

Child labor, fertility, mortality, and economic growth

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Abstract.

This paper analyzes how child mortality affects fertility, child labor, and the investment in education in the economy where skilled and unskilled workers co-exist, employing a three overlapping generations model. Improvement in child mortality has different effects on different workers. The paper compares taxation policy and a ban on child labor policy, which demonstrates that while taxation policy decreases the proportion of skilled workers in the economy, even though a ban on child labor decreases the welfare of the economy, it helps the economy converge to the high proportion of skilled people and hence that get to high output per capita.