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Addressing Child Labour in the Bangladesh Garment Industry 1995-2001

A synthesis of
UNICEF and ILO evaluation studies of
the Bangladesh garment sector projects

New York and Geneva
August 2004

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1. Introduction

This synthesis paper is based solely on the separate evaluation studies conducted by UNICEF and the ILO of the Memorandum of Understanding (MOU) programme in Bangladesh. These are: *Assessment of the Memorandum of Understanding (MOU) regarding Placement of Child Workers in School Programmes and Elimination of Child Labour in the Bangladesh Garment Industry (1995-2001)* completed by UNICEF in 2003; *Combined evaluation of ILO/IPEC garment sector projects as part of the Memorandum of Understanding framework with the Bangladesh Garment Manufacturers and Exporters Association* completed by the ILO in 2004; and *MOU Tracer Study* completed by the ILO in 2004.

In July 1995, a Memorandum of Understanding was signed between the ILO, UNICEF and the Bangladesh Garment Exporters and Manufacturers Association (BGMEA) on behalf of the employers, to address the summary dismissal of thousands of child workers from the garment factories which had started in 1993. The intention of the programme was to remove children from factories and place them in schools. The MOU programme is among the best-known child labour interventions of the last decade. It had wider significance concerning what is best for working children with much subsequent debate around the notion of the MOU programme as a model. Additionally, the attention that the MOU programme received both nationally and globally helped put the child labour issue on the map at the end of the 1990s.¹

From the outset of their involvement, the ILO and UNICEF have sought to obtain full information on the nature and extent of child labour in the Bangladesh garment industry and have been engaged in finding out what happened to the dismissed child workers. Studies have been undertaken on various aspects of the MOU programme that assess its assumptions, consequences and impacts. In addition to questions about the fate of dismissed child workers, the respective roles and responsibilities of the key partners – the ILO, UNICEF and the BGMEA – as well as the Government of Bangladesh called for analysis. Partly as a response to this, the ILO and UNICEF undertook evaluation studies during 2002-03.

The purpose of this paper is to provide a concise synthesis of the main findings and lessons learned from these ILO and UNICEF evaluation studies, both in terms of the main project components, such as education and monitoring, and of the programme as a whole. It is important to note that the evaluation studies focused on the period *after* the MOU came into force. What happened to children who left the garment industry prior to 1995 was not assessed.

2. Background and context

In the early 1990s, the garment industry was the main engine of Bangladesh's economic growth, accounting for 70 per cent of the country's exports and most of its modern sector jobs. In 1992 there were 1,500 factories employing 750,000, mainly female workers. Around 10 per cent of these workers were under the legal minimum age of 14 years. The industry was worth US\$1.4 billion in 1993, which is more than Bangladesh's total foreign aid assistance. The US market accounted for more than 50 per cent of the industry's earnings.

¹ Phase II of the MOU ended in December 2001.

The vulnerability of the industry to a single market was exposed after 1991 when trade unions, human rights groups, consumer and religious organizations, under the umbrella of the Child Labor Coalition, promoted legislation to prohibit imports into the United States of products made with child labour. The early 1990s witnessed the intensification of debates concerning social clauses in international trade agreements linked to core labour standards such as the abolition of child labour. As a consequence of intensified globalization, there was a growing concern, particularly from the labour movement, about a “race to the bottom” in which workers’ rights and working conditions worsen as countries seek to be more competitive.

The garment industry in Bangladesh became the centre of these debates, illustrating the profound impact of the dominant market. In 1992 a bill was presented in the U.S. Senate to ban imports made with child labour. Though this legislation was never passed, the BGMEA responded by urging its members to remove under-age workers from their workplaces in conformity with the national Factory Act that set a minimum age for employment of 14 years. In an ensuing climate of fear and panic, abrupt dismissals of many thousands of child workers began in 1993. It was reported that as many as 40,000 to 50,000 children were laid off. There was much speculation at the time that many of these children had taken up more hazardous work in the informal economy, including prostitution. This perception persists today.

It was also reported at the time that children took to the streets and put together a petition. Shortly thereafter, the ILO undertook the first study of child workers in the urban informal economy, including the garment sector. From this study it emerged that 70 per cent of child workers in the industry were girls and that there was a pattern of informal recruitment, typically around 11 years of age, to do mostly casual jobs. The mean age of these children was 13 years. Moreover, in this Muslim society, garment work provided girls with one of the few windows of opportunity available to them - relatively safe and well paid work outside of the home.

When the BGMEA announced its self-imposed deadline of a child-labour-free industry by 31 October 1994, both the ILO and UNICEF sought to design an appropriate response. Given the political sensitivity surrounding the issue of child labour in the garment industry, it took over two years to arrive at a solution agreeable to all parties. Though it was widely agreed that the removal of children from the industry would be in line with international standards and was desirable in the long term, abrupt dismissals without a better alternative, namely education, were not in the best interest of all the children. In 1994-95 an agreement emerged in which the BGMEA was persuaded to set aside its deadline in favour of a phased and measured programme. The MOU was signed on 4 July 1995 by the BGMEA, the ILO and UNICEF and endorsed by the Government of Bangladesh.

3. The MOU

The purpose of the MOU programme was the removal of child workers from the garment industry and their placement in appropriate education programmes. The MOU agreement was designed to facilitate doing this in a collaborative way, making best use of the comparative strengths of the BGMEA, the Government of Bangladesh, the ILO and UNICEF. Initially, the main components of the programme were: a fact finding survey; a restraint on new recruitment of child workers; a temporary halt to terminating under-aged workers until an education programme was in place; a non-formal education

programme², including educational stipends; and a monitoring and verification system³. In 2000, additional components were added on skills training and credit and income maintenance⁴. Coordination was provided by an informal Steering Committee comprising representatives of the BGMEA, the Government of Bangladesh, the ILO, and UNICEF, with the US embassy as an observer.

The division of labour, as jointly planned and set out in the MOU, roughly translated into UNICEF taking the lead in education and the ILO in verification and monitoring. UNICEF developed the education programme with NGO partners with the first non-formal education (NFE) centres opening in January 1996.⁵ Over 300 NFE centres were subsequently set up in locations accessible to the children and were staffed by trained teachers. The ILO focused on developing the monitoring and verification system, which was fully functioning by late 1996. The skills training and micro-credit projects started in late 1999 once resources had been mobilized. These were also implemented by NGOs.⁶ A second MOU was signed in July 2000 for a duration of 12 months. In addition to maintaining the commitments of the first MOU, the second MOU focused on sustainability and looked to develop a long-term response to the problem of child labour monitoring in the garment industry.

Although these various projects were developed to complement each other and build on the strengths of each partner, the haste to get them funded and underway precluded initial detailed analyses of the situation, such as baseline studies. In addition, some elements of a joint effort, such as an appropriate framework for evaluation, staffing, and other elements did not receive sufficient attention. In July 2000, in accordance with standard practice, the ILO began its evaluation of the USDOL-funded components through a stakeholders' workshop. Towards the end of 2001, UNICEF initiated its own assessment of the education component. In March 2002 the ILO and UNICEF came together to form a Joint Technical Advisory Group (JTAG) and prepared an overall evaluation framework for the MOU programme which encompassed the previous assessments and evaluation studies. This framework recognized the fact that the ILO and UNICEF would continue to evaluate their components separately and that subsequently an overall synthesis would be prepared.

4. Methods used in the studies

The studies adopted a mix of methods. The ILO evaluation used standard project evaluation methodologies such as focus group discussions, stakeholder analysis and workshops, project site visits, and examination of documentary materials. The ILO tracer study of the children benefiting from the skills training and income generation components used both quantitative and qualitative methods. It relied on a sample of 350 children formerly working in the garment industry who were divided into equal sub-samples by component and one sub-sample of retrenched but not enrolled children,

² The education work was carried out under the direction of UNICEF, with funding support from the UNICEF National Committees of Germany, Italy, Japan, USA and United Kingdom, U.S. Dept. of Labor (USDOL) and the BGMEA. The assessment was supported from funds received from the Government of the Netherlands.

³ The monitoring system was carried out under the direction of the ILO and the Government of Bangladesh, with funding support from the USDOL and the BGMEA.

⁴ The skills training was carried out under the direction of both ILO and UNICEF, with funding from the Italian Social Partners and the Norwegian Government (NORAD).

⁵ The NGO partners responsible for the non-formal education centres were Gono Shaha jjo Sangstha (GSS), and Bangladesh Rural Advancement Committee (BRAC).

⁶ The NGO partners responsible for implementing the skills training were UCEP and UCEP, MAWTS, Singer, BG-TTC, TTC Mirpur, MIT, SUSIT, Surovi, Concern, Silicon Valley, EADS, SIET, Audrija.

which served as control group. The children were traced through a snowballing technique and with focus group discussions and interviews with community members, teachers and parents of learners who could help in the tracing of children.

UNICEF conducted a tracer study of children involved in the educational programme. It used a quantitative survey that traced a representative sample of 2,167 children drawn from a census of 23,391 households with similar profiles. It was important that the sample comprised different categories of children retrenched from the garment industry, comparing them among themselves and with a control group of children not employed in the garment industry. One of the objectives of the study was to develop child-centred assessment tools that allow for children's participation. The combined approach of a quantitative sample survey and qualitative focus group discussion contributed towards this. Focus group discussion was also used with other stakeholders. Interviews were conducted with key informants who played a central role in the negotiation of the MOU and those involved in its subsequent implementation. Observations during project site visits were also undertaken. A variety of documentary materials relating to the history of the intervention as a whole and the development of its project components were reviewed.

5. Limitations and constraints of the ILO and UNICEF studies

The main challenges of the programme were to establish the schools and the monitoring mechanism; to obtain agreement among all key parties on goals and objectives; and to mobilize the necessary financial resources for the components. Two surveys were conducted in October 1993 and November 1995 to identify potential beneficiaries - children either working in the factories or at risk - and to explore the circumstances of their employment, with the purpose of guiding programme responses. By 1996 the monitoring system introduced by the ILO project had collected current data on children in the garment industry. Nonetheless, the lack of sufficiently robust data restricted the UNICEF study to an *assessment* (with a tracer study element) rather than an evaluation.

In setting up the programme in 1995, the baseline information collected on the children included only the minimum of data (e.g. age, parents, etc.). The addresses provided were only accurate for a short period of time as the garment worker population is highly mobile. In some instances, the slums where most of the children lived had no official street or house designations. Thus, locating the targeted children and getting a large enough random sample in all relevant sub-categories to obtain statistically significant results was a major challenge. In the end, a statistically significant sample was achieved by using the clustering of the children and households in areas from which the targeted children might have come. The methodology, therefore, had to first establish the universe from which the samples of different categories of children were to be selected by conducting a census of over 23,000 households in some 50 *bustees*⁷ around the garment factories. While project activities were intensified, inadequate attention could be paid to updating the records on beneficiary children. This meant that when the evaluative studies were ultimately carried out, it was quite difficult to locate these children.

⁷ A *bustee* is a slum dwelling in urban areas housing varying numbers of families.

6. Findings specific to components of the MOU programme

This section examines the evaluation and assessment findings, organized according to the main project components of the MOU.

6.1 Education: Enrolment, completion and learning

The primary objective of the MOU was, in conformity with ILO standards, to remove under-age workers from the garment industry and to send them to school. The key issue regarding enrolment was whether or not the children expected to go to MOU schools actually went to such schools. Before the MOU projects started, many children had already been retrenched despite the agreement, and therefore fell through the net. In all probability, they never knew about the availability of the MOU schools and the stipend. Once retrenched, children were neither eligible for enrolment in schools nor the stipend. Additionally, children who were over 13 years old, and those that may already have attended primary school may not have been candidates for MOU schools. Completely accurate estimates of the number of children expected to enrol in MOU schools and the proportion that finally enrolled were difficult to obtain for several reasons: the rapidly fluctuating economic climate; the consequent high mobility of garment workers (including children) both among factories and between the cities and rural areas; and the accidental loss of some records.

Nevertheless, following the signing of the MOU, a listing of all under-age children in the BGMEA registered factories was carried out through the ILO's intensive and on-going verification and monitoring process. This process identified 27,951 children during the period August 1995 to December 2001. By the end of 2001, 336 MOU schools had been set up and 8,509 children had enrolled. This would suggest, therefore, that around 30 per cent of children working in the garment industry during this period went to MOU schools.

Many factors prevented children from going to MOU schools. Prime among them were the lack of schools in the first place, poverty and a lack of awareness of the MOU programme and stipends. In later years, distance to school was also found to be a factor. Only around half of the non-enrolled children were aware of the MOU education possibility at the time of retrenchment. The irregularity and non-receipt of stipends was also a key factor in children dropping out of MOU schools. Once children had been to an MOU school, there was a demand to continue because of its child-friendly ethos and the experience had a positive impact on their educational attainment in terms of literacy and general knowledge. Children in MOU schools *were* learning.⁸ Child work, on the other hand, with no education, was found to exert a negative impact on learning achievement.⁹ There were no gender differences in learning achievement provided that similar opportunities were given to both boys and girls.¹⁰

⁸ UNICEF: *Assessment of the Memorandum of Understanding (MOU) regarding Placement of Child Workers in School Programmes and Elimination of Child Labour in the Bangladesh Garment Industry (1995-2001)*, Regional Office for South Asia, Kathmandu, 2003, p. 30.

⁹ *ibid.*

¹⁰ *ibid.*

6.2 Skills training

The delay in providing the necessary assistance at the time when children were leaving the factories and actively seeking alternatives was one of the main reasons for the low school enrolment, and it is certainly the main reason for the relatively small number of children who benefited from the skills training component. In order to enrol in the skills training programme, children had to be enrolled in and regularly attend a MOU school for two years, be not less than 13 years old and preferably over 14, and be committed to completing the training.¹¹ These criteria limited the number of children eligible for skills training. During the first MOU, there was a clear record of the number of children in the schools and their ages, and it was noted that approximately 800 children would turn 14 years in the second half of 1997 (and thus be eligible for skills training) and approximately 3,000 more in 1998 and 1999. But before the projects were operational in late 1999 and 2000, the majority of the children had left to find work elsewhere. As a result, the skills training projects could not meet their target numbers from MOU children alone and therefore expanded the beneficiary group to include siblings of MOU children and other working children. Since this measure had the added benefit of preventing younger siblings from entering the labour market, it led to an increase in the total number of children participating in skills training.

The skills training component was effective in terms of cost and quality. The projects selected the best providers at competitive cost. Project experience demonstrated that training costs per child were less than the standard costs incurred by service providers for their own trainees as a result of several efforts to cut costs (e.g. training location)¹². Skills were offered on the basis of the child's age, level of education and expressed interest. The types of skills offered included tailoring, carpentry, auto repair, plumbing, handicrafts, food processing and electronics. By the end of 2003, it was estimated that approximately 4,000 children had benefited from skills training. It was estimated that over half of the children were subsequently either pursuing education or in employment related to their skills training.¹³

6.3 Monitoring and verification

From December 1996, 12 monitoring teams were in operation. Each team consisted of two ILO monitors, one government monitor, and one BGMEA monitor. Each monitoring team included at least one female member. There was, and has been, no trade union or NGO representation on these teams due to BGMEA claims that these groups lack objectivity.¹⁴ The role of the monitoring teams was to inspect the garment factories for under-aged workers, to arrange for their removal and transfer to NFE schools; to do a follow-up inspection of the schools to ensure the transfer had been made; and to counsel both employers and workers on the child labour and child protection laws.

¹¹ In practice it became difficult to stick rigidly to the age criterion. Many children left school as soon as they reached 14 years or were not interested in skills training. Moreover, since the training period varied from 6 months to a year, attempts were also made to admit children at an age that would enable them to take up wage or self-employment soon after graduating from the skills programme. The skills training component therefore took children aged 12-14 years, depending on the nature of the trade.

¹² IPEC: *Combined evaluation of ILO/IPEC garment sector projects as part of the Memorandum of Understanding framework with the Bangladesh Garment Manufacturers and Exporters Association*, (Geneva, ILO, 2004), p. 30.

¹³ *ibid.*

¹⁴ *ibid.*, p.21

The number of BGMEA factories fluctuated in response to demand, however, and at the time of the ILO evaluation an average of 2,400 to 2,500 were operating. To ensure that this large number of factories were monitored with sufficient frequency, they were graded A, B or C, according to whether or not violations had been previously found. Those in category A were visited every 4 months, B every 2 months and C every month. If any factory had three clear inspections it was moved to a higher grade. If any child labour was found, the factory immediately went into grade C. Over time, there has been a steady increase in factories in grade A. In 1997, 42 per cent were in grade A. This rose to 89 per cent in 2001, and by 2003, 92 per cent were in grade A.

There is widespread acknowledgement by the industry and its observers - as well as by the studies - that the monitoring and verification system has been effective in removing and preventing child labour in the garment factories.¹⁵ Moreover, the BGMEA acknowledge that without this system, and its credibility, the garment industry would have collapsed, taking with it 60 per cent of Bangladesh's GNP. Indeed, there has been a continuous decline in child labour in the garment industry since the MOU was signed in 1995. By 2001 around 7 per cent of factories were employing child labour, and in the first nine months of 2003 this was down to around one per cent. Child labour in BGMEA factories is now virtually zero, though it has not completely disappeared. Moreover, although this cannot be substantiated with available data, it is highly probable that a considerable number of children have been prevented from working in the garment industry due to the threat of sanctions and the changed attitude of employers.

Set against this achievement, the ILO evaluation nevertheless pointed to a failure to build institutional commitment with national stakeholders to take over the monitoring function, either by providing the necessary monitors or financing.¹⁶ In the case of the MOU, the capacity of the Inspectorate did not increase during the MOU period with just 64 inspectors for 20,000 registered factories. However, it must be noted that the ILO evaluation identifies the tripartite monitoring involving employers, the government and an independent organization as a good practice which would sustain international confidence in the Bangladesh export sector.¹⁷

6.4 Income compensation

Three measures were adopted under the MOU to encourage children to go to school by compensating, to some extent, the lost income due to retrenchment. These were: employment substitution of children by an adult family member; a stipend of Tk. 300 per month to the former garment workers if they enrolled in an MOU school; and other income generating opportunities through micro-credit to their families.

Family employment substitution within the garment industry did not often materialize because in many cases there were no other family members able to take the job of a retrenched child given the nature of the work that the children were doing (usually relatively low-skilled and at a lower rate of pay).

The second measure, the stipend, was either not widely known or did not adequately compensate for the income loss resulting from retrenchment. It should be recalled that

¹⁵ IPEC: op. cit. p.22.

¹⁶ For example, under the second MOU the BGMEA had still not fully paid its outstanding contribution to the project, nor was the Government in a position to permanently assign adequate Labour Inspectors to the garment sector. (see IPEC: op. cit. , p.20).

¹⁷ IPEC: op. cit, p. 18, 23..

Tk. 300 a month was intended to be an incentive to go to school rather than income compensation. At the time of implementation, this figure may have been close to the basic earnings of child workers, though it was not uncommon in some factories for a child worker to earn with overtime around Tk. 1000 a month. By the time the stipend was phased out, TK 300 represented perhaps only a third of basic earnings due to the change in wage structures. Only a third of stipend recipients (the children) reported that it had helped them to cope.¹⁸ Indeed, most of the families of the children who lost their jobs in the garment factories and who went to MOU schools suffered a significant income loss.¹⁹

The third measure, the income generation component, was designed in the summer of 1997 and went into operation in December 1999. It offered both micro-credit and entrepreneurship training for families. Though the coverage of families was small due to the limited financing available (just 451 families received micro-credit to a maximum of Tk. 15,000 for the first time and Tk. 25,000 for the second), the studies showed that the families experienced significant social and economic improvement and that they demonstrated an increased commitment to sending their children to school. A significant limitation to this component was the short life span (less than two years) in that the ILO evaluation study concluded that an optimum of three credit cycles is necessary for a sustainable impact for such initiatives.

7. Findings related to the MOU programme as a whole

This section looks at broader issues concerning the MOU programme as a whole.

7.1 Hazardous work

Perhaps the most controversial and debated aspect of the MOU programme as a whole was whether the dismissed children, both before and after the agreement, were better off as a result of the various interventions. There has been considerable speculation and reporting, which continues to this day, that a considerable number of children were forced into hazardous work, in particular, sex work. Arriving at an assessment on this issue is difficult for many reasons, not least its sensitivity, the lack of precise information and the lapse of time. *In particular, it is difficult to capture the aspect of sex work through self-reporting* – the method used in this part of the assessment.

The vast majority of children reported that retrenchment had an adverse impact on them, six per cent said that they were forced into hazardous work²⁰, such as brick chipping, pushing carts and rickshaw pulling. Of this six per cent, more boys than girls reported going into hazardous work. Similarly, children who did not go to a MOU school or who dropped out were more likely to go into hazardous work. Of those girls surveyed who did not enrol in a MOU school or who dropped out, around 1 per cent stated they were *aware* that young female workers had been forced into prostitution after being retrenched. This is the only indication in the studies, given the cultural norms of this society, of the number of girls going into sex work.²¹ It reveals that the number of ex-garment worker children going into hazardous work, including sex work, is probably

¹⁸ UNICEF, op cit., p. 31.

¹⁹ *ibid.* p.32

²⁰ Note that the only allusion to sex work is drawn from UNICEF, op.cit, table 3.14, p. 56.

²¹ UNICEF, 2003, p.32. See also table 3.14, p.56.

much less than was portrayed in the media. It must also be noted that the MOU programme was launched around two years after the retrenchment and that the data do not indicate when the children took up hazardous work. It is important to note that the studies point out the need for preparedness by national agencies and international organizations in responding in a timely manner to prevent and protect children with a package of services for the children and their families.

7.2 Welfare effects

Since most of the child workers entered the garment industry because of poverty, retrenchment and the consequent loss of income without adequate compensation could be expected to have an adverse effect on them and their families. The key questions again relate to scale, timing and approach. It is also important to examine these impacts both in the short and long term. The vast majority of children – around 80 per cent – reported that their food consumption was reduced when they lost their jobs in the garment industry. Losing a job also affected their access to health care and treatment.²² The assessment found that no major differences were seen in food consumption pattern in the long term, however.

Health education was included in the MOU education programme. Despite this, there was little difference between MOU and non-MOU children on improved healthy behaviours. This may be due to greater access to information via television and compensating services provided by NGOs to garment workers in general.

7.3 Future occupation and earnings

The importance of the short-term versus long-term distinction is best seen in the analysis of future occupation and earnings. The education programme was premised on the child rights argument – all children have the right to education – not as a guarantor of future employment. That said, to maximise the chances of future employment, it was critical to follow through with the *entire package*: going to an MOU school and getting and completing skills training. Though there was a short-term advantage to remaining in the garment industry in terms of employment status and earnings, in the long-term the benefits of education are evident.

In comparison to those who remained in the garment industry, the educated children, particularly those with skills, start off at a higher wage when employed, are more mobile, and see a greater proportionate increase in their earnings in subsequent jobs.²³ Their working hours and conditions also tend to be better than those who remained in the factories, perhaps due to increased confidence and negotiation skills. Moreover, girls who completed an MOU education and the skills training were earning better wages compared to those who were retrenched and did not go to school. The wage differential between boys and girls was also reduced. Educated girls are also more aware of the gender-based wage differential and are more mobile across jobs, which also helps to reduce the gender differential in earnings.

7.4 Long-term social impacts

²² UNICEF, op.cit. p.35.

²³ *ibid.*, p.38 [no numbers of children available].

Education in MOU schools and skills training helped to delay the age of marriage. Some 87 per cent of the children who received skills training after the completion of MOU schooling were not married at the time of the interview. Only 56 per cent of the non-retrenched children were not married, however. Among the married non-retrenched children, 42 per cent married at the age of 14 years or below compared to only 27 per cent among the married MOU school children. Delayed marriage has long-term positive impacts on girls' health and longevity. Additionally, there was some indication that children from the MOU schools were able to participate in and have greater influence on parental decisions regarding marriage age and partner.

The MOU education programme had a positive impact on the demand for education among younger family members. It influenced recreational habits, such as reading newspapers, and on decision-making powers and self-esteem. In particular, children realized the importance of education, with over half of the beneficiaries aware of education as a human right. Additionally, MOU children had a higher level of awareness of hazardous work. The education component of the MOU can be credited with contributing to this acknowledgement of the long-term benefits of education.

The micro-credit activities have also reinforced these important social impacts. Persons who received credit were parents of the garment worker children²⁴ and were found to operate as active agents in an otherwise traditional setting.²⁵ The ILO evaluation study noted that women who received credit are articulate, assertive and have leverage in decision-making in family matters as well as in the context of business and investment. Involvement of other family members in business enterprises has facilitated the development of collective strength among the beneficiaries. These activities also enhanced the knowledge base of the beneficiaries in terms of their rights and opportunities. One important consequence has been an increase in the demand for education, leading to greater economic empowerment and awareness.

7.5 Cost-effectiveness

The issue of cost-effectiveness is difficult to address precisely because the data do not allow us to quantify prevention – the number of children who would have ended up working long hours in the garment factories but did not because of the MOU programme. The partners (BGMEA, ILO and UNICEF) invested around US\$3.8 million in the MOU programme from 1995-2001. Of this amount, about 24 per cent went for stipends, 13 per cent for skills training, 3 per cent for micro-credit and the balance of 60 per cent for education and other expenditures. Clearly, the 8,500 children who went to school directly benefited from the MOU, and many others, even today, indirectly benefit.

8. Lessons learned

A number of major lessons can be derived from the findings outlined above:

8.1 Baseline data and needs assessment

Baseline data, including an effective birth registration system, is important for effective implementation and assessment of initiatives designed to remove children from work.

²⁴ IPEC: op.cit. p.36.

²⁵ *ibid.*,.

Gathering baseline data before or at the outset of programmes is critical. It also needs to take place at regular intervals for evaluation and learning lessons. A universal birth registration system and other baseline data would have helped in reaching the target group of children for MOU schooling faster and to a greater extent.

A more reliable needs assessment would have contributed significantly to a higher quality of programming overall. There was relatively little assessment of children's needs as perceived by them in the design of the various activities. Unless this is done, such programmes may not achieve their objectives.

8.2 Enrolling children in school

Three conditions are necessary for getting working children into school: free and compulsory education; access to quality schools; and effective social safety nets, including, for example, incentive payments to cushion the impact of income loss, a midday meal, income generating support, and, as a temporary measure, 'earn and learn' opportunities. Even a few years of schooling matters as it enables children to start on the path out of illiteracy. Children with only a few years of school still fare better than those who do not go to school at all. The value of education is acknowledged, but it needs to be properly tailored to children's specific needs.

Education provides long-term social benefits to children and their families. It has a significant long-term impact on socio-economic indicators that would be lost if children did not attend school. Its impact pervades the family with demonstration effects on younger siblings. Education and skills training provide long-term economic benefits to children in the form of better future employment opportunities, earnings, and the reduction of wage differentials between boys and girls.²⁶

8.3 Income compensation

Sustainability is an important factor in designing income compensation measures for children removed from work. Financial incentives, such as stipends, exert a positive influence in getting working children into school, but they must be adequate so that families perceive that the stipend and the long-term benefits from education offset the loss of the child's income. It is also noted that these programmes are generally costly and difficult to target efficiently.

Micro-credit beneficiaries should be given entrepreneurship refresher training prior to receiving their second cycle of credit, and the programmes should be designed for 36 months to allow a third cycle of credit. Well managed micro-credit empowers families and reduces child labour through the increased education of siblings.

8.4 Welfare effects

Precipitous action to remove child workers from the worksite without having better alternatives in place, such as education, income compensation or income generating activities, risks sending children into more hazardous forms of work, if only for short periods of time. Putting social safety nets in place parallel, or even prior, to removing children from work is therefore an important consideration if children are not to be worse off as a consequence. Indeed, the UNICEF assessment found that the

²⁶ UNICEF, op. cit., p. 38-39.

overwhelming majority (85 per cent) of children enrolled in an MOU school would have preferred a combination of earning and learning²⁷. An ex-ante assessment of the adequacy of measures to protect children removed from work is important to ensuring their well-being. This may require some form of effective and sustainable income compensation. Universal health programmes and mechanisms to help protect children from vulnerability also help cushion the adverse impact on the welfare of children.

8.5 Timeliness of interventions

The MOU process was constrained by a lack of ready resources at the outset and the fact that this was a totally unprecedented situation. It also presented all of the agencies, and the government, with a programming challenge which required entirely new approaches within a highly politically charged atmosphere. Not all parties looked at the problem from the same perspective - hence even from the start of the negotiation of the MOU, it took time to bring all key parties to a common commitment and plan of action. Such interventions with multiple stakeholders carry high transactional costs and require considerable lead time for mobilizing external support. Education and the other key interventions needed to be ready immediately when children were withdrawn from work. But economic forces, fuelled by fears of loss of the export markets, pushed the employers to jettison under-aged workers from the factories faster than schools could be set up. Given the circumstances, the fact that this comprehensive system could be set up at all is a tribute to the efforts of key individuals among the parties.

8.6 Partnerships

The MOU teaches the importance of partnerships. Interventions with multiple partners need to be effectively co-ordinated through mechanisms such as steering committees that continue in force at least until the final evaluation. No agency can tackle such a complex problem like child labour alone. The implementation of the MOU drew, in the first instance, on the comparative advantages of ILO and UNICEF. But the *sine qua non* of such industry initiatives is the commitment of employers themselves to the solution and the proper involvement of free and independent trade unions, NGOs and children themselves. This needs managing in a sensitive manner. Moreover, employers must equally share the costs and other requirements of such programmes like the MOU, which are responding to exceptional situations, notwithstanding the normal responsibilities of government to provide education, health, vocational training, and other services.

9. Conclusions

Though there can be negative unintended consequences in removing underage children from work without providing viable alternatives, as with the case of children being summarily dismissed in the early 1990s and going into worse forms of work, there can also be positive indirect gains. The MOU, with all its publicity and awareness raising, put the child labour issue on the map in Bangladesh and, to an important extent, worldwide.

It has to be recognized at the outset that the MOU programme has become the prototype for many subsequent interventions in eliminating child labour in the

²⁷ *ibid.*, p.31

manufacturing sector. The MOU was novel. It was also the first large-scale collaboration between the ILO and UNICEF in the elimination of child labour. Both organizations were developing their strategies and learning from this experience. The highly charged and sensitive political environment of large-scale employment of children and their retrenchment posed challenges and contributed to the delays in launching appropriate interventions.

The context in which the MOU was signed is, therefore, critically important to understanding the strategy and approach adopted from 1995. The ILO and UNICEF had to respond to a serious social problem that was advancing extremely rapidly. The majority of the children in the garment factories were dismissed within a period of weeks and apparently already lost from view – i.e. already hard to find and to track. It was also the first comprehensive approach in combating child labour in a specific industrial sector. The challenge was to mount a quick response that would allow child workers to transfer from garment factories to schools. And this had to be consistent with protecting children's rights and in their best interest.

Generally speaking, evaluations examine issues to do with *relevance*, *effectiveness*, *efficiency*, *replicability*, and *sustainability*. While some of the studies examined these issues, for others the situation did not allow these concepts to be analysed rigorously. However, some relevant conclusions can nevertheless be made from the evidence provided.

First, getting underage children out of work and into school is the right strategy. Education is a right of all children and is in their long-term best interest. In the short-term, removing children from industry and placing them in schools can result in a significant income loss for children and their families. This may help explain why the overwhelming majority of children enrolled in a MOU school would have preferred a combination of earning and learning. Such a view of the children themselves should be a consideration in the design of future strategies for addressing child labour. That said, once the possibility of working is no longer there and schools are available, there may be a willingness to attend schools. This was certainly true in the case of the Bangladesh MOU. The MOU centres provided just such an opportunity. Various mechanisms to mitigate the negative effect on the children's and families' income, such as the educational stipends, can exert a positive influence on children going to school. There is, however, a question of the level, regularity, sustainability, and effectiveness of these emergency income compensation interventions and whether or not they are effective over the long term. That some safety nets should be in place prior to removing children from work and placing them in school to mitigate the negative welfare effects should be considered to be in the best interest of the child. Skills training of those removed from work is to be encouraged because of its important long term beneficial effect on children.

Second, a monitoring system is necessary and highly effective in removing child labourers from work and placing them in school. Such systems should be mainstreamed and taken up by the government or a nationally recognised body for sustainability.

Third, a major constraint in developing an effective intervention can be the lack of adequate data. One of the difficulties in getting adequate data in the implementation of the MOU was the lack of a birth registration system. An effective birth registration system would allow for proper targeting of underage children.. Gathering baseline data for each of the project interventions is also critical to arriving at lessons learned.

Fourth, eliminating the worst forms of child labour is a global priority under ILO Convention No.182 on the worst forms of child labour. Although garment manufacturing is not inherently a worst form of child labour, the vulnerability of the retrenched garment workers, especially girls, to be forced into hazardous occupations calls for timely preventive and protective measures. The assessment shows that around six per cent of the surveyed children had gone into more hazardous work, but the possibility of this number being much higher for children removed before the MOU came into force cannot be ruled out. To prevent such outcomes in the future, actions need to be taken rapidly to both get children into school and provide them and their families with transitional safety nets. An important lesson from the MOU experience is that it drew international attention to the fact that just getting children out of work - especially export-related work - is not sufficient. Alternatives must be in place first.

Finally, the MOU experience should not only be considered at the project level; it should be regarded as significant learning experience that contributed to framing subsequent policies in Bangladesh and beyond. It has served as an important model and its major elements have been applied and replicated elsewhere in other export sectors. A case in point is the soccer ball stitching industry in Pakistan that followed a similar agreement in 1997. In the case of the Bangladesh MOU, some things could have been done better in hindsight, and certainly there should have been a faster response. The key elements of the MOU strategy were sound, however. It recognized the need for multiple actions to protect children: from the commitment of the government, to supportive community actions, social protection mechanisms to support children and families at risk, and more open discussion of practices harmful to children. Ultimately, the project was a genuinely collaborative effort of international and local agencies, of government, social partners and civil society.