

NGO PERSPECTIVES ON PRIVATE SECTOR ENGAGEMENT TO END CHILD LABOUR

1. PREFACE

This paper zooms in on the plethora of activities implemented by the Work: No Child's Business (WNCB) alliance partners to encourage the private sector to take full responsibility in preventing and addressing child labour. It presents two strategies practically applied in the programme to engage the private sector and involve them in a collaborative approach to ending child labour; thus, resulting in a more holistic and sustainable impact on the lives of at-risk or working children.

Throughout the duration of the programme, inspiring practices have been witnessed across the six countries implementing the programme. This paper will focus on the practices applied in two countries, India and Uganda: how was it implemented and what lessons can be taken along for future programming.

2. INTRODUCTION

The WNCB Alliance aims to achieve that all children and youth are free from child labour and enjoy their rights to quality education and (future) decent work. The Alliance is run by Save the Children Netherlands, UNICEF Netherlands and the Stop Child Labour Coalition, together with partner organizations and country offices in Cote d'Ivoire, India, Jordan, Mali, Uganda and Viet Nam. The WNCB Alliance collaborates to address the root causes of child labour and ensure that relevant stakeholders (civil society, governments and businesses) take their responsibility to protect and fulfil children's rights.

Engaging the private sector is crucial for the WNCB Alliance to tackle the complex, systemic issues of child labour. Many children are employed in formal and informal supply chains and production processes of companies, especially in agriculture, manufacturing and mining sectors. The private sector's economic power, supply chain influence, resources, and ability to collaborate make it an essential partner in the global effort to eliminate child labour, particularly in production countries where the issue is most prevalent.

Key international standards like the *United Nations Guiding Principles on Business and Human Rights*, the *OECD Guidelines for Multinational Enterprises* and the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* establish that all companies have a responsibility to avoid and address adverse impacts linked to their operations, products, services, and business relationships. They set out the international minimum standard for responsible business conduct applicable to all businesses. Child labour is one of the risks companies are expected to identify, cease, mitigate and prevent throughout their supply chains, as per these standards.

3. THE IMPORTANCE OF PRIVATE SECTOR ENGAGEMENT TO TACKLE CHILD LABOUR

In WNCB, change is realized by implementing an integrated approach that is applied in high incidence areas to tackle child labour at the root. Child labour is often found in the deeper, informal layers of supply chains, such as home-based work or the informal sector, where children are invisible and difficult to reach through a supply chain approach alone. Companies cannot eliminate child labour in the lower tiers of their supply chains without involving other stakeholders in the process along with active involvement of the community. An area-based approach addresses root causes like poverty, lack of access to education, and social norms that drive child labour in specific geographic areas. The area-based approach aims to get children out of labour and into schools, create an enabling environment for all children to access their rights in a dignified manner. This complements the supply chain approach by preventing children to move from one sector to another and/or to enter more hidden forms of child labour. Conversely, the supply chain approach engages companies to improve working conditions and implement the six steps of the due diligence process. This reinforces the area-based work by addressing business-driven causes of child labour.

Companies in the downstream part of the supply chain, i.e. companies from importing countries like the Netherlands, are important to engage due to their leverage and influence over upstream suppliers in production countries. They can, for example, disclose their entire supply chain, including at bottom level (i.e. the 'invisible supply chain'), establish robust supplier codes of conduct that explicitly prohibit child labour and mandate adherence to international labour standards, adopt responsible purchasing practices, including sourcing and procurement policies that prioritize suppliers with strong labour practices and effective monitoring systems to prevent child labour, and/or invest in capacity building of suppliers through training.

Companies in production countries (upstream supply chain) are important actors in the elimination of child labour as they can implement measures to prevent and address child labour within their spheres of influence. They can, for instance, recognize the engagement of informal workers, provide decent work opportunities and living wages for adults, reducing the economic pressures that often drive families to resort to child labour, and support initiatives that keep children in school and improve access to quality education. They understand the cultural, economic and social contexts driving child labour in their communities. This local knowledge is invaluable in identifying root causes and developing contextually appropriate solutions. The focus in this paper will be on engagement with the formal and informal private sector in production countries.

4. WNCB INSPIRING PRIVATE SECTOR ENGAGEMENT IN PRODUCTION COUNTRIES

Working with an integrated approach, WNCB has aimed to inspire private sector responsibility not just within their own operations, but also in surrounding communities through area-based interventions. The top-down efforts of companies are complemented and strengthened with a bottom-up approach with all relevant stakeholders, including local companies and employers. WNCB engages with businesses, conducts trainings on responsible business conduct and [child rights and business principles](#) (CRBPs) and motivates businesses to develop action plans that integrate CRBP into workplace policies. WNCB also advocates with authorities to carry out labour site inspections and roll out child labour remediation plans.

In the section below, we present two examples of private sector engagement practices that show WNCB's integrated approach and were put into action by the Uganda and India teams to encourage the private sector to take up their roles and responsibilities in eliminating child labour.

4.1 UGANDA

The gold mining industry in Uganda is characterized by a mix of formal and informal miners, with artisanal mining constituting a significant (80 per cent) portion of the sector. The involvement of children in these mining activities is a major concern, as it not only deprives them of their basic rights to education and safety but also exposes them to hazardous working conditions.

WNCB aims to convene all relevant actors involved in the formal and informal gold mining sector towards collaborative interventions to address child labour and improve children's rights in the communities of Busia, Moroto and Nakapiripirit districts through the application of the Children's Rights and Business Principles (CRBPs). This involves both formal and informal enterprises (small mines), communities, local administrative, political, customary and national authorities, to develop interventions on child labour and child rights.

WNCB Uganda followed three steps as outlined below.

Step 1: Mapping stakeholders and developing a stakeholder engagement plan.

WNCB has aimed for a collaborative approach in tackling child labour in Uganda. The process began by framing the child labour issues at grassroots level through research and stakeholder mapping, engaging various stakeholders, including members of the private sector and their influencers. WNCB identified key areas of influence to address the child labour concerns.

WNCB undertook assessments in the targeted gold mining communities of Busia, Nakapiripirit, and Moroto to understand the regional dynamics and depth of child labour prevalence. Stakeholders were mapped involved in mining, governance, and child welfare. This provided a holistic understanding of the problem and identified key actors for further targeted engagement within the communities.

The selection of stakeholders was based on their ability to work collaboratively towards the common goal of eradicating child labour, and their capacity to bring about sustainable change at the local, national, and international levels. Key stakeholder groups identified include government organizations, civil society organizations (CSOs), labour unions, the private sector, educational institutions, community leaders, international organizations and donors, and the media. These stakeholders were subsequently categorized based on their influence and interest. Mining companies and local businesses are considered 'high influence, low interest stakeholders'. They have substantial influence in the mining sector but have limited interest in addressing child labour issues due to profit driven priorities. Mining businesses and associations can provide insights on child rights issues and how they are addressing their impacts, either on an individual or collaborative basis. They are also influential in their business relationships and can leverage their systems and competencies to eliminate child labour along the supply chain through responsible business practices. Three different types of businesses were identified within this stakeholder group: mining companies, local community businesses and business and mining associations. Mining

companies, both large-scale and informal, drive the economy and employ many in the mining communities. Local community businesses include SMEs and larger corporations providing goods and services to the mining sector, such as gold merchants, communication providers, financial institutions, and suppliers of mining and safety equipment. Business and mining associations provide a cohesive platform for advocacy of policy issues that impact child labour. They represent the interests of their members and can play a key role in ensuring that their members' supply chains are free from child labour.

Informal and Small-Scale Miners Associations are considered part of the stakeholder group 'local communities'. They are categorized as 'low influence, low interest stakeholders'. They have a stake in mining activities but may have limited influence and interest in child labour issues.

Coordination among these stakeholders is essential for successfully eliminating child labour in the mining communities of Busia, Moroto, and Nakapiripirit.

Step 2: Identifying potential challenges and developing community-targeted solutions.

WNCB then convened private, government and community stakeholders in a 5-day workshop per district. The five-day training program titled "Collaborative Interventions for Child Labour-Free Gold Mining through Responsible Business Conduct", was conducted to drive collaborative solutions led by the private sector at the grassroots level, aimed at eradicating child labour in the Busia gold mining sub-counties of Busitema, Buteba and Tiira. The program comprised three workshops, each tailored to a specific group of participants.

The first workshop (Days 1 and 2) was designed for informal mining stakeholders and community leaders. Its objectives were to identify child labour issues at the grassroots level and to collaboratively develop effective solutions to be presented to formal miners and the District Local Government (DLG).

The second workshop (Days 3 and 4) targeted formal mining stakeholders and business associations. Its goals were to examine the business impacts on child labour and to propose commitments for the DLG to implement the agreed-upon resolutions. This workshop built on the discussions from the initial two-day dialogue with the informal sector, addressing the critical issues identified.

The final workshop (Day 5) involved DLG representatives and policy leaders, aiming to validate and endorse the resolutions from both informal and formal miners. Additionally, it sought to develop a joint action plan to effectively combat child labour in the gold mining sector.

Discussions on mining impacts in Busia, Nakapiripirit, and Moroto districts in Uganda revealed that child labour is driven by a complex mix of poverty, unsafe practices, migration, land disputes, and local market dynamics. Participants also explored solutions to the issues identified, such as law enforcement, fair wages, safety improvements, community engagement, formalizing artisanal mining, and enhancing stakeholder dialogue.

Step 3: Engagement activities and collaborative platforms to ensure implementation

Based on the discussions, it was apparent that lack of engagement, transparency, and communication among community stakeholders and private sector actors represent key barriers to ending child labour within these communities. A joint platform involving government, community,

and private sector stakeholders is vital in driving agreed actions and enacting meaningful change in the communities. Formalizing such platform with a clear mandate is crucial, preferably integrating it into existing local government and community structures to ensure immediate and sustained implementation.

In all three districts, District Local Government (DLG) agreed on creating and mandating a collaborative platform to address all the issues identified during the workshop discussions.

In Busia, the action plan focuses on addressing key issues in the mining sector by incorporating private sector miners into the existing Joint Management and Coordination Committee (JMCC). This committee, established in 2019, previously only included public sector stakeholders. To ensure that the interests of both small-scale and large-scale private sector miners are represented and addressed, their inclusion is seen as crucial. The Busia District Local Government (DLG) will oversee the establishment and functioning of this inclusive committee.

In Nakapiripirit and Moroto the District Local Government agreed on creating a similar collaborative platform, a so-called District Mining Forum (DMF) comprising NGOs, businesses, and local government bodies. Its action plans focus on collaboration, monitoring mining activities, advocacy, awareness and sensitization, stakeholder engagement, immigration control, enforcement of child labour laws and reporting violations, and security at mine sites. The Chief Administrative Officer has been tasked with the DMF's creation.

The multistakeholder platforms are run by the government and will bring together companies, NGOs, and other organizations to work on solutions. Eradicating child labour in Uganda's mining communities is a process requiring multi-stakeholder collaboration, and a deep understanding of the local context. WNCB continues to engage in open dialogues and focused discussions with business stakeholders and the government on child labour and RBC as well as working conditions in the gold mines.

4.2 INDIA

India is one of the largest producers of natural stone in the world. The mining and processing industry is a major employer, with three million people being employed either directly or indirectly. In Budhpura, children join the natural stone supply chain mainly at the lower and informal levels. Studies have indicated a high incidence of young children involved in home-based work, such as cobble-making. Older children (aged 14-17) work in other parts of the supply chain such as stone-cutting workplaces, or are helpers in machines. In the supply chain, the unorganised cobble-making is home-based, which makes it very difficult to control the use of child labour. Although many children attend school, they also cut cobbles at home after school. These children are at higher risk of dropping out and working full-time in cobble-making. Adult workers, particularly those mining at quarry sites, are often subjected to the denial of their rights as workers, low wages, and inhumane working conditions.

This case study shows how WNCB partners - the NGO Manjari and semi-governmental organisation ARAVALI - worked with the community, the government and the stone sector in Budhpura and surrounding hamlets to eliminate child labour and improve labour conditions for adults in the cobblestone yards and mines.

WNCB's actions have been aimed at creating more transparency in supply chains, raising awareness among stakeholders, and encouraging the private sector to adopt responsible practices to eliminate child labour. The WNCB team in India implemented a comprehensive approach involving the following steps.

The following summarises the key actions taken:

Step 1: Baseline, industry assessment and supply chain mapping

To effectively collaborate with the private sector on implementing a Child Labour Free Zones (CLFZ) in the area, several types of data had to be collected to establish a baseline. First, a *child labour area specific situation assessment* was conducted to gather information on the prevalence of child labour, its impacts, societal attitudes towards it, and educational metrics such as school enrolment and dropout rates. Secondly, an *education environment assessment* was needed to evaluate the availability and adequacy of educational facilities and services, considering factors such as gender, caste, tribal membership, and migration status that may affect children's ability to enjoy their rights. Additionally, an *industry assessment* was done to examine the local industry, with a special focus on stone mining, including the number of workers, the nature of their employment, and the extent to which labour standards are met. *Supply chain mapping* is also necessary to identify the roles of key private sector actors, including their influence on child labour, and to analyse industrial and sectoral processes and practices related to child labour. In Rajasthan, WNCB partners mapped the supply chain of the natural stone industry, identifying areas where child labour occurs from local through to international levels. The focus was on understanding the local nature of the supply chain. The mapping started with a listing of activities in the natural stone production process, the type and frequency of risk, the type of worker impacted and the length of risk impacts on families. It found that longer-lasting impacts create an environment that force children into labour. The mapping further highlighted a trend of increased homeworking and led to the identification of a previously overlooked actor in the supply chain, called "agents". It also showed that children going to school also help their parents in making cobbles. Finally, mapping exercises were done to understand the applicable national and state laws and regulations on labour and child rights (*governance / legal framework mapping*), and to identify all relevant government schemes and their implementation mechanisms (*government scheme mapping*).

Step 2: Workshops, stakeholder engagement and developing strategies

Once the baseline information has been collected, it is time to engage the private sector in manner that is sustainable. WNCB aims to protect the rights of all children in the area. The focus is not on child labour in specific sectors or the worst forms of child labour, but on all children who work and do not go to school. This area-based approach is combined with engaging companies in the supply chain to achieve systematic, planned improvement - the supply chain approach. Businesses have a responsibility to respect human rights. They are crucial to identifying and understanding the labour conditions and risks in their supply chains. Market players are domestic companies (including micro, small and medium-sized businesses), trade or business associations, and multinational corporations. Business action and related interventions that focus on what happens in the workplace and in communities are needed to work towards sustainable change.

Workshops were organised with stakeholders, including business stakeholders at all levels, to discuss child labour in supply chains, particularly in tiers beyond the first and second levels. The focus of these workshops was to build trust and understand prevailing business practices. Discussions helped to identify gaps and areas of intervention to establish responsible business practices. The sessions were also used to enhance knowledge of participating companies on relevant laws and regulations.

Local businesses, mainly the cobblestone yard owners, and their association, the Budhpura Cobble Yard Association, were engaged on the concept of establishing a Child Labour Free Zone. Building on the CLFZ processes, the program initiated the development of 'model yards', that follow practices like documentation of age of workers, creating play areas and motivation centres for children that accompany their parents to the workplace, availability of drinking water and shed for workers and separate restrooms for women and men workers in the yard.

The work with level 2 suppliers and exporters focused on issues of occupational health and safety, modelling of workers' insurance and discussions on purchasing practices. The collaboration with suppliers has been instrumental in providing the 'space' and 'acceptance' for interventions with local businesses.

Before presenting any 'asks' to the companies, significant time needs to be invested in convincing business stakeholders of the importance for the business. A contextual understanding helps in defining the action points. It is recommended to start with what is possible, without challenging them much. The small actions lead to the bigger tasks. For example, Manjari started with developing partnerships for establishing motivational centres for children. Gradually, they moved to introducing age documentation of workers and organising occupational health and safety sessions at the workplace. These initial steps resulted in the Budhpura Cobbleyard Owners Association appointing a dedicated human resource for monitoring child labour in Budhpura area.

Step 3: Collaborative platform to ensure implementation

This process resulted in instituting a multistakeholder platform called Sustainability Forum on Natural Stone (SFNS). This non-profit multistakeholder initiative has international buyers, Indian suppliers, and civil society groups as its members. Findings of the risk mapping exercise (see step 1) were shared with all stakeholders under the SFNS platform. SFNS focuses on raising awareness and building capacity among diverse supply chain actors in order to encourage the implementation of the business and human rights principles, as well as building dialogue with key stakeholders such as government to fine tune the policy framework for efficient implementation of the sustainable road map for the natural stone sector. As part of this initiative a visiting team of international buyers (TruStone members) interacted with suppliers, observed the mining operations, and met with homeworkers (cobblestones). Dialogue sessions were organised with suppliers and cobblestone workers. The sessions were aimed at understanding issues, practices, gaps, and needs.

The multistakeholder forum is meeting on regular basis. An action plan covering different areas including purchase practices, due diligence, occupational health and safety, social security of workers and development of mining communities, has been developed. As of now, the forum is working towards creating a ground to implement the action plan.

Manjari and ARAVALI, in direct contact with local businesses in Budhpura and the wider business community and stakeholders in SFNS, continue to engage in open dialogues and focused discussions with business stakeholders and the government of Rajasthan on child labour and wages in cobble-making as well as working conditions in the sandstone mines.

5. LESSONS LEARNED AND RECOMMENDATIONS

Companies may resist engagement efforts due to various challenges and barriers. This section first provides an overview of the challenges and barriers to private sector engagement encountered by the country teams, before exploring the different processes and strategies to overcome these challenges and barriers.

The teams in Uganda and India identified the following challenges and barriers, with attention to the differences in engagement with the formal and informal sector:

- **Trust Issues:** One significant barrier is the lack of trust, both between local businesses and NGOs and between the formal and informal sector. Local businesses may feel that NGOs are there to create nuisance and exaggerate the situation to get funding and keep their work going. A lot of time goes into the issue of trust. If trust is not there, it is very difficult to intervene and have impact. There may also be lack of trust between the formal and informal sector. When a formal private sector company comes in with a government license to operate and with a compensation plan, but without consulting the local community, they lack the social license to operate. The informal sector often views the formal sector as exploitative and insensitive to local conditions, especially concerning land compensation. Conversely, the formal sector sees the informal sector as unregulated and difficult to communicate with, particularly regarding issues like child labour.
- **Fear for increased costs:** Businesses are there to make money. They have to demonstrate that they are profitably growing, especially when listed (fair returns for shareholders). Hence they may resist policies and practices aimed at eliminating child labour due to the associated costs. This also relates to the issue of trust: they will initially regard initiatives to withdraw children from labour with suspicion, based on the fear that it will affect profit margins and income.
- **Informality:** At local level, supply chains are very complex, with many tiers that are difficult to reach. Working with local businesses is difficult. Working with them individually is time-consuming and burdensome. There are some business associations, but they mostly represent the interests of the businesses, not the interests of the workers. It is difficult to organise workers in informal parts of supply chains. Often it is not clear for whom they are working, where the product goes and what it will look like once it is completed. There are no occupational health and safety trainings, labour rights issues are not discussed. This also relates to the increased tendency of home-based working. In home-based situations there is no law enforcement. This opens the window for increased child and adolescent labour.
- **Lack of Awareness and Appreciation:** There is lack of awareness and understanding of the issues among businesses. Private sector actors may not fully understand child labour issues or the legal boundaries associated with them. The difference between child labour and child work is not always clear to them, and child labour may be deeply ingrained in local customs and habits. The principles and guidelines from global initiatives like the OECD Guidelines, the UNGPs

and the CRBPs are also very challenging for local businesses, due to their technical terminology and lack of localization. These principles and guidelines need to be adapted to fit the cultural context and business practices of the region.

The teams identified the following processes as critical to overcome such barriers:

- **Transparency and Clear Communication:** Transparent and regular communication helps in building trust. Establishing a culture of transparency involves creating a collaborative environment where all parties can openly discuss issues and come up with solutions together through stakeholder dialogue. It is important to make the business understand that the work of NGOs is not meant to be ‘against the business’. The interest of the NGOs is to improve the working situation and ensure people enjoy their rights. That message is important. Maintaining clear and honest communication is also vital for establishing trust between the formal and informal sector. This involves consistently engaging and providing regular updates and feedback.
- **The business case & building credibility:** When engaging the formal sector, it is essential to understand that their primary goal is profitability. When businesses are approached with policies and interventions that may introduce additional cost lines, bear this in mind. Demonstrating the medium-term benefits of social investments and showing how these interventions align with their business objectives is crucial. Explain how it will impact their business, that it is important for their buyers in Europe and elsewhere, and that it will eventually help to make their business grow. A facilitative role of international buyers and suppliers helps in this process. They create the demand for improved business practices that result in greater acceptance of interventions at local level. Sharing solutions (rather than only raising issues) and providing *proof of concept* is also important: showcasing success stories, practical examples and explanation of challenges is important to use in efforts to engage the private sector. Building credibility amongst private sector actors requires active use of documented successes in the field. Businesses need to know that the target is realistic, and that it has been done (elsewhere) before.
- **Identify the decision-makers:** it is important to understand the decision-making unit within the business. Is it the managing director, the marketing director or the human resource director? It is important to know who the decision-makers are, and what their interests are, so that an engagement and influencing strategy can be worked out. If it minimizes profits to some extent, the buying companies may have to come in, to ensure their suppliers follow their legal norms.
- **Raising awareness and understanding:** Private sector actors need to be sensitized. Local businesses act as if measures to end child labour are a matter of charity. They still need convincing that it is a business responsibility and a matter of compliance with legislation. To that end, it would also help if the relevant international standards and guidelines were adapted to their language and (cultural) context.
- **Community engagement:** Engaging the informal sector requires community engagement. Engagement with the informal sector should avoid stigmatization and adopt a constructive, collaborative approach. Listening to their perspectives, respecting their traditions, and using simple, non-technical language are key. Following up consistently and involving them in decision-making processes fosters trust and cooperation. It is also important to educate them about the risks of child labour and provide alternative solutions.