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**MONITORING AND VERIFICATION SYSTEMS IN
GARMENT FACTORIES AND THE PLACEMENT OF
CHILD WORKERS IN EDUCATION PROGRAMMES**

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**Monitoring
Child Labour
at the Workplace**

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I. Background of the Project:

- 1) This special child labour project is the first of its kind in the world and was the outcome of a number of internal and external factors which affected the fate of thousands of young child workers of more than 2000 export oriented garment factories of Bangladesh. This export oriented garments manufacturing sector is the largest industrial sector of Bangladesh and it involves almost a 6 billion Dollar trade per annum. It employs about 1.5 million workers where majority of them are adolescent girls and women from the relatively lower income group. During the early and mid 1990s a huge number of the garments factory workers were young girls and it was very visible. During those years this sector used to earn about 63% of the foreign exchange of the country and thus the economy of the country was very much related to its earning. But in 1993/94 this sector came under serious pressure when the US importers, triggered by the 'Harkin Bill', threatened to boycott Bangladeshi garments because of the use of child labour in the process of their production. This threat prompted the Bangladeshi garments manufacturers to terminate the young children indiscriminately from their factories. Such rampant termination had thrown these children and their families to a more vulnerable and insecure situation because the earnings of these children were an integral part of their survival strategy. Thus this move to terminate these ill fated children without a proper rehabilitation programme for them, was not appreciated by the NGOs, international organizations, media, common mass, and even by a consumers' group in the USA. At that stage the ILO, UNICEF and the US Embassy in Dhaka started intense negotiations with the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) to find an acceptable solution to resolve this crisis. As it was a very fragile moment for the Bangladesh garments manufacturing sector, the government was actively involved in the negotiation and in formulating an MOU.

Without this MOU and this project it would have been almost impossible to save this sector and thus could shatter the economy of the country. And at the same time, thousands of workers could be jobless and that would have created more child labour.

- 2) In July 1995 the ILO, UNICEF and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) formally signed a Memorandum of Understanding (MOU) to jointly phase out child labour in the garment industry in Bangladesh. In the MOU the three parties agreed to:
 - a) conduct a survey to determine the number of children under 14 working in the garment industry;
 - b) devise and implement a verification and monitoring system for the garment industry;
 - c) set up education programmes for the children removed from work in the garment industry;
 - d) provide compensation to the formal child workers and their families for parts of the loss in income and
 - e) raise the public awareness about child labour and the importance of education.

II. Main objectives:

Elimination and prevention of child labour in BGMEA member garment factories and enrolment of ex-child workers in special Learning Centres.

Immediate Objectives:

- Removal of the children from work and placing them in specially set-up Learning Centres for providing non-formal education, and where possible mainstreaming them into formal school.
- Stipends (as income compensation) to children who had been removed from work and attended Learning Centres.
- Enrolment of ex working children in pre-vocational skill training programmes after completion of non-formal education.
- Establish an independent monitoring and verification system led by the ILO and involving BGMEA- and the Government Labour Inspectors.

III. Project Strategy:

IPEC follows a comprehensive approach strategy in preventing and removing the children from the workplaces and providing social assistance to the identified child workers. The major areas addressed under the MOU one so far:

- Monitoring & verification of child labour in the garment factories (operated by ILO);
- Education and skill training for children withdrawn from the workplaces (under the supervision of UNICEF);
- Skill training and micro-credit for the families (funded by Italian Social Partners' Initiative and NORAD);
- Provision of stipends (financed jointly by BGMEA, ILO and UNICEF).

The project seeks to prevent the recruitment of more children at the BGMEA member factories through a tight monitoring and verification. The project will encourage children and their families to see the positive relationship between education and future employment opportunities as well as the benefits of acquiring skill training and entrepreneurship training. It will also contribute to economic progress by facilitating the continued export of garments, and to social progress by making children able to better understand the society that surrounds them, and their own career options. It will demonstrate to other children, families, and communities the value of a quality education and vocational training.

At the present stage most of the factory management is aware of the implications of using child labour. However, the project continues with awareness raising during the monitoring visits. BGMEA also undertakes efforts through their monitors to target the management of factories which show repeated records of using child labour. In addition special awareness work is

done by the BGMEA monitors at the factory as follow-up to the identification of child workers in the workplace.

IV. Implementation period:

After the signing of the MOU in July 1995, an initial survey was conducted by joined ILO, UNICEF and BGMEA teams to provide information for the education partners and to create a baseline mechanism and data for ongoing monitoring. But actual monitoring and verification system functioning from December 1996 after an intensive child labour collection drive to all the factories within very short time. The first phase ended on 30 June 1998 and subsequently another phase continued for two years under the same MOU. Under a second MOU the project is extended up to June 2001.

V. Process of Monitoring and Verification System:

A fact-finding survey was conducted in 1995 and revealed a total of initial 9,546 child workers in the garment industry during the first survey. Since inception of the monitoring system in 1995 the accumulated number of 27,320 child workers have been identified until September 2000.

1) Strategy of the Monitoring system

To ensure transparency and reliability, the factory monitoring is designed along the following lines:

- Monitoring visits totally unannounced;
- Monitoring visits in a logical defined and maintained frequency;
- Monitoring in teams;
- Divide the area, in zones, where the factories are located;
- Assign each team to a particular zone;
- Rotate the teams over the zones on a regular basis;
- Store information gathered during the monitoring visits in a database on a day to day basis;
- Software scans visiting records and generates timeliness;
- Software lists the factories to be visited on random basis;
- Report on the results on a weekly basis;
- Positive and polite behaviour of monitors during verification visits;
- Information gathered during monitoring visits are treated confidential;

2) Composition Monitoring Team

The garment factories in Bangladesh are mainly situated in the capital city Dhaka and its surroundings and in the port city of Chittagong. In the line of the strategy, Dhaka and Chittagong are divided in zones. At present there are 10 zones in Dhaka and 2 in Chittagong. Each zone is assigned to a monitoring team, which comprises of one BGMEA monitor, one GOB monitor and two ILO monitors. The ILO monitors are gender balanced, having one male and one female in each team. This is not only in the line with the ILO's strategy of promoting equal employment opportunities for men and women, it also gives

the teams the possibility to ask girl-workers certain question necessary to determine their age.

3) *Duties of the Monitoring Teams are to:*

- Visit BGMEA member factories to verify compliance with the MOU;
- Keep appropriate records of each visit and of identified child workers;
- Prepare reports about the visits for the management;
- Advise employers, children and parents about the objectives of the project and the education programme;
- Report violations of the MOU to the management;
- Verify attendance and genuineness of the students of the Learning Centre; and
- Verify stipend disbursement among the genuine students;

4) *Data Processing*

The database system developed for this project comprises 4 databases combined with 12 database programmes. These databases are updated on a regular basis with information gathered during the factory and Learning Centre visits. The first database is used for storage and generation of information about the monthly monitoring results. The second database is used to generate the priority lists of factories to be inspected upon which team has to plan their activities. The third database is used to produce a monthly report regarding children identified after August 1997 as signatories of the MOU decided to penalise the factories who will use child labour after August 1997. And fourth database is used to gather information of all verified genuine ex-garment child workers enrolled in the MOU schools at any time during the course of the project.

5) *Category Label*

Factories were divided in three categories as per the findings in the 1995 survey and the 1996 intensive drive. The category label distinguishes as A, B and C respectively and stands for;

- A = Good co-operation (long time child labour free);
- B = Co-operation but some irregularities occurred (at least during 3 last visits child labour free);
- C = Factories using child labour;

To deploy the monitoring teams as effective as possible, the inspection frequency for each category is determined as follows:

- A category factories once every 4 months;
- B category factories once every 2 months;
- C category factories once every month;

The category label is temporary and can be changed according to the findings of the monitoring teams.

VI. Major achievements:

In the stakeholder evaluation workshop at the end of June 2000, the participants identified these four major achievements of the project:

- Radical decrease of child labour at the BGMEA member factories from more than 43% of factories to 5% according to total inspections conducted by the monitoring teams within four years project period. *Annex-1*
- Identified and withdrew 27,320¹ children from BGMEA member factories in only four years.
 - Provided access to social rehabilitation through basic education, stipends and skills training for ex-working children.
- Devised close co-operation between two UN agencies, the BGMEA as the major business association, the NGOs and the government institutions.

VII. Key lesson learned:

- The success of interventions depends on the continued operation of an independent, credible and transparent monitoring and verification system.
- Child labour issues can be effectively addressed through a sector-wise approach implemented through joint collaborative efforts of the private sector, government and international organisations.
- The provision of an instant income loss alternative is crucial for the ex-child worker to accept social assistance provided by the project.
- Occasional gaps in communications between implementing partners, slow flow of information, and delays in funding, all mainly due to different organisational structures among stakeholders.
- Difficulties in reaching all children targeted, mainly due to the time elapsed between the moment the children were dismissed from work and the time required to set up the appropriate response mechanisms;
- The implementing partners need to exchange and process the child-related data on a common electronic format compatible with the project data bank.
- It is necessary to link the prevention and elimination of child labour with economically viable and socially attractive alternatives.
- Social assistance programmes should be in place before or at the same time that child workers are identified.
- The importance of institutional and organisational aspects such as following through on financial and political commitments is recognised; the need to clarify the role of a steering committee and have the project management in place from the beginning.
- To ensure the sustainability of the monitoring and verification system efforts are needed to increase the capacity of the law enforcement bodies and to develop a Quality Management System enabling the factory management to self monitor his compliance with the Code of Practice and Standards.

¹ Figure as per project statistics, September 2000.

VIII. Strengths and weaknesses of this pilot project:

1) The strengths of the project can be summarised as follows:

- It has saved the country's fledging export sector with more than 1.5 million, most female workers. Losing an export market of 4 billion US dollars, constituting 76% of the total export volume, would have been disastrous for the country's economy.
- It raised the awareness on child labour among the garment factory owners. It brought about full co-operation of the employers with the UN partners to make the sector child labour free, and in doing so, set an example for other sectors and countries.
- It enhanced the co-operation between the two UN sister organisations; ILO and UNICEF.
- It is recognised, both nationally and internationally, as a breakthrough in the approach of the elimination of child labour;
- It has turned out to be a replicable model. Similar projects based upon the BGMEA strategy, are now implemented and/or prepared in Pakistan, India, Thailand, Philippines, Indonesia, Costa Rica, Guatemala and Honduras.

2) Weaknesses:

The following weaknesses of the project can be identified;

- It targets only a tiny portion of the huge number of child labourers in Bangladesh.
- To pay stipends, financial obligations were undertaken, without the certainty of adequate funding. Nevertheless, in leaflets, pamphlets, posters and handouts, we promised the children to pay stipend for every month they attend school. The lack of funds forced the project management to halt stipend payment twice. Part of the dropout is related to this interruption of payment.
- Donors to fund the food-supplementation programme could not be found.
- Complementary components on income generating activities and skill training as mentioned in the MOU only started at a late stage.
- The transfer of working children from factories to UNICEF schools was not satisfactory.
- The MOU does not have a provision for punitive actions against BGMEA members who were violating the MOU. The fines imposed by BGMEA, under pressure from the ILO, UNICEF and the US Embassy, are insufficient.

IX. Replication:

From the very beginning the BGMEA/ILO/UNICEF MOU child labour project attracted a lot of national and international attention. For the very first time, employers and international renowned organisations like ILO and UNICEF, signed an agreement with the private sector in which they committed themselves to gradually phase out child labour in an industrial sector. The project combines a transparent and reliable child labour monitoring system managed by the ILO, with a social rehabilitation programme for the affected children. The success of the project is based upon the close co-operation between the three signatories of the MOU BGMEA, ILO and UNICEF, and the support from the Government and the US Embassy.

This project is highly appreciated, both nationally and internationally. In the two large conferences on child labour, which were held in February 1997 in Amsterdam and in October 1997 in Oslo, its importance as a replicable model was emphasized. The signing of an agreement between Sialkot Chamber of Commerce and Industry (SCCI), ILO and UNICEF in Atlanta on February 14, 1997, to phase out child labour in the Soccer ball industry in Pakistan, is considered to be replication of this model.

SCCI and the buying houses of the big brands, such as Reebok, Nike, and Adidas, organised in the Sport Goods Manufacturers Association (SGMA), were more favour of hiring a private accountancy firm such as Coopers & Lybrand/Price Waterhouse, who is very active in the sub-continent. However, a visit of representatives of SCCI and SGMA to Bangladesh, they were convinced that ILO's approach the right one. Subsequently they requested ILO to establish and manage a similar monitoring and verification system in SIALKOT. ILO-IPEC Dhaka was requested to set-up of the Sialkot Soccer Ball Project.

This project has also demonstrated an effective model of collaboration among different UN Agencies, Government, Employers and NGOs in dealing with social problem and this can be used as an example for addressing other social problems in the same manner.

X. Sustainability

During the MOU-1, the partners experienced close co-operation and effective working relationships. This atmosphere has developed a strong basis for creating a long-term response to child labour in the garment sector and has paved the way for the development of a broad-based program to address labour relations and working conditions.

Although this project has resulted in a dramatic decline in the number of children working in the BGMEA member factories, further efforts are necessary to provide social assistance, in order to ensure that the maximum number of identified child workers benefit from the project.

A new agreement under MOU-2 for one year as a transitional period has been signed on 16 June 2000 at Geneva with the same partners of MOU-1 to develop a broader programme on labour and working conditions in the garment sector and continuing the monitoring and education.

The challenge even today is to secure the child labour reduction achievements at the present level and to reduce it further. During this project period, efforts shall be made by all partners to develop a credible local mechanism, in line with the local capacities, which can be trusted by the national and international stakeholders. This mechanism will not only deal with the child labour issue in the garment industry, but also address with labour and working conditions at the workplace to be eventual in compliance with the ILO Conventions and the Factories Act of 1965.

The system to be designed will be complementary to the conventional GOB Labour Inspections without replacing it. Rather, it will seek to establish linkages between public law enforcement and the private initiatives for practices to assess adherence to and compliance with accepted labour and social standards. A 'self-regulating mechanism' could have an important function in improving the workers' conditions as well the general situation in the workplace. It will represent an innovative approach for a developing economy that is facing the challenge of a rapidly expanding export industry in a world market increasingly sensitive to social and environmental standards.