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## **Child Labour in Developing Countries: The Role of Education, Poverty and Birth Order**

**Rasheda Khanam and Mohammad Mafizur Rahman\***

### **Abstract**

This paper examines the role of education, poverty and birth order with regard to child labour in developing countries. The higher the cost of education is, compared to benefit, the higher is the likelihood of a child being sent to work. Poor school facilities and poor quality of education ensure higher incidence of child labour. However, easy access to credit market, income transfer programmes to households and law of compulsory schooling affect child labour negatively. The link between poverty and child labour is inconclusive, though a positive relationship between these two variables is prevalent. The evidence also notes that older children are more likely to be sent to work than their younger siblings, though a few exceptions also exist in the literature. Girls' work participation is higher than the boys' work participation, and girls are more likely to participate in housework, while boys are more likely to participate in market work.

## **Agriculture Reforms and Market Integration: A Spatial Analysis of Food and Non-Food Commodities**

**Seema Bathla\***

### **Abstract**

Against the background of a series of macroeconomic, agriculture marketing and price policy reforms initiated from the early nineties, this paper seeks to empirically measure the extent to which reforms have led to a higher and quicker integration of agriculture markets across the states. It then explores the policy options that would improve the commodity price transmission and build a market-oriented agri-marketing system in view of APMC Draft Model Rules, being proposed for revamping regulated markets, and enable the emergence of new platforms for agri-marketing. Results based on multivariate co-integration and vector error correction model from 1980-81 to 2002-03 confirm greater spatial market integration in the post-liberalisation period for rice, wheat, sugar and groundnut though only in the selected states. For cotton and soya bean seed, long-run equilibrium relationship among the state-level wholesale markets is found to be weak. Further, in all commodity cases, short-run dynamics based on vector error correction model reveal a slow speed of adjustment of prices towards equilibrium, which calls for accelerating the pace of agri-marketing reforms.

## **Regional Disparity in Service Sector Development in Goa**

**Radhika Nayak and P K Sudarsan\***

### **Abstract**

Service-driven economies are more developed than predominantly manufacturing economies. This paper attempts to understand the regional disparity in the development of service sector in Goa. The study is based on the data collected from the Directorate of Planning, Statistics and Evaluation, Government of Goa. By using simple and composite index numbers, the study grouped all *talukas* in Goa into high, medium and low categories, with respect to service sector development. The results show that there is a wide disparity in service sector development in Goa. The study has far-reaching implications as Goa is one of the most developed states in India.

## **Oil Price Fluctuations, Exchange Rate Depreciation and Industrial Sector Output in Nigeria: Theory and Empirical Evidence**

**Hassan E Oaikhenan and Raphael I Udegbonam\***

### **Abstract**

The paper examines empirically the impact of fluctuations in oil prices and exchange rate depreciation on industrial sector output in Nigeria. Inflation rate, energy supply gaps, interest rate and domestic income level were utilised as additional explanatory variables in the model specified and estimated. The estimation was carried out with the OLS regression technique, using the MFIT4.1 computer software package. The model estimation entailed testing for unit root properties in the variables in the specification and the estimation of the model using the variables in the form in which they passed the unit root test. The empirical results indicate that oil price fluctuations, exchange rate depreciation and energy supply shortages impacted adversely on the output of the industrial sector in Nigeria. The impact of oil price fluctuations and exchange rate depreciation was statistically significant while that of energy supply deficiency was weakly significant. All the other variables, except inflation rate, were well behaved in terms of sign and statistical significance.

**Resource Mobilisation and Utilisation by Panchayati Raj  
Institutions in UTs without Legislature  
Jacob John and Ruchi Jain\***

**Abstract**

Panchayati Raj Institutions (PRIs) in Union Territories (UTs) without a legislature have been grappling with many complex problems -- structural, administrative and fiscal. The Andaman and Nicobar Islands, Chandigarh, Daman and Diu, Dadra and Nagar Haveli and Lakshadweep Islands are the five UTs in India that do not have a legislature. This paper examines the essential features of the PRI system in these UTs, analyses the mobilisation and utilisation of funds by PRIs and suggests concrete measures to improve their functioning. The study reveals that though the administrative bodies of all the five UTs have specified that functions be transferred to PRIs, this is not being executed. In the absence of a legislature, the UT administrator and the bureaucracy have been holding powers. A huge amount of funds available with PRIs remain unspent every year primarily due to the lack of functions and functionaries. Significantly, the accumulated unspent balance with the PRIs has had an adverse effect on mobilisation of own source of revenue. Certain concrete steps that are essential to improve fund mobilisation and utilisation by the PRI system in the five UTs are suggested. Own source of revenue needs to be mobilised by strengthening tax assessment and collection process. The study highlights the urgency for the removal of the mismatch between activity mapping and corresponding funding of PRIs under various budget heads of UTs.

**Growth of Rural Non-Agricultural Employment and Poverty  
Alleviation in India: What Does Emerging Evidence Indicate?**

**R R Biradar\***

**Abstract**

The growth of rural non-agricultural employment (RNAE) has occupied an important place in the development paradigm of many poverty-stricken countries as it leads to greater poverty reduction as well as, in most cases, income-equalising effects. In India, the rural economy has witnessed occupational diversification in favour of the rural non-agricultural sector over the years. It was largely driven by the growth as well as poverty-related factors. The growth of RNAE, followed by agricultural growth and human resource development, turned out to be the major reason for poverty reduction in rural areas. An important observation is that a shift of workers away from agriculture to the rural non-agricultural sector tends to raise the wage rates of the existing labourers in agricultural sector, thereby contributing to a decline in poverty. Occupational diversification in favor of RNAE, therefore, has dual impact, direct and indirect, on the reduction of poverty. In view of a gradual decline in the share of the public expenditure for rural developmental programmes, including poverty alleviation, the promotion of RNAE largely driven by agricultural growth and human resource development which can be considered as an important policy intervention to tackle the long-standing problem of poverty in rural India.