Influence of Credit Rationing on Child Labour in Poor Household in Sri Lanka (Special Reference to Hulandawa Estate in Matara District)

Priyadharsan, S.; Channa, A.M.

Department of Business and Management Studies, Trincomalee Campus
ssubathini@yahoo.com.au, channamadura24@gmail.com

Abstract
Children's participation in the labor force is endlessly varied and infinitely volatile, responding to changing market and social conditions. Credit rationing and child labor which are common to the poor community, this study is conducted influence of credit rationing on child labor in poor Household in Sri Lanka in case of the laborer community in Hulandawa estate.Objectives of the study are to identify the factors influencing the credit rationing, to identify the factors influencing the financial difficulties in Hulandawa Estate and to provide the suggestions to reduce the child labor working in Hulandawa Estate.Fifty households selected as the convenient sampling method. Independent variables are the attitude of parents, student education and the influence of the credit market and the dependent variable is the impact of child labor. Based on the descriptive analysis results revealed that all the variables moderately supportthe system. People access to credit via both formal and informal financial market. The rural bank is the formal lender in the estate while, the informal sector refers to the non-institutional or unorganized financial sources, which consists mainly of moneylenders, traders, pawnbrokers, and landlords. The survey results revealed that financial difficulties are the main reason for not attending school.Normally, female children engage in state work especially picking tea leaves and male children engage in work collecting Katupol.

Key Words:*child labour, credit market, poverty*

Introduction

Sri Lanka‘s life expectancy and literacy rate are nearly on par with those of developed countries, and even top the rankings for the South Asian region.The data released by the Department of Census and Statics (DCS) for 2012/13 indicated that the poverty headcount ratio (6.7%) which is the percent of population earning below US $1.25 a day (PPP) in Sri Lanka declined from a 14% in 2002 to a 7% in 2007and increased 8.9% in 2009/10 and decreased 6.7% to 2012/13 in all the sectors such as urban,