Notice of the Final Oral Examination
for the Degree of Doctor of Philosophy

of

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MA (Portland State University, 2005)
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“Essays on Children’s Well-Being in Developing Countries”

Department of Economics

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1:00PM
David Turpin Building
Room A144

Supervisory Committee:
Dr. Pascal Courty, Department of Economics, University of Victoria (Co-Supervisor)
Dr. Elisabeth Gugl, Department of Economics, UVic (Co-Supervisor)
Dr. Zheng Wu, Department of Sociology, UVic (Outside Member)

External Examiner:
Dr. Fernanda Estevan, Department of Economics, University of Ottawa

Chair of Oral Examination:
Prof. Linda Hardy, Theatre Department, UVic

Dr. David Capson, Dean, Faculty of Graduate Studies
Abstract

Child labor can affect human capital investment of children, as the daily available time is limited and an increase in time devoted to child labor reduces the available time for investment in human capital. The tradeoff between child labor and human capital investment is important, as the accumulation of human capital is a crucial factor in curtailing poverty and accelerating development plans undertaken by developing countries. The United Nations Convention on the Rights of the Child emphasizes the importance of education and urges nations not to engage children in work that may interfere with their education. This research is comprised of four chapters that study the relationship between human capital investment and child labor. In the first chapter, I examine the available theoretical and empirical literature to determine the main factors that affect the tradeoff between child labor and human capital investment. The literature identifies income, access to credit, returns to education, and parental preferences as the main factors. In chapter 2, I investigate and analyze the Egyptian’s SYPE dataset that I use in chapter 3 and chapter 4. The SYPE is the most recent household survey dataset that provides data on education and child labor of Egyptian young people. In chapter 3 and chapter 4, I use the SYPE data for children aged 10 to 17 to study the relationship between child labor measured by household work and human capital investment measured by hours spent in schooling-related activities and by school attendance.

Chapter 3 focuses on the gender difference in household work and human capital investment and introduces an identity framework (Akerlof and Kranton, 2010) to explain these differences. The chapter first establishes the puzzle that although females spend about twice more time in household work relative to males, there is no difference across gender in human capital investment. This is a puzzle because one would expect that the extra burden on females should impair their ability to invest in human capital and prevent them from ‘catching up’ ending up with the same amount of human capital investment as males. To resolve the puzzle, I introduce a model of identity where there are two social groups, males and females, and social norms determine time allocation for each social group. The model of identity should be understood as an additional framework, that supplements standard time allocation and human capital investment models (Becker, 1962). It captures differences across genders that are difficult to understand otherwise. I infer the norms from sociological research as well as from answers to questions in SYPE that shed light on gender expectations. The evidence on norms is surprisingly consistent with the time allocation patterns. Thus, a simple model of identity suggests that norms play a large role in explaining gender differences in time allocation and females’ ability to ‘catch-up’ in human capital investment despite a heavier household work burden. In the fourth chapter, I study the impact of household work on girls’ human capital investment using an instrumental variable approach and two-stage least squares (2SLS). Human capital investment is measured by school attendance and hours spent in school-related activities. Access to public services, and sisters-to-siblings ratio are used as instruments for household work. I do not find a significant effect of household work on girls’ school attendance. Measuring human capital investment by hours spent in school-related activities, I find that household work has a significant and sizable effect on human capital investment for girls. Increasing household work by one hour reduces hours spent investing in human capital by 2.096 hours. The effect of household work on hours of human capital investment occurs through the effect of household work on homework and private tutoring time, as the effect of household work on time in school is insignificant. The effect of household work on homework time is higher than its effect on private tutoring time (0.612 and 0.572 respectively).