

An erroneous public perception is that most child labourers in the developing countries are employed in export sectors in the formal economy. The vast majority of workers, on the contrary, are in domestic sectors, particularly agriculture and services. The evidence suggests that in developing countries child labour is particularly prevalent in rural areas. Current data suggests that as little as 5-10 percent of child workers are employed in export sectors.<sup>8</sup> Thus, only a small percentage of products and services produced by children enter world markets.

In regard to exploitative labour, as opposed to labour more broadly, there are additional uncertainties. There is only anecdotal evidence on the extent of such exploitation, and by its very nature information on exploitation is difficult to obtain and to verify. The most spectacular media attention has tended to report on conditions in the developing countries, such as children in the rug-making industry. This reporting is factual but needs to be seen in context, as exploitation also occurs in the developed countries. While like child labour, child exploitation is a global phenomenon, the information available indicates that exploitation is more widespread in developing countries than the OECD countries.

### The Traffic Light Approach

As an analytical tool to simplify the understanding of child labour characteristics and possible policy responses, a "traffic light" approach has been developed. Along a conceptual line of child labour practices three nondiscrete categories are placed: (1) exploitation (2) potential detrimental labour and (3) positive labour. This conceptualization may be thought of as a traffic light: red for exploitation that must be stopped; yellow for potentially detrimental practices that require caution; and green for positive labour experiences and practices for children that might even be encouraged under certain circumstances. The traffic light in essence attempts to capture the impact of labour, in both the informal and formal sectors, upon a child's development. It is, however, a conceptual device. Governments and international organizations need to undertake the difficult task of defining the key characteristics of each of the "lights" and identifying how many children fall into each category.

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<sup>8</sup> Arne Melchior, "Child labour and trade policy," in Grimsrud B. and Melchoir A. (eds.), "Child labour and international trade policy", a paper prepared for the OECD-DNMEs Workshop, Paris, 3-4 October 1996, p.7. The paper states that "the available evidence suggests, as an uncertain estimate, that 5-7 per cent of child labour in developing countries is related to the export sector."