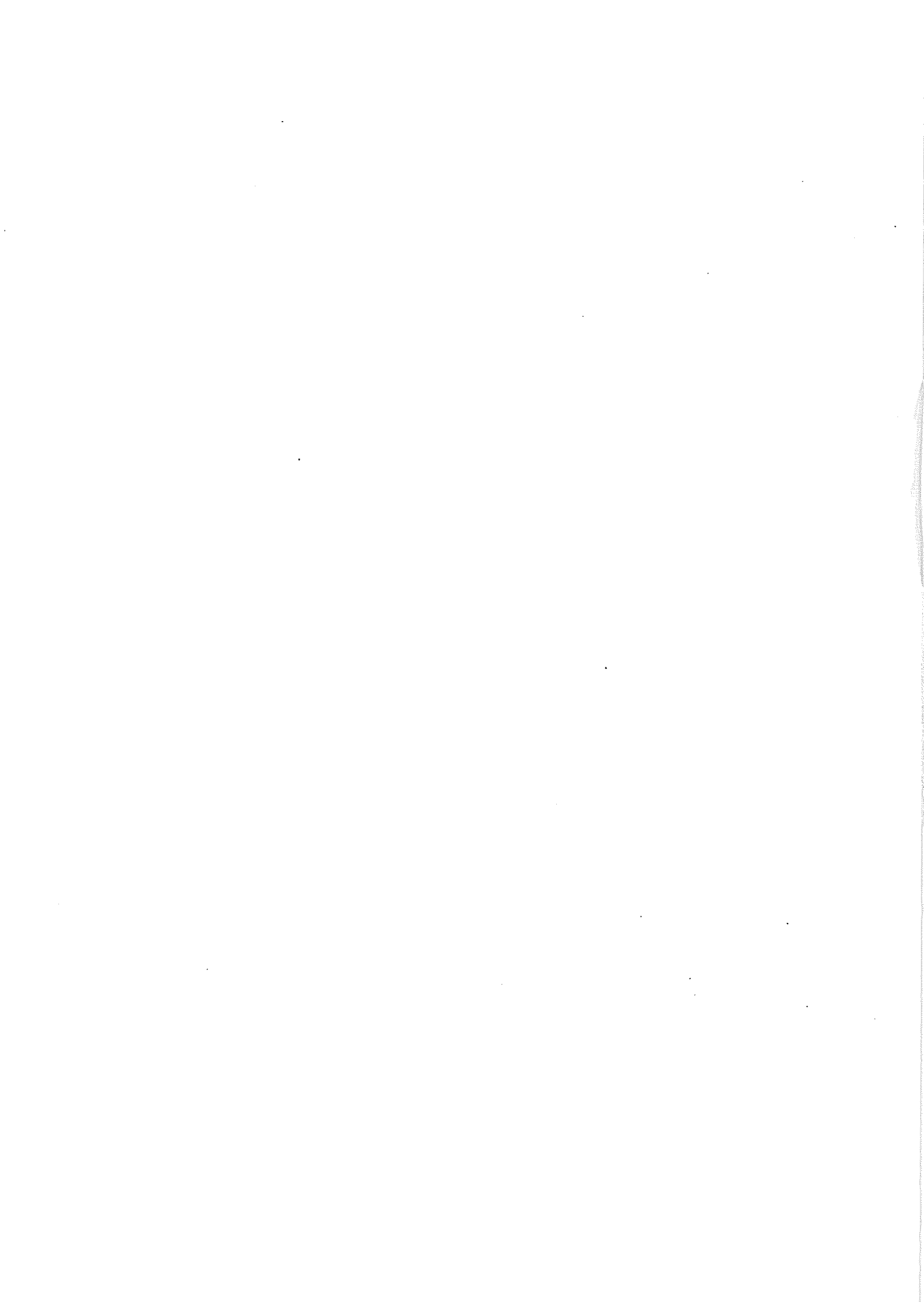


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**Paid family labour in small scale enterprises:
considerations from an Indonesian experience**

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Dr Ines Smyth

Introduction

Recent research in Indonesia has shown that in household-based and small scale enterprises¹, family labour, especially that of children, is often remunerated. This paper explores two related issues: the conditions under which own children's labour is remunerated and how this fits in with other strategies adopted by small scale enterprises to ensure survival and growth; and the demographic implications of this economic strategy.

Although accurate information from other regions is not available, there is some evidence - for example from the Philippines (Rutten 1990), Brazil (Schmitz 1982) and Egypt (Bequele and Boyden 1988) - to suggest that the emergence of paid family labour in Indonesia is not an isolated occurrence.

The paper is divided in three main parts. The first summarizes information on 'unpaid family labour' in some branches of manufacturing in West Java (Indonesia), and assesses the economic significance of the use of paid family labour in small scale industries. The second part contains ideas on its demographic implications, based on the 'economic value of children' perspective. It does not question the precise significance of the situation for fertility decline in the region. The third part has some general considerations and draws conclusions.

¹ In the Indonesia the classification of industries by scale is as follows:
household industries:those with up to 5 workers;
small scale industries:those with between 5 to 20 workers;
medium scale industries:those with between 20 and 50 workers
large scale industries:those with 50 or more workers.

1. Paid Family Labour in West Java

That of unpaid family labour is a category regularly employed in official publications. The ILO defines it as:

"A person who works a specified minimum of time (at least one third of normal working hours)² without pay, in an economic enterprise operated by a related person living in the same household". (ILO 1990:4).

The definition adopted in the Indonesian context has changed in the course of time. In the population censuses of 1971 and 1980 Unpaid Family Labour was defined as:

"those members of the household who work helping in an enterprise run by a member of the same household, without payment" (BPS 1974; BPS 1983).

Since the Intercensal Survey of 1985 this definition has been changed to the following: "those people who help in work for income or profit without receiving payment in money or kind" (BPS SUPAS 1987). The alteration of the official definition takes into account the empirical evidence which shows that people with no kin ties can contribute to the activities of the household-based enterprises. What has remained unchanged is the fact that such labour is seen as always unremunerated, along the lines of the official definition of the ILO.

A recent research project³ carried out in West Java studied the employment and productivity characteristics of the non-agricultural sector in the rural areas of the province. The research focused around a number of themes, such as rural capital formation, the impact of large industries on the rural economy, NGOs and the rural non-farm sector, dynamics of sub-contracting in rural industries, policy processes, labour markets, women and the rural non-farm sector, the employment of children. Among the sectors covered by the study were: construction, textiles,

² According to the same publication, the minimum time criterion is not longer necessary to comply with the definition.

³ The West Java Rural Nonfarm Sector Research project is a collaboration between the institute of Social Studies (The Hague, The Netherlands), the Development Studies Centre (Bogor, Indonesia) and the Centre for Development Studies (Bandung, Indonesia).

footwear and garments industries; tourism; agro-industries; handicrafts and food products. Most of the information contained in this paper derive from the sectoral studies on handicrafts (Smyth 1991a), and on food products (van Velzen 1991), and from the thematic study on children (White and Indrasari Tjandraningsih 1991).

The various branches of production covered by the research differ considerably in terms of their potential or actual growth: some are clearly stagnant or declining while others are very dynamic. The enterprises are different in the types of goods produced, in the raw materials and tools employed, in the techniques and organisation of production. They also differ in the amount of capital invested and in the profits derived from them. However, across branches of production the enterprises share some similarities. The majority of enterprises are household-based or small scale, rely on simple technologies and display a considerable degree of geographical concentration. Internally, they make extensive use of family labour and of paid workers. Externally, they are linked to suppliers of raw materials and to traders by complex ties. In many cases, they are also connected to larger units by sub-contracting links.

1.1 Strategies for Survival and Expansion

In many branches of production under particular circumstances small enterprises adopt strategies which minimise the rewards for labour. Such strategies can be summarised under three headings:

- using unremunerated labour, such as that of apprentices.
- employing cheap categories of workers, such as women, children and migrants;
- increasing self-exploitation by extending the working hours and increasing the numbers of the members of the household involved in production;

Such strategies are not mutually exclusive and are not necessarily restricted to specific branches of production. All the same, there is a degree of correlation between the use of each strategy and the type of enterprise.

Use of unremunerated labour

This is a strategy which is well suited to the needs of the entrepreneurs seeking to reduce production costs. It is employed most often in enterprises where the skills and technology necessary for production are sufficiently sophisticated to require training, however informal. In the research, this was shown to be the case, for example, for two branches of production. One is the industry producing kelom or wooden sandals. In the region near the city of Tasikmalaya there are over 124 enterprises making wooden sandals. They employ around 1500 people (PUPUK 1983). The enterprises vary considerably in the size of the labour force, each employing from 4 to about 100 workers. Tasks are highly segmented and differ in the skills required. Sawing and cutting the wood into shape is considered a skilled male job, paid the relatively high wages of between Rp 800 and Rp 1500 (per 20 units)⁴. Workers learn their skills either working as family labourers in family owned enterprises or as apprentices in small or medium scale firms. Apprentices are not paid wages, though they may be given food and some pocket money.

Where demand for skilled labour is substantial, this practice becomes attractive also to apprentices, drawn by the opportunity of acquiring useful skills. The case of the rattan industry is interesting⁵. Recent government legislation which prohibited the export of unprocessed and semi-processed rattan has encouraged a shift to export production. As a result, there has been a considerable expansion in the number of enterprises producing rattan furniture: from 205 in 1978 to 399 in 1988 (Smyth 1991b). This has been accompanied by the emergence of 12 large export firms, previously non-existent. These enterprises offer greatly increased employment for skilled (mostly male) workers. The apprenticeship arrangements are found in the small scale and

⁴ To have an idea of the magnitude of wages, it may be useful to know that 1 kg of rice, the staple food, costs between Rp 400-500.

⁵ Research on the rattan industry was carried out in the vicinity of the northern town of Cirebon.

household industries, for the reasons explained before: through apprenticeship small entrepreneurs have access to cheap labour, and the apprentices acquire the skills necessary to move on to better jobs in the larger enterprises.

Employment of cheap categories of labour

This second strategy relies on the use of very cheap labour. Labour markets in commoditised economies are always differentiated. Special categories of workers are cheaper to employ, for complex reasons which pre-date existing economic relations and go beyond narrow economic considerations on the part of employers. Women typically represent one of these categories, because of dominant norms which attributes to them specific positions and responsibilities within the gender system (Cockburn 1983:6). Other categories of labour, such as children and migrants, are also cheap. Because of the universality of age as a hierarchical principle (Cheater 1989), children are caught in power relations which make them subordinate to adult employers. Migrants also have a weak bargaining position, being isolated from their communities and from their sources of practical and psychological support.

This strategy is common to enterprises which have the possibility of employing paid workers, but at the same time must limit their production costs because of the threat from competitors. It is found among those small and household based enterprises which from a technical point of view have developed a degree of segmentation of the productive process. This segmentation allows them the possibility of allocating the simplest tasks to the cheaper, less skilled labour. The bordir (embroidery) sector, producing embroidered clothes and home furnishings, is formed mostly of home-workers and of small enterprises employing 6 or 7 paid workers. There are also a small number of medium firms and one or two large enterprises, with around 100 workers. The latter have found lucrative markets abroad. As demand expands, individual units need to employ extra labour. Simultaneously they need to minimize rewards to labour, since entry into

international markets has required considerable investments in new machinery (electric and electronic sewing machines). In addition to the adult work force, they employ children (boys and girls) between the ages of 10 and 15. These perform the simple but time consuming tasks of making perforations to the embroidered material, using an electrical rod. They are paid piece rates and have a normal working day of about 8 hours.

In the other dynamic branch of industry mentioned earlier, that of the rattan furniture, small scale enterprises react to the high costs of employing skilled workers by hiring workers who can expect lower than standard wages because of their status as newcomers.

Increased self-exploitation

The third strategy is common particularly among enterprises which, by definition, cannot afford to employ any paid labour. Characteristically, those tend to have little control over marketing. This lack of control can be in the sense that they are unable to influence demand and prices, as in the case of very stagnant industries such as those producing perishable foods and those making bamboo household utensils, both for very localised markets. Lack of control over marketing can also mean that enterprises have no direct access to outlets, but rather sell their products to intermediaries. This is typical among handicrafts producers making goods which can reach more distant outlets, such as tourists-oriented markets. This poor control over marketing means that income from these activities can only be increased via this third strategy.

Field research showed that both in food production and handicrafts, additional members of the household are often called on to participate in the productive work: wives, husbands, children, parents and grandparents of the entrepreneur. In most cases a division of labour by gender and age prevails. For example, in most small scale food producing units it is older women who do both the actual preparation and marketing work,

while in many handicrafts the latter is the responsibility of male relatives. Another example is that of the dairy farming industry, where children are used in large numbers to collect grass, to feed and occasionally milk the cows.

In addition to the periodical changes in the number of household members involved in production, decreases or increases in demand result in sudden fluctuations in working hours. This is particularly true for enterprises linked to larger firms through sub-contracting arrangements. In these agreements orders from the sub-contracting firm are for specific quantities of goods and must be completed within agreed time limits. As a consequence, those involved are forced to work long and irregular hours. In rural West Java it is not uncommon to see people of all ages work well into the night producing goods for sale under these arrangements.

Characteristically, these people share in the total income gained by the enterprises through their access to household resources. Access to wealth is regulated by religious and secular norms, while access to consumables such as food is governed by unwritten social customs, specific to each society. These household members normally receive no direct remuneration for their productive work.

1.2 A New Strategy

From the information gathered by the research project one striking feature has become apparent. This can be considered a fourth strategy for survival. It is that in many cases the work of the so-called 'unpaid family labour' is in fact remunerated. The research found that this involves people of both sexes, and in different kin relations to the entrepreneurs. It is common for distant, older female relatives to help in reproductive rather than productive tasks. They receive remuneration in the guise of lodgings, food, clothing and occasional gifts of money. Many examples of these arrangements are reported in household based food industries, where this support frees the female entrepreneur

for her productive tasks.

The most common situations are those in which parents pay their young children, and those in which grown children, as entrepreneurs, pay their elderly parents. There is a difference between the way in which these two kinds of family labourers are employed: children are commonly given secondary tasks and paid directly with small sums of money; parents, on the other hand, are assigned separate stages of the production process or whole batches of the goods to be produced. Remuneration, in this case, represents the payment of a transaction in which finished or semi-finished goods are sold by the parents to their grown children.

In numerical terms, the most frequent cases were those concerning the paid work of own-children, on which this paper concentrates. By own-children here is understood the natural offspring of one or both the entrepreneurs who own and run the family business⁶, but also children who have been adopted formally or informally, either by kin (for example grandparents) or non-kin (for example neighbours).

It is impossible to have a precise idea of whether payment for own-children is present in all branches of production. In the project, it was documented for several of the branches researched: embroidery, wooden sandals, mats weaving, puppet making, bamboo weaving, rattan furniture and food producing. The characteristics of employment of paid own-children are similar across most of these branches. There are, however, differences which can be related to the status of the branch in terms of its growth potential. In the more stagnant branches, such as that of pottery, bamboo utensils and bamboo weaving, the use of paid own-children is rare. This type of labour is found more often in the most dynamic of the branches studied. Within the latter,

⁶ West Java has a very divorce rates, thus it is not unusual to find in the same family children of different marriages. The common practice is for the mother to keep the children, at least when they are young.

differences concern the type of units which make use of own-children as paid labour. This is typical of household and small scale industries, much less frequently of medium scale firms.

For example, as explained earlier the bordir (embroidery) branch of production has undergone a process of expansion, reflected in the growth in the size of some of the enterprises, in the process of mechanisation they have undertaken, and in the newly acquired access to export markets. The paid labour of own-children is used extensively in household and small scale industries. Rarely it is to be found in larger enterprises. This is because their owners have achieved a degree of prosperity which allows parents to pursue the common ambition to ensure a good education for their children. As schools of higher education are in town, the children may help when still very young, but are unable to do so when older and away at school.

In all branches, the kinds of jobs paid own-children are responsible for are similar to those routinely allocated to younger workers. They are relatively simple, repetitive tasks, requiring little skills but long application. They are frequently in the finishing stages of the productive process or in ancillary ones, such as cleaning, polishing, packaging.

Gender plays a part in the allocation of tasks to children, and this applies to own-children. Gender connotations reflect those dominant among adults. Alternatively, children of both sexes are given tasks which are typically 'female'. However, it would appear that it is boys more often than girls who are paid for the work they do for their parents. This may be a reflection of the fact that many of the tasks girls perform in household based units overlap directly with reproductive tasks (cooking, cleaning, washing), thus are not perceived as remunerable work.

While young wage workers employed by others work mostly full time (White and Indrasari Tjandraningsih 1991:45), own-children are rarely in the same situation. There is great variation in the

length of time these children work, and variations are within as well as between branches of production. In the majority of cases own-children are occupied in production only for 2 to 3 hours of the day, in the periods left free from school⁷. Their working day becomes much longer on Sundays and other holidays. Unlike other wage workers, own-children can easily work other unsociable hours, in addition to holidays: for example in the evenings and even nights. Nonetheless, work of own-children is voluntary and parents do not appear to use any pressure to secure it.

Earnings of children are always very low. The pay received by own-children is usually less than the wages of young workers from outside the family and it is often talked of as 'pocket money'. However, it is not unknown for the children to be paid market wages. There is great variations in their earnings, reflecting the differences in piece rates for different tasks but also in hours of work in the various branches of production. The research recorded variations in pay of between Rp 100 to Rp 1000 per day. The use children make of their earnings fall into two categories. The money is either spent on snacks, small treats, clothes (jeans are a great favourite), or it is used for education, directly for school fees or indirectly for bus fares, books and other equipment.

An example is useful to illustrate the salient features of the situation discussed here. The manufacture of mendong mats is one of the branches of rural industry covered by the research of the West Java project. This activity is spread across three districts in one of the southern regions of West Java, around the town of Tasikmalaya. An estimated number of 9000 people work in it, in different capacities. The basic weaving of the mats is done mostly by women in household based enterprises, using raw material (mendong, a reed) which is either grown by the weavers or bought from merchants or other farmers. The semi-finished mats are sold to larger enterprises, owned and run by merchants. These

⁷ Most Indonesian schools, especially at the primary level, have one morning and one afternoon shift. This allows children to combine school and work.

finishing enterprises may employ from 5 or 6 workers, mostly taylorers. In addition to those, they take on children between the age of 8 and 15 to cut and tie the loose threads of the mats, as part of the finishing work. Children of both sexes are engaged in this way, but boys in larger numbers. One reason for this is that girls are required to assist their mothers in household tasks, so have little time to spare for extra activities.

Work load for all those concerned in mats making is irregular. It is affected by two sets of circumstances. One is access to the raw material, which depends on the growing cycle of the reed (more abundant in the rainy season), but also on the deliveries of the mendong especially imported from other parts of the country to compensate for local scarcity. At the other end of the productive process, demand too is irregular. Demand for mendong mats is substantial, from local and more remote outlets. However, it has a seasonal character connected to the use to which the mats are put. For example, there is considerable demand for prayer and other decorative mats after the fasting month, and for more utilitarian ones during the coffee and cloves harvests, since the mats are used to dry these crops. The time own-children devote to mendong work is variable, due to these external factors. However, another element plays a part. This is the degree of voluntarism in the participation of own-children mentioned earlier, given that the children are never forced to provide their labour, paid or unpaid.

Workers of all ages are paid by piece rate. The daily wages adults can earn vary according to their tasks, as well as their speed: a good weaver can earn between Rp 1500 and Rp 2000 per day; a tailor responsible for the finishing can obtain a wage of Rp 3500 per day. Children can earn about Rp 100 a day if working part time, up to Rp 400-500 for a full day work. These are very low earnings, by any standard. The children may be from neighbouring families but, often, are the offspring of the entrepreneurs. The pay they all receive is the same, regardless of their relationship to the entrepreneur.

Working conditions, for all those at work in the mendong industry, compare favourably with those in many other branches of production. For paid workers the day starts at 7 in the morning and ends at 4 in the afternoon; for household members it varies, depending on commitments. All activities take place near or around the house: looms are placed just outside the entrepreneurs' home, and the sewing machines used in the finishing work are inside. The working atmosphere is relaxed and conditions fairly comfortable. Children usually gather on the veranda of the entrepreneurs' home and work in small groups.

To summarize: the evidence collected from the field studies carried out by the West Java project makes possible to conclude that the use of own-children as paid labour is found in household-based and small scale industries, though it can be found in some larger units. The next step is to find the circumstances which have encouraged the emergence of these type of work relations in specific branches of production. In other words, what are the conditions under which the labour of own-children becomes remunerated?

It is possible to divide these conditions in socio-cultural and economic ones. The first refers to the social norms, which help explain the phenomenon from the supply side. It is said that Indonesian society⁸ is characterised by strong affective bonds between children and parents (Geertz 1961). Some studies show that inter-generational relations are less authoritarian than in other Asian societies⁹ (Wolf 1990). These characteristics are the minimum conditions which permit the existence of a system of wage payment to own-children in West Java. In a situation where strict parental authority is the accepted social norm it is unlikely that the labour of children would be remunerated, since the power over them would be absolute and control would extent

⁸ It should be remembered, however, that Indonesia is formed by many ethnic groups, among which cultural norms may vary.

⁹ The argument developed by Wolf concerns mostly gender relations within the household, but can be taken to apply more broadly to all intergenerational exchanges.

to all their activities.

Another cultural factor relates to the perception young people have of different occupations. Agricultural work is the least attractive option for many young people in rural West Java, being considered too heavy, dirty, irregular and giving little pay. It is especially unattractive to young women, who perceive the inevitable exposure to the sun and the elements as damaging to their appearance and, consequently, to their marriage prospects. Those who have had the benefit of higher education and qualification, strive for non-manual or skilled jobs outside the village. For the rest, work in manufacturing has some attraction.

Another factor influences the participation of children in paid work, still from the supply side. This is the penetration in rural areas of modern consumers' information and attitudes. This has created aspirations towards certain consumption goods among young people, which the majority of rural households cannot satisfy because of their limited budgets. Children work to have access to such goods with their own earnings.

From the demand side, the crucial variables appear to be branch specific. First, remuneration of own-children was found mostly among the more dynamic branches of production. Secondly, this type of paid family labour has emerged only in those branches of production which are displaying growth with the following features: survival and proliferation of small scale units (rather than their complete displacement by very large units); dependence on intermediaries and/or larger units, particularly on the basis of sub-contracting arrangements; little technical advancement and heavy reliance on abundant but flexible pools of labour.

Much of the literature analysing the use of child labour in capitalist enterprises stresses its differentiation from the labour of adults in terms of being cheaper and having different status: that of apprentices, helpers etc (Elson 1982). This remains a valid observation when applied to child labour as a

whole. But an extra element must be included when talking about children employed, and paid, by their own families. This is their value as flexible labour.

Own-children represent a very flexible type of labour because they can be taken on and disposed of with ease, and because the duration and amount of work required of them has little outside constraints or controls. The arrival of a sudden order from a sub-contractor may necessitate that the entire family works long hours, even through the night: paid workers from outside the family, especially children, could hardly be expected to share this burden.

At the same time, growth and increased demand for labour on one hand, and the existence of a fairly relaxed systems of parental authority on the other, result in the need for remuneration, in the sense that parents need to compensate their children to avoid the loss of their labour to competing enterprises.

2. Demographic implications of paid family labour

As mentioned in the introduction, it is possible to make some speculations on the demographic implications of the use of paid labour of children. Precise conclusion on the demographic effects of the situation cannot be reached, since the necessary long term information are not available. Thus relevant issues are only mentioned here as areas for further analysis and research.

Perhaps the most useful of Caldwell's achievements is that his work (1976;1978) has established once and for all the rationality of fertility behaviour in developing countries. The essential component of this is the economic value that children may have for their parents. In a recent article Susan Greenhalgh (1990) welcomes the development of a political economy of fertility, based on this notion. She outlines the main attributes of what she defines as demographic political economy in terms of level,

time, process and causality. She makes use of the insights of Caldwell and his 'wealth flow theory', expands it outside the narrow boundaries of the family, and tries to locate inquiries into fertility decline in the much larger context of social and historical developments.¹⁰

An example of studies which use a political economy approach for contemporary Java is that of White (1982). All attributes listed by Greenhalgh are clearly present, especially in the analysis of the role of children in household economies, which concludes that their economic role can be deduced only from linking the internal organisation of the household to its external environment (1982:594). An important aspect of White's work is that it warns against the assumption that everywhere in Asia there is child labour outside or inside the household, thus pointing to important geographical differences. Another useful distinction is between directly productive and 'maintenance' work, both of which need to be taken into consideration for their demographic impact. However, in this and in most analyses of this kind one assumption remains unchallenged, that the labour children perform within household-based enterprises is always and necessarily unpaid.

Keeping in mind the findings of the West Java project, the obvious question which comes to mind is whether the reproductive behaviour of the households is affected by the practice of payment to own-children. The classic view is that the more 'economically valuable' children are, the more this encourages high fertility. Debates on the methodological and substantive validity of this idea are abundant. What is the contribution of the current discussion to these debates?

One can speculate that the practice of remuneration for own-children may make their labour less attractive to parents, hence

¹⁰ The focus of this paper on child labour should not be seen as disregarding the importance of all other factors which may make high fertility more or less attractive in given circumstances.

have a negative impact on fertility. But the use the children make of their earnings (for example for clothing or schooling) may even out costs and benefits in the eyes of parents. Gender differences in pay may have an impact on sex preference, in itself a well known determinant of fertility levels. Clearly there are many possibilities.

The kind of information contained in this paper does not allow for a firm conclusion, but adds facets to the debates. First, it indicates that to assess the influence child labour exerts on reproductive behaviour it is necessary to consider:

- the characteristics of the individual enterprise in terms of its technology, gender and age division of labour and other features of the dominant relations of production, including the use of the wage;
- the characteristics of the branch of production in which the household-based enterprise is active, and its growth and survival strategies.

The second facet concerns the question of family/household relations¹¹, prominent in the debates around the economic determinants of demographic behaviour and the economic value of children. In the classic view, the flow which transfers wealth from children to parents, and thus explains a high fertility regime, is predicated on the presence of authoritarian, patriarchal family relations. The practice of remuneration opens the possibility for a different perception. Assuming that the work children perform in West Javanese households makes them 'economically valuable' to their parents, this is not in the midst of a particularly authoritarian family system, as mentioned earlier. The payment of wages to own-children reveal that parents acknowledge the latter's activities as work. Furthermore, if parents are unable to appropriate unconditionally the labour of their children, this shows that the latter must have gained some

¹¹ Whether it is opportune to talk about the narrow nuclear family, or the household has also been debated (Cain 1982).

bargaining power vis-a-vis their parents.

Finally, while in the classic wealth flow theory familial relations are an independent, exogenous variable, our findings lead to speculating that they are themselves liable to change. The presence of wages to own-children is in itself a mechanism through which established patterns of familial and generational authority may be subverted or at least undermined. In this respect, it has to be kept in mind that the remuneration given to children is usually very small. Thus, it is unlikely to place children in a financially independent position, from which they may wish to challenge the authority of their parents. However, its very existence may help children perceive of themselves and their own labour as something separate from the family unit. In practice, the use children make of their earnings - for instance to finance their education - can also be a step towards the same emancipatory process.

Indonesia, and especially the island of Java, have experienced a considerable fall in fertility. Since 1972 fertility in the country has dropped from an average 5.5 children per woman to 3.3 (Asia Pacific Population & Policy 1989), though rates are very variable across regions and West Java is one of the province with a relative high rate at 4.3 (Central Bureau of Statistics et al 1989). Experts are debating whether the decline is attributable to socio-economic changes leading to a shift in reproductive behaviour at the micro-level, or whether it is the results of the efforts of the family planning programme (Cavanaugh, 1981; Ross et al, 1985; Warwick, 1986).

Whichever explanation one adopts, the fact remains that in West Java, as in the rest of the island, the means for fertility control are available to most married people. Though there are some disparities in the coverage of the family planning programme (Titus 1989), its emphasis on community participation (Haryono Sayono 1990) and its forceful methods (Smyth 1991) ensure that the programme is accessible to eligible couples. The relevance

of this point is that in the absence of the means of regulating fertility, the question of whether parents perceive their children as economically valuable or not would remain largely academic, while the concrete availability of such means ensure that couples can act according to their perceived needs¹².

As a last comment, a link can be forged between the economic and the demographic considerations discussed in this and the preceding sections. The decline in fertility in Java may have some impact on the way household enterprises operate. When fertility was high and families were larger, parents as entrepreneurs could count on the help of several of their children at any given time. As the size of the family decreases, this pool of free labour shrinks. Payment of own-children may be a way in which parents secure the work of the remaining few children.

3. General Considerations and Conclusions

The purpose of this paper was to reveal the existence of patterns of labour relations previously ignored. The paper describes how the labour of children becomes remunerated and identifies a set of circumstances which may explain the existence of this practice. Finally, the paper contains speculations on the possible demographic outcomes of such situation, or at least indicates directions towards which such speculations could proceed.

The observations made so far have various implications. Methodologically the findings emphasise the need to focus research and analysis at the level of branches of production (Schmitz 1982; Lyberaki and Smyth 1990), between the conventional micro level of the household on one hand, and that of macro-

¹² To talk about couples hides the fact that husband and wife might have conflicting needs in terms of fertility. Their ability to satisfy these needs may also differ. The gender differences in this context can never be over-emphasized.

economics on the other.

Another implications of this study concerns the use of the category of 'unpaid family labour' in official statistics, at least in the Indonesian context. The present definition, excluding as it does the possibility of remuneration, may lead to serious errors in enumeration. This may have, in its turn, negative effects on policy interventions. So far in Indonesia the people classified under the category of unpaid family labour may have been the recipients of welfare oriented efforts, but have been totally excluded from interventions aimed at either workers or entrepreneurs. The clarification that they may be in receipt of payments may change their status in the eyes of policy makers, and attract support which may enhance their earning potential and working conditions, especially future ones.

Gender differences in the incidence and magnitude of payment to own-children also have interesting implications. The fact that girls receive no payment or lower payments than their male counterparts, could be said to contribute to their socialisation into limited domestic roles. It may also affect negatively their formation as future earners, by discouraging their interest in remunerated work and by diminishing their self-esteem. Lack of cash denies them access to the goods (clothing, entertainment) and services (namely education) through which status is acquired and maintained, even at a young age.

These findings may also contribute to the debates on child labour and help overcome the highly emotive tones which characterise them. Children's work is a reality developing and developed countries have in common (Sawyer 1986; Ennew and Milne 1989). Recent studies have dispelled the simplistic notion that familial relationships are always untainted by economic considerations (Harris 1982) and that only child labour outside the home can be exploitative (Goddard and White 1982; Niewenhuis 1990). Despite this, officially the notion of exploitation of children is held to apply only to situations where children are in hands others

than those of their parents or guardians. The UN Convention for the Abolition of Slavery prohibits:

"Any institution or practice whereby a child or young person under the age of 18 is delivered by either or both of his (!) natural parents or by his guardian to another person, whether for reward or not, with a view to the exploitation of the child or young person or of his labour" (cited in Sawyer 1986:77).

The evidence of payment of wages to own-children facilitates the application of the notion of exploitation to the domain of households-based activities and the work of children within those. However, the alternative view being created also needs tempering. This portrays working own-children as non-free labour (MacEwen Scott 1982), entirely at the mercy of their parents and their abuses. The fact that many own-children receive remuneration - though small - at one level reveals that their work is at least being recognised as such by their guardians. On another level, it shows that parents' absolute control over the labour of their children is mediated by other relations.

Clearly these statements are not a dismissal of the concerns for the welfare and rights of working children, own or otherwise. Rather, they emphasize that the understanding of child labour in all its connotations must separate its many components and take into account the various practices to be found at different times in different places.

It should be stressed again that the paper is meant only as a starting point for more systematic thinking and research on relevant issues. First, too little is known about the trends in the use of family labour in developing countries, and the characteristics of the individuals who occupy this work category. It is not coincidental that the people who work as family labour are usually those who are socially and economically at a disadvantage, being the most vulnerable members of the community and the household: the youngest, the oldest and the women. They are also the people who are of least interest to policy makers, in Indonesia as in most other parts of the world.

Thus, more empirical information is necessary on all aspects of family labour, including whether and when it is remunerated. This is in order to fill a large gap in our knowledge and understanding of social phenomena and to forge the tools for suitable policy interventions.

Better analytical understanding of the mechanisms related to the remuneration of family labour is also needed, from an economic as well as a demographic perspective. In economic terms it is important to understand how different branches of production make use of family labour as part of strategies for survival, and the implication this has for their future.

From a demographic perspectives, the presence of remuneration of the labour of children adds an unexpected component to old debates. In this sense, it is useful as a remainder that simplistic ideas on child labour as either economically valuable or not valuable to parents, is bound to be of very little use in the understanding of their impact on reproductive behaviour.

The paper also leads to a number of policy considerations. The paper confirms that many children and young people work, thus reiterates the need for policies which safeguard their rights and welfare. The paper stresses the importance of such labour for rural small scale enterprises, for rural people and their economy, as well as for the children themselves. Much has been said of the misguided nature and futility of measures which simply try to outlaw child labour. Thus policy considerations concern the necessity to protect the physical and mental health of working children. For example, policy interventions in support of small scale industries could be directed to improve working conditions as well as to maximise earnings. Improvements in the space, light and environment of work places, and in the safety of the tools and materials employed would benefit adult and child workers alike. Such improvements would have an even more considerable impact on household based enterprises, where living and working environment are one and the same.

Policy interventions in favour of entrepreneurs are usually in the guise of facilitating access to capital, marketing and training. Training is usually in matters of management and skills. Here there is scope for educating entrepreneurs to understand and respect the rights of workers in general and of specific categories of workers, such as children and apprentices. Furthermore, access to advanced skills and modern technologies of production should not be limited to entrepreneurs, but opened up to workers, included the family workers found in small scale enterprises. Acquisition of effective skills are particularly important for young workers, as they represent the work force of the immediate future.

A special area for concern should be education. The paper has shown that work sometimes provides the financial means through which children can continue attending school. However, the demands work makes on the time and energies of children should never prevent them from being educated. Policy interventions can play an important role in this area. Ideally, opportunities for schooling should be flexible and accessible enough to be compatible with part-time work. Furthermore, the contents of education should match children's real needs, for example by having a vocational component which reflect available employment opportunities. In many cases children prefer work to school because they find curricula and style of teaching uninspiring. Education should be interesting enough to compete favourably with the non-financial attractions of working.

Finally, policies which aim at regulating the fertility behaviour of people should be developed and implemented with an appreciation of the important role children play in production among many households, especially in developing countries.

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