What do we know about child labour and microfinance?

Root causes and potential interventions

Possible Interventions:
- **Financial education** to understand that school expenditures can be planned;
- Provision of **school savings accounts**;
- Provision of **educational loans** (over longer terms);
- Provision of **school fees loans** (loans to cover associated costs);
- Link social government transfers (G2P) for schooling to bank account.

Possible Interventions:
- Raise awareness / sensitization of management and staff of financial service providers and Associations of MFIs on causes & forms of child labour
- Coordinate/cooperate with local/international partners to raise awareness on child labour among clients of financial service providers (offer training with ILO child labour tools, public awareness campaign via radio broadcast or theatre plays etc.);
- Offer financial services that are conditioned on attending education/training on child labour; and
- Develop, together with clients or the community, a code of conduct to which clients of financial service providers shall adhere.

Possible Interventions:
- **Empower women** with responsibilities of monetary decision-making;
- **Offer productive loans / leasing for income-generation** based on proven entrepreneurial capacity; and
- Link productive loans to business / management training or financial education.

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**Costs & Quality of Education**

- **Vulnerability**
- **Income Poverty**
- **Demand**

**Social Norms**

- **Possible Interventions:**
  - **MFIs can target specific industries or sectors where child labour is prevalent with:**
    - education attached to loans / conditional loans;
    - awareness campaigns;
    - exclusion of clients.

**Possible Interventions:**
- **Access to protective financial services** to provide safety nets against income and expenditure shocks:
  - **Savings** (highly accessible, secure, and liquid)
  - **Insurance** (health, business, credit & death)
  - **Emergency loans**
- Incentivise innovative distribution channels for insurance and use of technology to minimise admin costs
- Link protective financial services with financial education or business development services.

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- **Financial education** to understand that school expenditures can be planned;
- Provision of school savings accounts; provision of educational loans (over longer terms);
- Provision of school fees loans (loans to cover associated costs);
- Link social government transfers (G2P) for schooling to bank account.