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# Child Labor in Myanmar's Garment Sector

## Challenges and Recommendations



## About This Report

This report is an informational brief for business stakeholders interested in how best to understand and engage with child labor issues in Myanmar's garment manufacturing sector. The research was funded by the International Development and Research Centre (IDRC) through Grant #108057, and took place in parallel with Myanmar Responsible Sourcing Working Group activities during 2015-2016. The report was written by Laura Ediger, Jeremy Prepisci and Chris Fletcher, with the assistance of our colleagues at BSR. For additional information, please contact Jeremy Prepisci ([jprepisci@bsr.org](mailto:jprepisci@bsr.org)).

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# Contents

<b>Executive Summary</b>	<b>3</b>
<b>Introduction</b>	<b>5</b>
<b>Context of Child Labor in Myanmar</b>	<b>6</b>
<b>Child Rights-Based Approach</b>	<b>12</b>
<b>Recommendations for Prevention and Remediation</b>	<b>15</b>
<b>Next Steps</b>	<b>20</b>
<b>Appendix</b>	<b>21</b>

# Executive Summary

‘Made in Myanmar’ is ready to make a comeback, with U.S. and EU markets newly re-opened for trade with Myanmar’s garment manufacturers.

Buyers and investors are back in Yangon looking for opportunities, attracted in part by the country’s low labor costs. However, Myanmar has spent over a decade cut off from Western markets and the compliance culture that has evolved around social and environmental management of supply chains. Meeting buyer expectations now requires not only investing to meet higher requirements for speed and quality, but also ensuring that labor practices meet or exceed international standards.

Child labor is a particular area of concern. In a country with high levels of poverty, low rates of secondary school enrollment, and weak enforcement of labor laws, child labor is unsurprisingly a common option for families in need of additional income. Underage workers (younger than 14, the legal minimum) are prevalent in many sectors, ranging from construction to teashops.

What is a responsible buyer to do? So far, many buyers have chosen to limit their risk and exposure by working solely with established foreign-owned suppliers that already have years of experience adhering to supplier codes of conduct. These factories often require a minimum age for their workers of 16 or even 18, higher than the national legal requirement, which helps to reduce the risk of child labor in a country where age verification is difficult.

While this may be an effective strategy for managing reputational risk, it ignores the broader context and real challenges of widespread poverty and scarce educational opportunities in Myanmar. It also neglects the potential for international investment and supply chains to contribute to a future where children in Myanmar spend their days in school, not in factories. And it overlooks the real risk that the use of child labor outside of responsible companies’ own supply chains will tarnish the “Made in Myanmar” brand.

This report explains the context of child labor in Myanmar, both across sectors and specifically for garment manufacturing. Because there is no comprehensive data on the role of children in the garment sector, the findings are primarily based on interviews with key industry observers and participants. These findings include:

- » Young workers are participating in the garment sector but usually make up a small percentage of a factory’s workforce, and underage workers are rare. However, young workers are often working the same hours as adults, and laws regulating their working hours and conditions are not being enforced.
- » Increased access to U.S. and European markets is reshaping the garment industry, but the majority of factories are not yet selling to U.S. and European buyers, and their labor practices are lagging.

As the garment manufacturing industry grows, the risk factors for child labor could change as well. The demand for low-cost labor will increase as new garment factories open. Other sectors of the economy are growing as well, heightening the competition for skilled workers. Meanwhile, new minimum wage



requirements are also affecting the profile of labor demand, and changes in industry structure could increase the risk of child labor if subcontracting and third-party suppliers become more common.

## KEY RECOMMENDATIONS

To prevent and remediate child labor, buyers and investors should support the establishment of a protective framework. This will require consistent and sustained action by diverse stakeholders, including:

- » Enacting clear and coherent laws and regulations
- » Fostering cultural norms that prioritize education for children until the legal minimum working age
- » Ensuring livelihoods for adults that can support the entire household
- » Implementing a system of monitoring and enforcement that includes workers, management, inspectors, unions, and community members

Building this protective framework is a long-term prospect, and an ongoing due diligence approach that addresses uncertainties and broader systemic challenges will be crucial to successful sourcing operations. However, buyers and investors can also significantly contribute in the following ways:



**In the workplace**, by providing enhanced training and tools for recruitment and hiring, as well as clear guidelines and systems to ensure good working conditions for young workers. Young workers who are legally employed but who do not meet the minimum working age of supplier Codes of Conduct should not be terminated. Awareness-raising for workers and effective feedback mechanisms will help to ensure that workers themselves are actively involved in prevention and remediation of child labor.



**For the sector**, by supporting initiatives on prevention and remediation of child labor for the whole industry—such as the Myanmar Garment Manufacturers' Association *Framework of Action* for preventing and remediating child labor—and pursuing partnerships with key government agencies.



Meanwhile, **appropriate remediation** for underage and young workers should include improved access to education—including non-formal options—and support for effective case management. Broader support for awareness-raising efforts with families and communities, and creation of safety nets for households, would also help to change a societal context in Myanmar that currently enables child labor.

Underlying and informing all of these efforts should be a child rights-based approach, which recognizes the agency and rights of children to participate in decisions about their future. In the context of widespread social acceptance of child labor, it is essential to consider not only international norms about what is best for children, but also individual circumstances and preferences. Programs should be voluntary and aligned with the physical and mental health needs and socioeconomic constraints that young workers face—while also meeting national and global standards for child labor.

## Introduction

As Myanmar continues a new era of political and socioeconomic reform, many of its industries are benefiting from enhanced global access and investment. Garment manufacturing is poised to make an especially strong recovery, with a history as one of Myanmar's top export industries and the potential to capitalize on management experience and low labor costs.

Myanmar's garment exports grew dramatically in the early 2000s, reaching around US\$800 million a year. But then the imposition of economic sanctions by the United States and the EU—its primary markets—hit the sector hard. Although some trade shifted to Japan and South Korea, the total volume of garment exports did not recover until 2012.<sup>1</sup>

Now that sanctions have been substantially removed, Myanmar's garment sector is again receiving significant interest from North American and European brands and retailers. However, the industry not only needs substantial investment in capacity and infrastructure to develop higher volume and quality of production, but it also lags behind competitors in other parts of Asia in terms of performance on social and environmental issues.

One particular challenge that has plagued the garment industry in many developing countries is the use of child labor in supply chains. Myanmar currently has many of the factors that contribute to child labor: high incidence of poverty, low rates of secondary school enrollment, and weak enforcement of labor laws.

This report presents the findings of BSR research conducted in late 2015. The goal was to better understand current practices related to child labor in Myanmar's garment sector, in order to identify appropriate actions for prevention and remediation. Our priority is to help businesses make informed and responsible choices about sourcing and investment, and to facilitate a positive contribution to Myanmar's social and economic development in this period of transformation.



Myanmar's garment industry needs investment not just in capacity and infrastructure, but also in social and environmental performance.

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<sup>1</sup> ILO. 2015. "Myanmar Garment Subsector Value Chain Analysis."

# Context of Child Labor in Myanmar

“Everywhere you go in this country, we see children working, in every sector.”

– Tim Aye-Hardy, Myanmar Mobile Education Project<sup>2</sup>

## A large number of Myanmar’s children have left school and joined the workforce

Young workers are a common sight in Myanmar, helping at urban teashops and construction sites, with domestic chores, and in agricultural fields. Nearly one quarter of children aged 10-17 participate in the workforce, according to the 2014 Myanmar Population and Housing Census.<sup>3</sup> A recent International Labour Organization (ILO) study in the industrial zone of Hlaing Tharyar (in Yangon) found children between the ages of 10-17 working in shops, factories, construction sites, teashops, restaurants, transport companies, and private households. Many of these children started working before reaching the legal minimum age of 14 (raised from 13 in January 2016).<sup>4</sup>

This normalization of child labor continues to damage Myanmar’s reputation and competitiveness. The country ranked in the top 10 of 197 countries in a 2014 Child Labor Index that evaluated child labor risk.<sup>5</sup> The United States maintains sanctions on several categories of Myanmar exports because the use of child labor or forced labor is common.<sup>6</sup>

Myanmar’s Child Labor Laws	Worker age	
	14-16	16-18*
Working hours		
4 hours or less	Legal	Legal
More than 4 hours/day	X	Legal
Between 6 p.m.-6 a.m.	X	Legal
Work on Sundays	X	Legal
*with medical certificate of fitness		

Based on a definition of “child labor” as workers either under the minimum working age (13 at the time) or not meeting the legal working hours and conditions for workers under 18, the ILO found that 21 percent of households interviewed in Hlaing Tharyar reported incidents of child labor.<sup>7</sup> Around 50 percent of workers

<sup>2</sup> Saberi, Roxana. 2015. “Long hours, Meager Wages: Child Labor Continues in Myanmar.” Al Jazeera, April 10. [\(link\)](#).

<sup>3</sup> ILO. 2015. “Knowledge, Attitudes, and Practices (KAP) Study on Child Labor in Yangon, Ayeyarwady Region, and Mon State,” (p. 11). [\(link\)](#).

<sup>4</sup> ILO. 2016. “Child Labor Rapid Assessment in Hlaing Thar Yar Industrial Zone in Yangon, Myanmar.”

<sup>5</sup> Verisk Maplecroft. 2014. “Child Labor Index 2014.” [\(link\)](#)

<sup>6</sup> Exports currently subject to U.S. sanctions include: bamboo, beans, bricks, jade, rice, rubber, rubies, sugarcane, and teak. See: FXB Center for Health and Human Rights. 2014. “ILO Convention 182: What Myanmar Should Do Next.” Harvard University, December 18. [\(link\)](#).

<sup>7</sup> Defined as: under 13, 13-15 working more than four hours a day, 16-17 working more than eight hours a day, anyone under 18 working between 6 p.m. and 6 a.m.

interviewed in that area were employed in factories (including garment and others), and the average age that child workers there started employment was 13.82 years.<sup>8</sup>

### **Poverty is the main driver of child labor**

The major cause of child employment is household financial hardship,<sup>9</sup> with around one-third of Myanmar's households estimated to be living in poverty.<sup>10</sup> ILO interviews with child workers, their parents, and other key informants found a general consensus that children have an obligation to their families to contribute economically if needed, and this rationale is commonly cited as part of the widespread social acceptance of children joining the workforce. The importance of household economics as a contributing factor is seen also in the seasonality of child employment, as the annual agricultural loan cycle means that children are often sent to work when parents have debts to pay.<sup>11</sup>

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**“Myanmar is very poor, it’s not possible to get rid of child labor in factories.”**

– Action Labor Rights interview

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### **Drop-out rates after primary school are high, due to high cost and low value**

Meanwhile, enrollment in the educational system drops off sharply after primary school, around the age of 11 or 12, when compulsory education ends. One reason is that the indirect expenses of staying in school—including costs for travel, books, fees, and often-mandatory private tuition—make secondary education unaffordable for many.<sup>12</sup> After primary school, distance to the nearest school location also tends to increase. Leaving school typically coincides with joining the workforce: one study found that over 90 percent of non-working children were attending school, and just 10 percent of working children were still in school.<sup>13</sup> The gap between the age when children complete their five years of compulsory education (usually 11 or 12) and the legal minimum working age (14) creates a significant pool of potential underage workers.

In our interviews with stakeholders, many mentioned a widespread perception that the value of participation in Myanmar's education system is limited. Many interview participants proposed that most parents do not see a long-term benefit to keeping their children in school, especially given the high cost of enrollment and loss of additional household income.

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<sup>8</sup> ILO KAP study, p. 35.

<sup>9</sup> ILO KAP study, p. 21.

<sup>10</sup> According to World Bank estimates. See: McCarty, Adam. 2014. “Data Tweaks Change Face of Poverty.” *Myanmar Times*, May 19. ([link](#)).

<sup>11</sup> Interview, Myanmar Centre for Responsible Business.

<sup>12</sup> ILO KAP study, p. 6.

<sup>13</sup> ILO KAP study, p. 38.



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**“Free education in practice involves indirect costs that are considered a burden by families. There is also an opportunity cost for children to be in school, as this means lost income. For this reason, we need to also improve livelihoods to make child labor unnecessary.”**

– ILO interview

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### **Laws on child labor are inconsistent and enforcement is limited**

Myanmar laws are somewhat unclear on the definition of a child and the requirements for working conditions for young workers (ages 14-18). Although additional revisions are under way, there is a need for harmonization of laws to ensure consistent interpretation and usage. Meanwhile, even for clear regulatory standards such as the minimum working age, government enforcement is limited. The Factories and General Labour Laws Inspection Department (FGLLID) under the Ministry of Labor, Employment, and Social Security is responsible for inspecting facilities and enforcing compliance with labor laws, but observers report that enforcement is weak. FGLLID is thinly staffed and poorly resourced, and child labor is not a priority issue due to general societal acceptance of the need for children to work. Labor inspectors also lack the appropriate tools and knowledge and do not have resources for remediation, so those who do spot potential issues with worker age may choose to look the other way.<sup>14</sup> Although the new government (as of April 2016) is expected to be more rigorous in enforcing rules,<sup>15</sup> it will take time to build the capacity of the labor inspectorate.



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<sup>14</sup> Interview, ILO.

<sup>15</sup> Interview, Embassy of Canada.

## CHILD LABOR IN THE GARMENT SECTOR

Although children are certainly part of the labor force in Myanmar's garment sector, there are no comprehensive or systematic data on their role. The available evidence is primarily qualitative and comes from industry observers and participants describing what they have seen and heard. BSR's discussions with stakeholders led to the following key findings:

1. **Young workers are participating in the garment sector but usually make up a small percentage of a factory's workforce, and workers under the age of 14 are rare.**<sup>16</sup> Most people reported that the youngest workers they saw were around the age of 14 or 15. With the predominance of "Cut-Make-Pack" operations in Myanmar's garment industry, most adult workers are using sewing machines, which require skills and training. Younger workers are therefore primarily employed for lighter work such as packaging, sorting, cutting threads, and as "helpers," although young men also carry heavy bags.
2. **However, additional labor protections for those young workers are often not in place.** Workers under the age of 18 are subject to specific restrictions on working hours, time of work, and type of work. For example, the law requires that workers under the age of 16 work no more than four hours a day, and places limits on night work and hazardous work.<sup>17</sup> In practice, young workers often work the same hours as adults, but with fewer benefits and more risk of abuse.<sup>18</sup> Some factories hire young workers only as day labor until they reach the age of 18, when they can become formal employees.<sup>19</sup> One former factory worker reported that young workers worked 12-hour days and 60-hour weeks, the same as adults.<sup>20</sup>
3. **The presence of young workers in factories is more a product of labor supply than demand.** As mentioned above, high levels of poverty, particularly in rural areas, mean that families are looking for ways that children can contribute to the household income. The ILO's KAP study also found widespread acceptance of the idea that children should contribute financially to their families in case of economic need. Factory owners report that parents and children come to them looking for jobs, and many see providing children with work as a form of social assistance.<sup>21</sup>

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**"Employers are not actively recruiting children, but feel they are just responding to a request for work."**<sup>22</sup>

– ILO study on Knowledge, Attitudes, and Practices

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4. **Increased access to U.S. and European markets is changing industry practice.** Factory owners who plan to sell to U.S. and European brands are typically being held to a higher minimum-age standard than the national requirement. Some buyers require that suppliers employ

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<sup>16</sup> Interviews: MGMA, U.S. Embassy, Action Labor Rights, CTUM, KT Care Foundation, Myanmar Responsible Sourcing Working Group.

<sup>17</sup> Myanmar does not yet have an official Hazardous Work list.

<sup>18</sup> Interview, Action Labor Rights.

<sup>19</sup> Interview, KT Care Foundation.

<sup>20</sup> Interview, KT Care Foundation.

<sup>21</sup> ILO KAP study.

<sup>22</sup> ILO KAP study, p. vi.

no workers under the age of 16, and others set the minimum working age at 18. Introduction of a higher standard helps to reduce the risk that any worker under the local minimum working age would be employed, whether knowingly or accidentally, and it minimizes the need for special treatment of young workers.

The Myanmar Garment Manufacturer's Association (MGMA), the local garment industry association, recently adopted a voluntary Code of Conduct that sets the minimum working age at 15, higher than required by national law. Some observers expressed concern that implementing higher minimum ages in garment factories would have the negative effect of pushing young workers into worse types of employment. Union representatives spoke out against the possibility of young workers in the garment sector being dismissed, and advocated for a combination of employment and education.<sup>23</sup>

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**“Youth employment is an important contributing factor to household income as well as the long-term development of a skilled workforce. Having no workers under 18 is not recommended.”**

– ILO interview

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5. **However, the majority of factories are not yet selling to U.S. and European buyers, and their labor practices are lagging.** There is a significant gulf between labor practices of the typical locally owned factories and those that are currently selling to U.S. or European brands or retailers. The latter are mainly foreign-owned and tend to have more sophisticated compliance management systems in place. A 2013 study found that around two-thirds of factories were locally owned, and that these tended to have lower quality production and worse labor conditions.<sup>24</sup>
6. **Verification of worker age is challenging.** Many workers have migrated from rural areas, where official birth registration rates are low.<sup>25</sup> The prevalence of counterfeit or borrowed identity documents and lack of comprehensive national IDs make it difficult to determine worker age with certainty. Some programs have enlisted medical and dental evaluations to estimate age but these measures also have limits to their usefulness.



#### Locally Owned?

The gulf between foreign- and locally-owned factories is troubling. Foreign owners are often able to replicate standards they have in place elsewhere and meet the expectations of Western buyers, while local owners have effectively missed an entire decade of learning how to do social compliance. Several stakeholders expressed concern that locally-owned industry must improve in order to establish a vital, sustainable sector that has strong stakes in the community.

As Myanmar undergoes political and economic reform, the garment industry will change rapidly, which in turn will alter the labor risk environment:

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<sup>23</sup> Interview, CTUM.

<sup>24</sup> ILO. “Myanmar Garment Subsector Value Chain Analysis.”

<sup>25</sup> ILO KAP study, p. 35

7. **Additional demand for low-cost labor could increase pressure to hire young workers.** New garment factories are opening, and the labor force involved in the garment sector is forecast to increase from 260,000 to 600,000 employees in the next few years.<sup>26</sup> As foreign-owned factories grow and absorb more of the skilled adult workforce, locally-owned factories may be more likely to hire younger workers.<sup>27</sup> In addition, the growth of other sectors may increase competing opportunities for skilled workers, and leave factory management with a younger and less-skilled labor pool to select from.
8. **New minimum wage requirements could also affect labor demand.** Some observers speculate that with a higher minimum wage now in place, factories will need to reduce costs and increase the value of labor, so they may look for cheaper workers who may be younger and less skilled. Alternatively, jobs for young workers may be cut if wage standards are enforced and factory owners are not willing to pay less-skilled workers the minimum wage.
9. **Changes in industry structure could increase labor risks.** Currently most operations are Cut-Make-Package and subcontracting to other suppliers is limited. If, as planned, the industry shifts to a full-service model that increases the need for local suppliers of materials, or if subcontracting becomes more widespread for other reasons such as order volumes or cost pressures, then the risk of child labor would also rise due to the loss of control over how employees are hired and managed.

With these current challenges and future risks, protections need to be put in place now to minimize child labor as Myanmar's garment sector develops.

## CURRENT ACTIVITIES AND INITIATIVES

Several organizations have initiatives in place to address various aspects of child labor, including underlying causes such as poverty and education. Some are focusing specifically on priority issues of serious concern such as trafficking and child soldiers. Others are addressing a variety of labor issues in the garment sector, and a few are explicitly working on child labor and young workers. For example:

- » The **International Labour Organization (ILO)** is engaging with the Government of Myanmar on labor law reforms, including advice specifically on child labor laws. The ILO's Myanmar Project on Elimination of Child Labor (My-PEC)<sup>28</sup> includes pilot projects to test intervention models for child labor, such as incentives for families to send their children to school. The ILO also provides training for government labor inspectors, employers, and workers on labor issues, and publishes research and guidance on labor practices. An awareness-raising campaign on child labor is also in development that would use media channels to reach the public and also engage schools and communities directly.
- » The **Myanmar Garment Manufacturing Association** has created a voluntary Code of Conduct for its members, which include nearly all garment manufacturers in the country (around 350). The MGMA's four-year Plan of Action includes the objective of complete social compliance as a baseline for members, with a minimum working age of 15.

<sup>26</sup> ILO. "Myanmar Garment Subsector Value Chain Analysis," based on National Export Strategy, Myanmar Ministry of Commerce.

<sup>27</sup> Interview, Action Labor Rights.

<sup>28</sup> Project information available here ([link](#)).

- » **UNICEF** is supporting the Government of Myanmar in reforming legislation on the rights of the child, including changes in the Child Law and education laws that impact children's access to education and define minimum age of employment for all sectors. UNICEF is also supporting the Department of Social Welfare to develop social work mechanisms, and is working with FGLLID on the development of awareness-raising materials for factories, capacity-building of labor inspectors on child labor issues, and development of monitoring mechanisms. Engagement with wider partners on child labor prevention and remediation programs is also in progress.
- » International and local NGOs such as **Save the Children** and **World Vision** have programs that support children in various ways, including through development of the government's social work infrastructure, which would enable case management for incidents of child labor.
- » The **Myanmar Mobile Education Project (MyME)** provides knowledge and skills training for young workers in the teashop sector, using a mobile classroom.
- » The **Myanmar Centre for Responsible Business** publishes assessments of human rights issues in specific industries that include investigation of child labor practices.
- » **Oxfam** and **Action Labor Rights** have published investigative research on labor practices in the garment sector.
- » The **Myanmar Responsible Sourcing Working Group** is a platform for business to understand and engage on social and environmental issues related to the garment sector, including child labor.
- » Individual companies have also taken steps to actively work with suppliers to improve their social performance and management of labor issues, including compliance with national and international standards on working age and working conditions.

The experience and knowledge generated through these activities provide important lessons and useful insights to build on for any future work related to child labor in the garment sector. Effective intervention and remediation options should take existing knowledge and expertise into consideration for design and implementation.



## A Child Rights-Based Approach

Several organizations working on child protection, such as UNICEF and Save the Children, have adopted a **child rights-based approach** to their programs and activities. This approach not only prioritizes children's rights as a topic of work and guiding principle, but also seeks to respect children and treat them as individuals with rights who should be consulted and involved in decision-making processes. From this perspective, those seeking to assist and support working children must prioritize the preferences and active involvement of children in planning and implementation of programs.

The Children's Rights and Business Principles (CRBPs) help to provide business with guidance on how to protect child rights. Developed through consultations led by UNICEF, Save the Children, and the United Nations Global Compact, the CRBPs set out specific actions and commitments for companies to respect and support children's rights in the workplace, marketplace, and community.<sup>29</sup> Child labor is of particular importance in the CRBPs, and is specifically addressed in these two principles:



**CRBP Principle 2: Contribute to the elimination of child labor**, including in all business activities and business relationships.

**CRBP Principle 3: Provide decent work** for young workers, parents and caregivers.

Guidance on Principle 3 continues: *Promote decent work opportunities for young workers, including age-appropriate social protection and health information and services. Quality education and relevant vocational training and livelihood development programs are of particular importance, as is the opportunity to earn a living.*

The guidance emphasizes dual objectives—both eliminating child labor and expanding the availability of decent work for young workers. The second principle is particularly important for Myanmar, where economic need is creating a large supply of children seeking employment. The goal of providing decent work for young workers resonates with the feeling of social obligation reported by factory owners who are being asked to provide jobs for children.

The corporate commitments outlined in the CRBPs take a broad approach to the potential role of companies in addressing child labor issues, and recommend partnering to address the root causes:<sup>30</sup>

- i. *Work with business peers, communities, child rights organizations, trade unions, and governments to promote children's education and sustainable solutions to the root causes of child labor.*
- ii. *Support broader community, national, and international efforts to eliminate child labor, including through social mobilization and awareness-raising, and programs to eradicate child labor that are designed and carried out in cooperation with local community members and children.*

<sup>29</sup> Additional details on the CRBPs available in Appendix 3.

<sup>30</sup> From Children's Rights and Business Principles website, <http://childrenandbusiness.org/the-principles/principle-2/>.

- iii. *Work in partnership with other companies, sectoral associations, and employers' organizations to develop an industry-wide approach to address child labor, and build bridges with trade unions, law enforcement authorities, labor inspectorates, and others.*
- iv. *Establish or participate in a task force or committee on child labor in representative employers' organizations at the local, state, or national level.*
- v. *Support the development and implementation of a national action plan against child labor as part of key policy and institutional mechanisms to combat child labor at the national level.*
- vi. *Participate in programs to promote youth employment, skills development, and job training opportunities for young workers above the minimum age for employment.*
- vii. *Seek to concentrate production in the formal economy and avoid informal working arrangements that may contribute to child labor.*

These recommendations acknowledge that incidents of child labor are impossible to separate from the socioeconomic context in which they occur. Effectively addressing child labor requires a systemic approach to education, poverty, awareness, and involvement of communities, NGOs, unions, government, and employers.

Another key element is the need for involvement far beyond the level of individual workers or a specific factory. Ensuring that no one under the minimum working age is present in a factory does the bare minimum to achieve compliance with legal standards. But this minimalist approach does not address the underlying causes that are contributing to child labor.

## Recommendations for Prevention and Remediation

**“Legislation which is not consistent with societal values and clashes with the socioeconomic reality of the concerned population will be difficult to enforce.”<sup>31</sup>**

– ILO KAP study

Prevention of child labor requires several elements to be in place, including:



### Clear Laws and Regulations

The legal framework defining the standards and protections for working children in terms of minimum age, working hours, and working conditions must be clear, coherent, and consistent with international standards. Recent revisions to the Factories Act and the Shops and Establishments Act have raised the minimum working age to 14 and increased the penalties for infractions. Expected changes to the Child Law would introduce a minimum age for employment of children applicable across all industries. In addition, amendments that maintain protection for young workers (14-16 years) on hazardous and night

<sup>31</sup> ILO KAP study, p. 8

work but allow them to work eight hours per day may be needed to ensure fair and legal employment of young workers.<sup>32</sup>

### **Educational Options that Provide Value**

The high rates of enrollment in primary school suggest that Myanmar cultural norms do highly value education, and that the decision for children to work rather than attend school is primarily a matter of financial hardship.

However, the perception that the educational system does not provide useful skills and knowledge certainly contributes to the willingness of families and children to leave school and enter the workforce. Improving the quality of educational options and closing the gap between the age when compulsory education is completed and the minimum age for employment would help to reduce the availability of out-of-school children for the workforce.

### **Livelihoods for Adults Sufficient to Support the Household**

Poverty levels are linked to the broader state of Myanmar's economy. The country's current trajectory of economic reform is expected to drive faster growth and raise incomes. This process will be essential to reducing child labor, but it is also a longer-term prospect. Meanwhile, child labor reduction strategies should take household economic pressures into account when considering solutions. Having robust social protection programs in place can also reduce the need for families to rely on child labor for additional income.

### **Monitoring and Enforcement**

Making clear the primary responsibilities of specific government bodies regarding monitoring and intervention in the case of children's rights violations, underage employment, or child abuse in the workplace would help to create accountability. In addition, given the government's limited current capacity to enforce laws and standards on child and youth labor, monitoring must become a shared societal responsibility. Workers and unions are present in the factory and can provide information to management or inspectors through formal or informal mechanisms. Community members can also observe and give feedback to parents, factory managers, and the public social welfare system in cases of child labor or poor working conditions.

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<sup>32</sup> Action Labor Rights. 2016. "Under Pressure: A Report on Labour Conditions in Korean Factories in Myanmar." March 28. ([link](#)).

## SUGGESTED ACTIONS FOR PREVENTION AND REMEDIATION BY BUSINESS

**“The fashion industry has the opportunity to be proactive and to help create a fair, safe, and just infrastructure—before it’s too late.”**

– Kelly Drennan, Fashion Takes Action

Overall, buyers and investors should adopt a responsible approach that includes robust due diligence, taking into consideration significant uncertainties and broader systemic challenges. The recommendations below also outline specific actions that can help to protect underage and young workers.

### Integrating Protections into the Workplace

**Factory managers** play an essential role in determining whether or not children will be hired and what kind of working conditions they will experience. There are a number of ways to influence the decisions of factory managers and to improve their capacity to create and implement policies in line with international standards on child labor.

1. **Training and tools for recruitment and hiring.** Provide guidance on how to eliminate child labor from the beginning of the recruitment process, including a series of questions and checks for human resource managers to verify worker age and confirm identity. Official documentation from government representatives in the worker’s hometown should be required as part of the job application process. In addition, copies of all identification and age verification documents should be kept on file, whether the applicant is hired or not.
2. **Clear guidelines and supporting systems to ensure good working conditions.** Young workers should have special protections in place to ensure they are working no more than the hours allowed, and during days and times permitted by law. HR systems should clearly designate workers by their age groups, and track hours and tasks accordingly. Workarounds such as hiring workers under 18 as casual day labor should be prohibited. Guidelines should also be specific to Myanmar’s context—workers who are legally employed according to Myanmar law but do not meet supplier age requirements should not be terminated, but should instead have the option to continue with paid employment and/or education options.

**Empowered workers** with awareness of their rights are better able to identify issues, respond, and report them to the relevant authority.

3. **Awareness-raising** through a variety of communication and media channels can help to influence cultural norms about young workers and enable participatory monitoring of labor practices. All workers should be aware of the laws regarding working hours and conditions for young workers.
4. **Effective mechanisms** for feedback such as grievance channels, hotlines, comment boxes, and union representatives are all potential options for enabling workers to report any concerns related to child labor or young workers. Ideally, multiple channels should be established.



**Sector-wide progress** is the most effective way to “raise the bar” for all factories to ensure that protections for underage and young workers are consistently applied throughout the industry, no matter the size of the business or whether locally or foreign owned.

5. **Support for the MGMA Framework of Action process** on child labor can enable effective actions by multiple diverse stakeholders that improve industry practices.
6. **Partnering with key government agencies** such as the FGLID to ensure that expectations are clearly set out and consistently enforced can help ensure that monitoring and inspections are effective. Initiatives such as the Myanmar Responsible Sourcing Working Group provide a coordinated approach for engaging with the Ministry of Labor, Employment, and Social Security, among others.

**Support for young workers** through alternative education, vocational training, or apprenticeships will create alternatives to employment or additional resources that contribute to the skills and experience of young workers.

7. **Improved access to formal and non-formal education options.** For example, creation of a hybrid work/study program would enable young workers to earn money but also upgrade their skills and knowledge. This is particularly relevant for workers aged 14 and 15 who are only legally allowed to work four hours per day. It would also provide a resource for factory owners who are being approached to provide jobs for young workers to be able to recommend this as an alternative. Technical and vocational education is an area currently under development by both government and civil society groups, and additional resources may be in place in the next few years. Monastic schools are also providing an alternative to the public school system and may be able to do more.

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**“It’s not good for 14-year-olds to be factory workers, 14 to 17 is the age for learning and studying. If workers only know about factories, they won’t know much about other situations.”**

– Former garment factory worker

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8. **Case management for child labor incidents** by HR managers, external NGOs specializing in child labor work, and/or social workers from the Department of Social Welfare (of the Ministry of Social Welfare, Relief, and Resettlement) is currently being developed to provide support. This resource would be mobilized in case any specific incidents of workers under 14 are discovered, or in case of violations of the working hours and conditions requirements for workers aged 14-18.

### **Integrating Protection into the Community**

9. **Awareness-raising for community members** including not only elected leaders, religious leaders, teachers, employers, inspectors, etc., but also grassroots work with parents and children themselves would help to change cultural values about the responsibilities of children and obligation to work.
10. **Creation of safety nets for households** that ensure additional resources are available in case of economic or personal hardship would help to minimize the pressure for children to leave school and seek employment.

### **Need for Rights-Based Approach**

A rights-based approach should underlie all of the actions outlined above, recognizing the agency and right of children to participate in decisions about their future. The ILO study about Knowledge, Attitudes, and Practices (KAP) found that children were often actively deciding to find employment, whether because of household poverty, family duty, and/or a lack of educational opportunities.<sup>33</sup> One factory manager reported that her attempt to convince young workers to attend vocational training instead of working was met with resistance, as the children were reluctant to give up their jobs and chose to resign and look for other employment rather than dividing their time between work and study.<sup>34</sup> Children may feel satisfaction at being able to fulfill their obligation and contribute to the household income, and the ILO KAP study found that 80 percent of working children interviewed reported that they liked their jobs.<sup>35</sup>

In this context of widespread social acceptance of child labor, it is essential to consider not only international norms about what is best for children, but also the individual circumstances, preferences, and desires of each child. Rather than creating mandatory structures or programs, organizations should consider how best to actively involve children in decision-making and how to design voluntary programs that align with the physical and mental health needs and socioeconomic constraints faced by young workers, while also meeting national and international standards for child labor.

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<sup>33</sup> ILO KAP study

<sup>34</sup> Interview, Maple Trading Co.

<sup>35</sup> ILO KAP study, p. 23

## Next Steps

Tackling child labor in a country undergoing major socioeconomic and political changes may seem like a monumental task. This perception is one of the reasons that many international buyers or investors have decided not to establish a significant presence in Myanmar—at least not yet.

However, the very pace of change is also creating an unequalled opportunity to establish an industry that works well for workers. As the government changes, new legislators and ministers will be looking for ways to help build the economy and workforce. Measures will be put in place to help address widespread poverty and the failures of the education system. International capital is sorely needed to help build the domestic economy, including export-oriented sectors like garment manufacturing. But in addition to capital, there is knowledge to be shared.

There are many lessons to be learned from how the garment sector has addressed labor issues in Cambodia, Bangladesh, Vietnam, Indonesia, and elsewhere. Many of the mistakes that have been made do not need to be repeated, and many of the tools and protections that have proven successful in other places can provide ideas for Myanmar. International buyers can play a crucial role in shaping the industry, through sharing knowledge about best practices in labor management alongside tips on lean manufacturing and quality control. Communicating expectations, not just about “zero tolerance” on child labor but also on how best to protect and empower workers through a participatory rights-based approach, will help to build a better garment sector in Myanmar from the ground up.

## Appendix 1: National Laws and International Standards Related to Child Labor in Myanmar's Garment Sector

### Myanmar National Laws and Standards

Source	Age (years)	Conditions
<b>Factory Act (1951)</b> *revised January 2016	<b>Minimum age: 14</b>	
	14 -18	<ul style="list-style-type: none"> <li>• Medical certificate of fitness required</li> <li>• Prohibited from cleaning, lubricating, or adjusting machinery while machine is in motion</li> <li>• Prohibited from being employed in factory where cotton opener is at work</li> <li>• Prohibited from lifting, carrying, or moving heavy loads likely to cause injury</li> </ul>
	14 -16	<ul style="list-style-type: none"> <li>• Maximum of 4 hours/day</li> <li>• No work between 6 p.m. and 6 a.m.</li> <li>• Only two shifts allowed; no overlap; only one factory</li> <li>• Work on Sundays prohibited</li> </ul>
	16-18	<ul style="list-style-type: none"> <li>• Can work as an adult if in possession of medical certificate (conditions listed above for 14-18 still apply); if not, must also work under restrictions for those aged 14-16</li> </ul>
<b>Shops and Establishments Act (1951)</b> *revised January 2016	<b>Minimum age: 14</b>	
	14-16	<ul style="list-style-type: none"> <li>• Maximum of 4 hours/day, with 30 minutes rest each day</li> <li>• No work between 6 p.m. and 6 a.m.</li> <li>• Must have at least one rest day per week, no particular day specified</li> </ul>
	14-18	<ul style="list-style-type: none"> <li>• Prohibited from working unless in possession of a medical certificate proving fitness to do so</li> <li>• Not allowed to work in hazardous conditions of work which are specifically identified</li> </ul>
<b>Child Law (1993)</b> *currently under revision	Not defined	<ul style="list-style-type: none"> <li>• Childhood ends at age 16</li> <li>• Youth defined as 16-18</li> </ul>
<b>MGMA Code of Conduct (2015)</b>	15	Where underage workers are already employed or discovered, companies should strive to support reasonable remediation measures that promote social integration of children and enable them to enroll in school or alternative education programs

### International Laws and Standards

Source	Minimum Age (years)	Exceptions	Type of Work
<b>ILO 138 Minimum Age Convention<sup>1</sup></b>	18	16, under strict conditions	Hazardous Work <sup>2</sup>
	15	14, for developing countries such as Myanmar	Regular Work
	13-15	12-14, for developing countries	Light Work <sup>3</sup>
<b>ILO 182 Worst Forms of Child Labor Convention<sup>4</sup></b>	18		Worst Forms <sup>5</sup> Hazardous Work <sup>6</sup>
<b>ILO 190 Worst Forms of Child Labor Recommendation<sup>7</sup></b>	18	16, if the work has been negotiated with workers and unions, and "the health, safety, and morals of the children concerned are fully protected, and the children have received adequate specific instruction or vocational training in the relevant branch of activity"	Hazardous Work <sup>8</sup>
Source	Minimum Age	Requirements	
<b>UN Convention on the Rights of the Child (1989)<sup>9</sup></b>	Not defined	Introduction of a minimum age for employment and regulation of the hours and conditions of employment, as well as appropriate penalties and sanctions in cases of violation  Protection from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development	

<sup>1</sup> Myanmar has not ratified ILO 138, so is not legally bound by its contents. However, Myanmar has committed to ratifying it in the future.

<sup>2</sup> As defined by national law with guidance from ILO Convention 182.

<sup>3</sup> As defined by national law, so long as the work is not harmful to children's health or development, does not prejudice their attendance at school, their participation in vocational orientation or training programs, or their capacity to benefit from the instruction received.

<sup>4</sup> Myanmar ratified ILO 182 in 2013 and is legally bound by its contents.

<sup>5</sup> Defined as: "(a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant



international treaties; (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.”

<sup>6</sup> Defined by national law, taking into consideration ILO 190. Myanmar has not yet determined what constitutes hazardous work, but is in the process of doing so.

<sup>7</sup> As a nonbinding recommendation, its contents constitute a range of suggested policies and practices aimed at helping states implement effective child labor prevention programs.

<sup>8</sup> Includes: 1) work which exposes children to physical, psychological or sexual abuse; 2) work underground, under water, at dangerous heights or in confined spaces; 3) work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads; 4) work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health; and 5) work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

<sup>9</sup> Myanmar ratified the UN Convention on the Rights of the Child in 1991.

## Appendix 2: Stakeholders

**Stakeholders interviewed for this research include the following:**

Action Labor Rights  
Business Kind Myanmar  
Control Union  
Confederation of Trade Unions of Myanmar (CTUM)  
Embassy of Canada  
Fashion Takes Action  
Gap  
H&M  
International Labour Organization  
KT Care Foundation  
Maple Trading Co.  
Myanmar Centre for Responsible Business  
Myanmar Garment Manufacturers' Association  
Myanmar Mobile Education Project  
People in Need  
Project Management Unit  
Save the Children  
Terre des Hommes  
UNICEF  
U.S. Embassy  
World Vision

## Appendix 3: Children's Rights and Business Principles<sup>36</sup>

Developed through consultations led by UNICEF, Save the Children, and the United Nations Global Compact, the CRBPs provide a children's rights lens to the global standard on business conduct established by the UN Guiding Principles on Business and Human Rights. The 10 principles contained within the CRBPs define actions that businesses can take to fulfil their corporate responsibility to respect the human rights of children and suggest actions to support children's rights in the workplace, marketplace, and community. The principles call on businesses to:

1. Meet their responsibility to respect children's rights and commit to supporting the human rights of children.
2. Contribute to the elimination of child labor, including in all business activities and business relationships.
3. Provide decent work for young workers, parents, and caregivers.
4. Ensure the protection of children in all business activities and facilities.
5. Ensure that products and services are safe, and seek to support children's rights through them.
6. Use marketing and advertising that respect and support children's rights.
7. Respect and support children's rights in relation to the environment and to land acquisition and use.
8. Respect and support children's rights in security arrangements.
9. Help protect children affected by emergencies.
10. Reinforce community and government efforts to protect and fulfil children's rights.



<sup>36</sup> For more information see Children's Rights and Business Principles, <http://childrenandbusiness.org/>

## About BSR

BSR is a global nonprofit organization that works with its network of more than 250 member companies to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. Visit [www.bsr.org](http://www.bsr.org) for more information about BSR's more than 20 years of leadership in sustainability.

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