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## Household's Non-Leisure Time Allocation for Children in Indonesia

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### Abstract

This study is an attempt to provide an understanding on why an Indonesian child is doing one activity and not another one. Households are assumed to maximize their utility by making decisions about time allocation for their children among four different activities: school only, work and school, work only, and neither work nor school. Using data from The National Socioeconomic Survey (SUSENAS) in Indonesia, the impact of child, household and community characteristics were examined along with basic services and infrastructures on children outcomes. The results show that having basic services significantly affects the probability of combining work and school, work only and neither work nor schooling. However, no significant impact is observed on the probability of children attending school in the year of the survey.

**Keywords:** Non-Leisure Time Allocation, Child Labor, Indonesia, Multinomial Logit

### Introduction

In Indonesia, children stereotypically initiate working around age five. Recent labor force survey revealed that labor force participation rate of children ages 10-14 was about 3.7% in 2016 (UNESCO Institute of Statistics, 2018). In addition, approximately, 82% of the total numbers of children (58.8 million) attend school. Hence, for children who are involved in economic activities while simultaneously attending school, the extent of how labor supply affects the quantity of time that is allocated to develop skills comes into question. Moreover, 6% of the total numbers of children are in the category of neither work nor schooling. There are several reasons which hinder children from going to school. For children, their time allocation is decided by parents, who directly affect the child's current utility. It has been argued that the households wherein children live determine the ways how children spend their time. According to Bonsang and Faye (2005), households allocate time for different activities among their household members through an internal mechanism. In addition, they also allocate household resources for consumption, saving and investment including human capital formation between themselves.

Thus, children's activities heavily rely on factors that may affect household's constraints, opportunities and incentives. The decision of sending children to school or not