.5	42.0
Manufacturing	4.7	8.6	5.2
Trade	21.1	19.7	13.2
Services	29.1	15.0	27.9
Other	9.4	16.2	11.6
Unpaid	26.6	35.0	37.8
Self	22.5	16.7	18.6
Wage	38.7	38.9	34.1
Domestic	12.3	9.5	9.5

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Table A8. Changes in average weekly working hours, 15-17 years age group, 2000-2008, by sector, schooling status and modality

	2000	2003	2008
Total	29.1	29.4	24.0
Agriculture	30.6	28	22.2
Manufacturing	25.9	25.4	24.4
Trade	25.1	29.7	22.3
Services	30.1	18.2	25.7
Other	26.9	44.6	29.7
Unpaid	28.4	25.6	19.5
Self	20.6	20.2	22.1
Wage	32	32.1	29.5
Domestic	42.3	48.2	34.5
Employment only	32.4	33.2	32.2
Employment and schooling	20.3	23.7	16.0

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Table A9. Changes in the composition of children's employment, 15-17 years age group, 2000-2008, by sex

Work sector/modality	Male			Female		
	2000	2003	2008	2000	2003	2008
Agriculture	43.1	49.1	45.5	18.3	15.8	33.5
Manufacturing	4.0	8.1	4.5	6.5	9.9	7.0
Trade	23.0	18.9	14.0	16.5	21.7	11.5
Services	19.5	14.0	22.1	52.1	18.1	42.1
Other	10.5	10.0	14.0	6.6	34.5	5.9
Unpaid	27.4	37.0	36.5	24.6	29.1	41.0
Self	27.5	16.0	21.4	10.5	18.7	12.0
Wage	44.1	46.7	40.9	25.7	16.3	17.9
Domestic	1.0	0.3	1.3	39.2	35.9	29.1

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

Table A10. Changes in the composition of children's employment, 15-17 years age group, 2000-2008, by residence

Work sector/modality	Urban			Rural		
	2000	2003	2008	2000	2003	2008
Agriculture	4.6	5.7	4.4	60.1	63.9	66.1
Manufacturing	4.6	9.2	4.3	4.8	8.2	5.8
Trade	35.2	34.5	20.8	10.1	9.7	8.4
Services	40.3	24.6	46.6	20.4	8.6	16.0
Other	15.4	26.0	24.0	4.7	9.7	3.7
Unpaid	4.8	18.3	10.3	43.5	46.2	55.4
Self	28.9	23.9	27.5	17.5	11.8	12.9
Wage	49.9	46.5	46.0	29.9	33.8	26.5
Domestic	16.4	11.4	16.2	9.1	8.2	5.2

Sources: UCW calculation based on Panama, Encuesta del Trabajo Infantil, 2000 and 2008. Encuesta de Niveles de Vida, 2003.

REFERENCES

Central Intelligence Agency. 2009. *The World Factbook - Panama*. Available at: <https://www.cia.gov/library/publications/the-world-factbook/geos/pm.html>

International Labour Organization. 2009. *List of Ratifications of International Labour Conventions*. Available at: <http://webfusion.ilo.org/public/db/standards/normes/appl/appl-byCtry.cfm?ctychoice=0460&lang=EN&hdroff=1>

UNDP. 2009. Available at: http://hdrstats.undp.org/countries/data_sheets/cty_ds_PAN.html

UNICEF, 2009. At a glance: Panama. Available at: <http://www.unicef.org/infobycountry/panama.html>

UNICEF. 2004. Convención sobre los Derechos del Niño. Available at: <http://www.unicef.org/panama/spanish/G0442417.pdf>

World Bank. 2009a. Available at: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/PANAMAEXTN/0,,contentMDK:21045664~pagePK:141137~piPK:141127~theSitePK:343561,00.html>

World Bank. 2009b. Country partnership strategy progress report for the Republic of Panama. 2009. The World Bank. International Bank for Reconstruction and development.

World Bank. 2009c. Program document for a proposed loan in the amount of USD 80 million to the Republic of Panama for protecting the poor under global uncertainty. 2009. The World Bank. Poverty Reduction and Economic Management Central America Country Management Unit Latin America and Caribbean Region

World Bank, 1999. *Panama: Poverty assessment*. The World Bank. Human Development Department Latin America and the Caribbean Region. (1999)