

Promoting Occupational Safety and Health for Working Children through Microfinance Programming

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Microfinance programs are recognized as a way of improving incomes and creating employment for large numbers of low-income families, but there are concerns that working conditions within these informal microenterprises are far from ideal. For example, when families receive loans to expand a microenterprise, children may make up the labor shortfall until the family can afford to hire adult workers. Through the Promoting and Protecting the Interests of Children who Work (PPIC-Work) project being carried out in Egypt, a set of interventions that can not only improve working conditions, but can also be integrated into standard microfinance programs has been developed. By working with and through self-financing microfinance programs, the PPIC-Work approach provides a way of improving occupational safety and health not only for children working in microenterprises but also for large numbers of children and adults working in the informal sector more generally. *Key words:* microfinance; Promoting and Protecting the Interests of Children who Work (PPIC-Work); child workers; Egypt; Canada; informal sector work; microenterprise.

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INTRODUCTION

By the end of 2007 microfinance programs had reached over 154 million of the world's poor¹ and helped them improve their incomes, expand their businesses, and create employment for themselves and others. At the same time, microfinance practitioners and proponents are recognizing that in addition to improving incomes for clients, microfinance programs can be a platform for social change by drawing on their "high quality relationships with the world's poor." These relationships are

formed through the routine visits that loan officers have with their clients as they carry out normal lending operations. Improving occupational safety and health within informal sector workplaces can be one way through which microfinance programs can contribute to positive social change. However, while the growth of microfinance programs is something that continues to be celebrated, there are concerns that working conditions within informal sector microenterprises, the usual target of microfinance programs, remains problematic. The United Nation's International Labor Organization (ILO) points out that the nature of the informal sector means that in many of those working within these types of businesses having no access to information about occupational safety and health.² In addition, a study by the Canadian International Development Agency (CIDA) shows that children can be drawn into informal sector workplaces when microfinance programs provide access to credit.³

The Promoting and Protecting the Interests of Children who Work Project (PPIC-Work) in Egypt is an example of this type of socially oriented microfinance program that builds on the relationship between loan officers and business owners and helps improve occupational safety and health. PPIC-Work has developed a series of interventions that are integrated into the lending processes of microfinance programs, and while these interventions have been developed with a particular focus on the needs of working children, the approach can be used to improve the occupational safety and health of informal sector workers of all ages. The ability of this approach to operate with and through existing microfinance programs provides an opportunity for improving occupational safety and health in large numbers of non-formal microenterprises.

RATIONALE

Improving Occupational Health and Safety with and for Working Children

PPIC-Work had its origins in the CIDA-funded Women's Initiative Fund (WIF) that began in Egypt in 1990 and focused on supporting low-income women and their families in business activities. As businesses continued to develop and jobs continued to be created, it became evident that children were being drawn into

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the workplaces created by the project: a randomized survey of 100 client businesses carried out two years after the program began showed that about 50% of the participating businesses employed children and approximately 30% of the labor force in some sectors (such as mechanics and metal working) were under 15 years of age. As a result, PPIC-Work was set up to develop tools to improve the lives of children drawn into work. It was not established to remove children from work. Although this distinction is controversial and receives ongoing debate at international and local levels, a discussion is provided below on the rationale behind the PPIC-Work approach.

As PPIC-Work has developed its occupational safety and health interventions through programming with working children, it is important to understand the complex and sometimes controversial issues that surround children's work. When child labor is seen to be a form of exploitation of children by adults, then responses tend to focus on methods that would compel adults to end such exploitation.⁴ However, when child labor is viewed as a result of difficult choices that families make when other options are not available, then the response becomes more focused on the underlying causes of children's work, such as the levels of family poverty and the quality and accessibility of education. PPIC-Work, a CIDA-funded project in Egypt, begins with the premise that when children's work can be made safe and non-exploitative, it can actually provide some benefits for the child. Many families see work as an opportunity for children to develop skills that they will be able to use later in their working lives, skills they do not learn elsewhere. In Egypt, discussions with business owners and working youth have indeed demonstrated that young people who undergo enterprise-based training are more likely to find employment related to their training and to be successful in their work than their vocationally-trained peers. During one of the PPIC-Work focus group discussions one youth who was combining technical secondary school and work explained that it is best to combine work and school, but if this is not possible it is better to work than to go to a technical school if you want to learn the trade. As in many countries, Egyptian employers find the majority of workers have learned their work skills on the job and that: "Enterprise based training is particularly effective when it takes place in very small enterprises that are similar in style and scale to those that trainees hope to start following their training."⁵ It is important to note that this complete package of skills extends beyond mere technical abilities and includes business management as well as human competencies or life skills such as trustworthiness, responsibility, fairness, and communication abilities.

In many parts of the world, children work to support themselves and their families, making them active participants in the economic life of their family and com-

munity. The ILO defines economic activity as including all market production (paid work) and certain types of non-market production (unpaid work).⁶ These forms of work would include children working as unpaid labor within a family business but would not include children engaged in domestic chores within their own households. The ILO estimates that in 2004 there were 218 million children between the ages of 5 and 14 years old working, of whom 126 million were in hazardous work. In the youngest age group, 5 to 11 years old, roughly equal numbers of girls and boys are working, but boys predominate considerably at older ages. While recent information on the prevalence of child labor suggests that there has been a notable decrease,⁷ this reduction came primarily in Latin America and the Caribbean, with little change in Africa or Asia.

In North African countries such as Egypt, child work continues to be an issue affecting human resource development in both positive and negative ways. UNICEF's 2009 State of the World's Children Report indicates that 7% of children (8% of boys and 5% of girls) between the ages of 5 to 14 years of age were working in Egypt.⁸ Studies have suggested that rural children and children from poor households account for the overwhelming majority of working children. Children in urban areas work in a variety of jobs, including leather tanneries, pottery kilns, glassworks, blacksmith, metal and copper workshops, battery and carpentry shops, auto repair workshops, and textile and plastics factories. The majority of children working in rural areas are involved in agriculture.⁹

The prevalence of working children in North African countries arises from problems common in developing countries such as overall levels of poverty, weak and poor quality education systems, heavy foreign debt, high adult illiteracy rates, a poor technological infrastructure, a lack of financial resources, and high unemployment.¹⁰ In Egypt, the education system is geared toward providing skills necessary for jobs in state-owned enterprises or bureaucracies, rather than those needed to succeed in a globalizing, private sector-led economy.¹¹ Many North African economies do not produce enough jobs for people who are skilled and educated, and instead generate low-skill jobs producing relatively simple products.¹² This contributes to the unemployment pattern in North African countries, where, "Education is not a guarantee against unemployment in the Middle East—in fact, unemployment rates in some countries are highest among those youth with relatively high levels of education attainment."¹³ In Egypt, youth (defined as 18 to 30 year olds) with a secondary education or higher made up 95% of the youth unemployed in 2006.¹¹ In this labor market context there is less incentive for children and their families to invest scarce resources in a formal education when better employment opportunities may come for children who drop out of school and enter a workplace.

Adding to the obstacles to improving working conditions, many children work in microenterprises and small businesses that are generally unregulated by any government or official body. These children are often considered to be beyond the reach of traditional approaches for improving working conditions that rely on labor inspections due to the large number of micro/small businesses relative to larger businesses in most economies.^{14,15}

Child Labor vs Children's Work

A great deal of attention has been focused on the large numbers of children working in conditions believed to be hazardous, abusive, or exploitative.¹⁶ According to ILO's Convention 182 on the Worst Forms of Child Labour, exploitative work includes forced, bonded or slave labor, sexual exploitation, and the use of children for illicit activities, as well as "work which by its nature or the circumstances in which it is carried out, is harmful to a child's health, safety, or morals."^{17,18} While reducing the incidence of children working in exploitative and hazardous situations remains an important goal, many children in developing countries work in situations that are not considered exploitative. The ILO has begun to recognize that not all of children's work is harmful and to identify the types of work that should be targeted for elimination.¹⁷ The adoption of ILO Convention 182 in 1999 has marked the advent of a more nuanced approach to child labor, with the definition of three categories of work:

1. "Worst forms": work that is inherently hazardous and/or exploitative and from which children should be removed;
2. "Hazardous work": work in which hazards can be mitigated; once this is accomplished, children may participate in such work without a violation of rights;
3. "Benign/educational work": work in which children will not be harmed and from which they may benefit or learn.

Many development practitioners now distinguish between child labor, or work which is harmful and/or exploitative, and children's work, which is not harmful. The Canadian International Development Agency states that, "Rather than trying to stop all child labour, it is important to ensure that children who work gain the knowledge, tools, and opportunities they need to achieve their full potential."¹⁹

A frequent justification for excluding children from all forms of work is the claim that child labor perpetuates poverty. However, while some kinds of work may be abusive to children, may damage their health, or may deny them an education, much of the more recent literature describes how, now and in the past, children's work has buffered them and their families against

poverty. Many children work to help pay for their school expenses. In addition, in most of the world, children's participation is a common way of learning essential life skills and major occupational skills. Many societies consider work to be integral to children's upbringing, and in such societies both children and their families view work as a complement to formal schooling. In many instances, a third factor, such as poverty, independently contributes to both child work and low schooling rates, with work and school having little influence on each other. Further, growing literature based on children's views of work contains testimonies about how work contributes to their quality of life and builds their self-esteem. Children often express frank enjoyment of their work, even in unlikely places. Child garbage pickers in the Philippines were reluctant to leave as they valued the excitement of the work and the friendships they were able to form; and in Nigeria, middle class children joined street work for fun as well as income for pocket money.²⁰

While efforts to remove children from harmful work will need to continue, it will also be both necessary and possible to find ways of removing the harm from children's work. Projects such as PPIC-Work operate from the perspective that when work occurs in a safe and non-exploitative environment, when it is age-appropriate, and when it involves a learning component, it can be a viable option for those children who do need to work. Naturally there are qualifications: for a work environment to be non-exploitative there must be fair wages, reasonable work hours, safe tasks and conditions, and good treatment for the child. Furthermore, children's work should not interfere with their ability to participate in formal or non-formal education programming or prevent them from enjoying leisure time.²¹ In situations where children can combine safe, non-exploitative work with schooling, a job can be beneficial by giving children an income, a sense of accomplishment, and valuable skills, both work-related and social, that will be of use to them in adulthood. It is also important to recognize that work can form an important part of children's social development and can contribute to their ability to integrate successfully into society. With education systems in many countries failing to provide young people with vital skills for the marketplace, many families place a high value on jobs and apprenticeships as opportunities for children to learn skills for their future working lives, as well as opportunities for earning an income in the short term.

Institutional Responses to Child Labor

There is increasing evidence that attempts to ban children from work are difficult to implement. Interventions that seek to unilaterally remove children from any form of work risk inadvertently undermining the economic security of these children and their families.²²

For example, there are instances documented where international pressures have led to children ceasing work in certain industries (such as garment manufacturing). However, the affected children were then forced into more hazardous work. Save the Children UK's 2001 report entitled "Stitching Footballs: Voices of Children in Sialkot, Pakistan" presents and analyzes the challenges in one such case.²³ The Save the Children report argues that international pressure may have further disadvantaged the child "stitchers" and their families because some of the actions proposed to address child labor problems in the Sialkot football industry were based on a limited understanding of the lives of Sialkot's children and of child labor and social development in general. Despite its problems, football stitching is one of the less hazardous forms of work for children in the region and does not necessarily prevent school attendance since it is often done from home and therefore allows for working hours are relatively flexible. In addition, the families depend heavily on the children's contribution to overall income: 81% of children involved in stitching do so to help their families meet basic needs.²³ Save the Children argues that removing children from football stitching without protecting family income and providing other, safe opportunities for the children may in fact result in them entering more dangerous forms of work.

Issues such as the institution of a minimum working age, the provision of educational opportunities, and the definitions of hazardous conditions at work for children fall into grey areas without clear or consistent guidance or regulations coming from international organizations or national governments. There is much debate on these issues; however, it is generally recognized that different approaches are required to guarantee the rights of children in both exploitative and non-exploitative labor situations. With regard to non-exploitative situations, governmental and economic development agencies can address the issue of child labor through poverty alleviation and an integrated set of activities, including investments in primary education and creating improved or alternate employment conditions for children.²⁴

METHODOLOGY

The PPIC-Work Program

The PPIC-Work approach improves children's working conditions, including their occupational safety and health, and enhances learning opportunities by working with and through microfinance programs. PPIC-Work builds on the positive relationship that loan officers are able to form with their clients, helps business owners identify problems and solutions related to occupational safety and health, provides the means to make the required changes through loans, and monitors the

success of implemented solutions through normal business visits by loan officers. There is an emphasis on cooperation among business owners, working children, and loan officers to build long-term relationships as a way of improving children's lives. It is also possible for loan officers in the PPIC-Work program to withhold future loans if business owners fail to follow through on agreed improvements for working children. Since microfinance programs are self-financing, and in demand by small businesses, it is possible for loan officers to reach large numbers of business owners in the informal economy and working children over time—many more employers and children than traditional occupational safety and health specialists, government inspectors, or other types of development organizations can reach.

PPIC-Work designed a set of nine interventions to be implemented through microfinance institutions (MFIs) in collaboration with working children and business owners. The PPIC-Work interventions include: (1) dual purpose loans that improve business profitability as well as children's working conditions; (2) a code of conduct that sets minimum standards for children's work; (3) hazard assessment and hazard mitigation training for loan officers; (4) education support tailored to in-school and out-of-school working children; (5) computer-based learning that teaches working children business skills and business ethics, including the importance of safety; (6) learning through work (improving the learning process within workplaces); and training programs for loan officers and working children on (7) children's rights, (8) gender equality, and (9) children's participation. While these are deemed most effective when implemented together, it was possible for MFIs to implement only those interventions that fall within their core programming abilities. The key occupational safety and health interventions were dual purpose loans, codes of conduct, and hazard assessments and mitigation training for loan officers; these interventions have been described in more detail in a separate publication²⁵ and training manuals on each are being made available for download from PPIC-Work's website (www.ppic-work.org).

The PPIC-Work approach begins through the promotion of loans with prospective MFI clients. Loan officers first assess whether the client and business would be able to successfully manage and repay a loan. If the client meets the requirements for a loan, the loan officer checks to see if anyone below the age of 18 years works in the business, and explains that the business owner would be able to increase the loan amount (the dual purpose loan) if s/he included improvements in the child's working conditions. The loan officer draws on his/her PPIC-Work training in hazard assessment and mitigation to help the business owner identify priority problems and potential solutions. It may not be possible to resolve all problems through a single loan,

but further improvements can be included in future loans. The loan officer also reviews the code of conduct (included in this article as an Appendix) that has been developed by PPIC-Work in collaboration with business owners and working children. The code of conduct sets out minimum standards for children's work and is incorporated into the loan contract. Once the loan is issued and funds are provided, the loan officer monitors the loan repayment through monthly field visits and also monitors the child's working conditions. Loan repayment, implementation of the agreed improvements for working children, and compliance with the code of conduct are then taken into consideration when the client applies for the next loan.

Some MFIs include social officers who implement programs to help children develop the knowledge and skills to participate in discussions with business owners and loan officers, as well as to negotiate additional improvements in their working conditions. The costs of providing the social programs are modest and covered through loan revenues. For MFIs with social programs, social officers begin supporting working children directly once the loan has been issued, providing them with training on children's rights, gender equality, and a series of social and communication skills that help children participate in discussions with adults. Children are also able to take part in an Educational Support Program that helps in-school working children maintain their academic standings and helps out-of-school working children gain basic literacy and numeracy skills. The Education Support Program also helps children build their own self-esteem and provides opportunities for networking among their peers. There are opportunities for children to take part in a computer-based learning program that makes use of a specially designed computer game called "Ba'alty" or "My Shop" (www.baalty.org) that teaches basic business skills and business ethics. Through playing the game, children learn that improving work place safety is both good for workers and good for business. Where social officers are not part of the MFI, changes in children's working conditions come mainly through the interactions between the loan officers and business owners.

Motivating Factors for MFIs

Many MFIs have a strong social mandate and seek to improve the lives of low income and poor people through the provision of microfinance services. The PPIC-Work approach can be implemented by these types of MFIs as a low-cost way of improving the social impact of their programs.

The Egyptian MFIs that have participated in the PPIC-Work program report that by helping improve the lives of working children they have enhanced their reputation and prestige with their clients, within the broader community where they operate, and with local

government agencies. They have also reported that this type of socially oriented program can provide them with a competitive edge in attracting new clients, in part because many working children are part of MFI client families, and these families wish to improve the conditions under which their children and relatives work.

Microfinance institutions that want to expand their loan fund portfolios by attracting external investment capital can go through a rating process with one of the internationally recognized rating agencies. Until recently, MFIs have been rated primarily in terms of the quality of their portfolio and organizational structures, but the social impact of MFI programs and social rating criteria are increasingly being prioritized by both MFI practitioners and support agencies: "It is also important to reach poor and very poor people, to provide quality services, and most important to improve clients' lives . . . both financial performance and performance in positively affecting people's lives—social performance—matter."²⁶ PlaNet Rating, one of the major rating agencies, cites several reasons for MFIs to improve their social rating:

- Improve your social performance management systems thanks to a thorough identification of weaknesses and information about best practices;
- Reduce reputation risks by demonstrating efforts made towards client satisfaction and client protection;
- Attract skills or funds and enhance staff motivation thanks to an image of socially responsible institution that differentiates your MFI from competitors;
- Increase transparency and comply with stakeholders information requests (fund providers, regulators, clients).²⁷

Improving occupational safety and health within microenterprises will contribute to the social impact of MFI programs, allow them to improve their social rating performance, and help them attract socially oriented investment capital.

Training and Motivation of Staff

PPIC-Work is developing and making available a series of training manuals and program guides that can be used to train microfinance staff, including managers, loan officers and, where appropriate, social officers, so that interested MFIs are able to adapt and apply the PPIC-Work approach within their own programming. The training programs are based on the nine PPIC-Work interventions and can be delivered through three clustered training programs (nominally five days each) over the period of about one year. The training of loan officers on the identification and mitigation of hazards is generally done over a three-day period. Loan officers acquire basic information on occupational safety and health and then work with business owners and working children to identify and mitigate problems.

Implementation of the PPIC-Work approach requires a commitment on the part of the MFI management to this type of socially oriented programming; the PPIC-Work interventions should be incorporated into the job descriptions of loan officers and social officers for the program to be effective. There is a form of built-in compensation for loan officers in implementing the PPIC-Work approach that comes through the issuing of the dual-purpose loans. A loan officer's outstanding active portfolio balance is one of the parameters often used to determine their monthly performance bonus and level of remuneration. The dual-purpose loans are larger than conventional loans and have the effect of increasing the outstanding balance of a loan officer's active portfolio. The experience in Egypt suggests that this is a motivating factor for loan officers although MFI managers do, in the initial implementation of the program, have an additional layer of responsibilities in monitoring the repayment of the dual-purpose loans and the overall impacts of the program on children.

IMPACT ASSESSMENT METHODOLOGY

The impacts of the PPIC-Work interventions on occupational safety and health standards within the businesses and on children's lives were assessed separately.

Impacts on Businesses

An independent review of PPIC-Work's effectiveness in creating change in workplaces was carried out through CIDA by two occupational safety and health specialists who have experience with the ILO and the Egyptian Ministry of Labour. The assessment compared the occupational safety and health status of a randomized selection of approximately 10% of the active PPIC-Work clients (30 microenterprises) with a similar number of microenterprises that were not part of the PPIC-Work program. The assessment team first identified the PPIC-Work sample from the loan numbers and determined the types of businesses that were to be included in the sample (automotive repair workshops, bakeries, garment manufacturers, and others). Once the types of businesses were known, the assessment team then identified the same types of businesses from nearby areas that were not part of the PPIC-Work program. Businesses were compared on the basis of the existence of proper sanitation facilities (potable water and toilets) and visible occupational safety and health signage, as well as the absence of hazards in six categories: accident hazards, ergonomic hazards, chemical hazards, physical hazards, biological hazards, general workplace layout, and workplace conditions. The assessment was carried out during a single visit to the sample businesses and each of the six hazard categories was assessed once. After the data was collected and

compiled, it was possible to assign a score to each business. One point was given each time a business was clear of hazards within any one of the six hazard categories; in addition, one point was assigned when sanitation facilities were present and one point assigned when occupational safety and health signage was present. A business could attain a maximum score of 8 points under this system.

Impacts on Children

During the original project design and implementation, PPIC-Work had emphasized the participation of working children, and therefore engaged a specialist with experience in participatory programming with children to determine impacts that children themselves considered to be important.

Individual interviews were carried out with 30 working girls and boys who had been part of the full range of PPIC-Work interventions. The businesses where the children worked had all received one or more dual-purpose loans and were aware of the code of conduct. The loan officers who worked with the businesses had all attended the PPIC-Work hazard assessment and mitigation training as well as other PPIC-Work training programs. Since the information gathered through PPIC-Work builds on the trusting relationship that is established with the business owner and working children through the loan process, it was not possible to collect comparable data from a separate group of children who would form an independent control group.

Each of the children who were part of the randomized sample was asked to describe the types of changes that he or she felt PPIC-Work had helped achieve in work, education, or learning (whether formal or informal), and in life in general. In addition to responding to the individual questionnaires, girls and boys took part in gender differentiated focus group discussions around the same themes.

Information that was collected from the children was compared with information collected from business owners where the children worked and the relevant loan officers.

RESULTS

The discussion of the results of the impact assessments is subdivided into two categories: the impacts on businesses, resulting mainly from the lending process, and child level impacts that have come through the full range of PPIC-Work interventions with working children and business owners.

Impacts on Businesses

The assessment of both PPIC-Work client businesses and non PPIC-Work clients found no examples of

extreme cases where individual businesses were considered to have only positive or only negative characteristics (a score of either 8 or 1 on the scale described above). The compiled data instead showed that all surveyed businesses had some positive and some negative characteristics with scores ranging from 2 to 7. For the purpose of comparing the two data sets, a benchmark score of 5 out of a possible 8 was chosen as it represented a significant split in the two data sets, though it is not meant to denote an endorsement of the occupational safety and health conditions in those workplaces achieving a score of 5. The majority (93%) of the businesses that had taken part in the PPIC-Work program achieved a score of at least 5 whereas only a minority (27%) of the businesses that had not participated in the PPIC-Work program achieved a score of at least 5.

While the scoring system used is not considered to be precise, the results do suggest that the PPIC-Work interventions have contributed to improved occupational safety and health within the sampled businesses. Since the PPIC-Work interventions will continue as part of ongoing and future loans to many of the same client businesses, it is expected that the occupational safety and health conditions within participating businesses will continue to improve.

Impacts on Children

Children's work. Children, business owners, and loan officers generally agreed that the Code of Conduct has effectively raised the awareness of both children and owners concerning children's rights, workplace hazards, and working hours.

The improvements mentioned by business owners tended to relate to the economics of their business (such as the ability to buy more raw materials, produce more products to sell, or acquire equipment to increase production). According to them, the main tangible benefits for children are also economic, such as better wages or a higher standard of living. This seems related to the fact that most of the children are employed in family businesses.

In many cases, both children and business owners (as well as loan officers from the Egyptian Association for Community Initiatives and Development [EACID]) reported a positive impact on working conditions. The most often mentioned improvements were reduced working hours, better pay, knowledge of different types of hazards and the necessity to avoid them, limiting the weight children lift, improved lighting or ventilation, and other general improvements in the workplace. Because of the different perspectives of children and business owners, it is difficult to interpret the interview and focus group data on tangible workplace improvements made to protect children. However, taken as a whole, the evidence strongly suggests that positive action of some type has occurred on at least one item

in a significant proportion of the cases. It appears that such actions focused on conditions that were relatively easy or inexpensive to accomplish. This seems related to the fact that many of the businesses are grocery stores, which include relatively few inherently serious hazards compared to other types of businesses. EACID staff noted that changes may occur over time in small steps as growing awareness and available finances permit. Child worker and business owner reports suggested that changes to improve working conditions did not in most cases go beyond the superficial level, such as improving lighting, ventilation, and fixing exposed electrical wires in the workplace. The interviewers in their debriefing suggested that, based on their first hand observations of the businesses, there is room for the business owners to tackle needed improvements beyond the easy ones.

In a number of cases, workplace improvements are of a type that would benefit all employees in the microenterprise, and not only the working children. Focus group discussions confirmed that changes in working hours or salary have often been initiated by children, who have made such requests directly to the business owner.

In a few cases, children reported that their duties have become "easier" because of technology upgrades, or because the business owner understands (usually through the Code of Conduct) that children have certain rights and assigns them safer types of work.

Children's education and learning (formal and non formal). The large majority of children reported regularly attending school and working only after school hours. In the few cases where children were not attending school, they reported that low family income required them to work full time, and that they lacked the financial resources to pay school expenses.

About a third of the children reported participating in the program's Education Support Programming and in some cases, children mention having improved their math skills as a result of their participation in the numeracy classes. This positively impacted their work duties, especially in work requiring sales interaction with customers.

The main impact of education activities seems to be related to the use of computers. Children reported being able to use computers for a variety of purposes. They noted that the opportunity was not previously available for them, and as one child commented during the focus group interviews, "Now we know about computers like other children do." The Ba'alty computer game was mentioned many times by the children as an interesting source of learning on a variety of topics. They valued exploring the basics of entrepreneurship such as how to start a business, why and how to get a loan and basic concepts of cost and profit, as well as issues of workplace safety and gender equality. Girls said they feel that computer familiarity may give

them working opportunities in modern businesses where they can have “nicer jobs.”

Some children reported that through the program they have learned how to communicate better with customers. EACID staff note that they have made a special point of teaching the children life skills, ethics, and good manners.

Children's lives. Children generally reported being more aware of their rights and duties, especially relating to their working conditions. They indicated that the Code of Conduct has raised their awareness of rights concerning working hours, level of salary, lifting of weights, types of duties, and equality amongst girls and boys in the workplace.

Most children indicated that they value the opportunity to associate with other working children of both sexes through participation in the different social activities. The evidence suggests this is of great importance to them.

Many of the children, especially girls, state that they are now aware that girls and boys have equal rights and should receive equal wages for the same work. Girls also reported that they feel as able as boys to start a microenterprise; as one girl said during a focus group session: “Ba’alty taught me that girls can be business owners and a girl can start-up a project like boys can do.” Girls and boys gained a basic understanding of gender equality principles through their participation in the gender equality training program and then went on to work together with EACID staff to develop the PPIC-Work intervention tools. In this way gender equality was taken from knowledge into practice through the direct interaction between the boys and the girls through the EACID program.

GENERAL FINDINGS FROM TRIANGULATION OF CHILDREN, BUSINESS OWNERS, AND LOAN OFFICERS’ INTERVIEWS

In order to compare and validate information derived from interviews and focus groups, the data were triangulated, meaning that comparable questions were asked to each of the three groups included in the impact study. Children, business owners, and loan officers mentioned the Code of Conduct and its role in raising awareness, but each group expressed this knowledge and awareness in a different way and addressed it from a different perspective. Children talked about the Code of Conduct in terms of empowerment, and saw it as an educational tool through which they learned about different aspects of their rights, such as shorter working hours, compensation for overtime, or being able to take one day off per week. For girls it meant knowing that they are equal to boys in all aspects of life including education and within the workplace. Business owners and loan officers generally perceived the Code of Conduct in similar ways, but primarily spoke of

how it relates to physical safety within the workplace, in contrast with the children.

In various cases, children and business owners both mentioned that the children were able to influence the behavior of the business owner, especially through children’s knowledge of their rights. Workplace improvements for children were more often reported by the business owners whereas social benefits were more often mentioned by children.

A Selection of Examples

Some of the cases where the PPIC-Work interventions have been applied offer insights into how the program can affect occupational safety and health over the long term. Thumbnail sketches of changes in specific businesses and interventions are described below.

The laundry. PPIC-Work began collaboration with a laundry business owner who employed both girls and boys and who was concerned about the risks related to some unsafe electrical installations in the business. The owner recognized the hazard for both young and adult workers and discussed the problem with the loan officer. Additional funds were provided in the next loan to cover the costs of upgrading the wiring along with funds for general operations and working capital. Discussions of safety and business performance continued. The business owner went on to negotiate a series of loans with the MFI to upgrade his equipment in order to improve his business performance, and in each case he selected machines that were safe as well as productive. The modernization of the laundry eventually included new drains and flooring along with appropriate occupational safety and health signage. Furthermore, children’s work was scheduled so that it was possible for schooling and work to be combined. The business owner now cooperates with the MFI in explaining to other business owners that creating a safe work environment for children and adults can be part of improving business profitability and performance.

The restaurant. A restaurant owner who was interested in expanding his business employed a young boy as a waiter. Part of the boy’s job required him to work within a cramped kitchen area where there were several hazards present, including sharp knives and open cooking flames. In planning the expansion, the business owner and loan officer agreed that the new facility would separate the kitchen from the serving area through the installation of a serving window. The boy is no longer exposed to the hazards in the kitchen, and in addition, the larger workspace in the new kitchen has also helped reduce the risks for the adult workers. The business owner now sees the expanded restaurant as both safer for the workers and more profitable.

Mechanics workshop. A loan officer working with a new PPIC-Work partner MFI found that in a family mechanics business comprised of a father and three sons, it was

common practice for youngest son, who was ten years of age, to perform the work that required being under the vehicles. The loan officer explained the risks involved to the father and suggested that at minimum, they should be making use of mechanical supports that would ensure that the vehicle could not collapse on anyone working underneath. The father did agree to make some other safety improvements but maintained that the mechanical supports were too expensive and unaffordable for his scale of business. The loan officer continued to try to persuade the father to make the changes during subsequent loan visits but was unsuccessful. When the father repaid his loan he approached the loan officer for a new and larger loan. At this point the loan officer explained that the mechanical supports could be incorporated into a new loan but the father still refused and claimed that the costs were too high. The new loan was not issued and the loan officer felt that he has lost a client who had established a good repayment history. Two weeks later however the loan officer was contacted by the business owner and asked to come to the shop. On arrival, the father showed that he had arranged to have the mechanical supports manufactured at a nearby workshop for a reasonable cost. The loan officer agreed to issue the loan and is now continuing discussions with the father about further occupational safety and health improvements that can be incorporated into future loans.

The vegetable shop. Two teenage sisters were helping with their family business by going to the local market early each morning to collect fresh vegetables for sale through the shop. As part of their work, the sisters had to carry heavy loads and contend with vehicle traffic and harassment on the streets during the dark hours of the early mornings. In subsequent discussions with their loan officer and their father, they collectively determined that by increasing the working capital loan from approximately \$1,000 USD to \$1,250 they would be able to purchase a sufficient quantity of fresh vegetables to qualify for home delivery of the produce. As the family had a good credit history and the loan officer was convinced that they could manage a larger scale business, the increased loan was approved. The hazards that the sisters had been facing were eliminated and their working hours reduced. They were able to use their extra time for their studies and both sisters have now completed post secondary education programs.

Education Support Program

Not all of the occupational safety and health improvements have come through the lending process. During some of the early discussions with children who worked as street vendors, they pointed out that one of the risks that they faced during their work was physical or verbal abuse from customers when children made mathematical mistakes providing change during sales transac-

tions. Children requested that they be provided with help to improve their mathematics and literacy skills as a way of making their work safer. The Education Support Program, which includes literacy and numeracy training for children, is now seen mainly as a way of improving working children's learning opportunities; however, it was actually initiated as a way of reducing specific types of workplace hazards and improving occupational safety and health.

CONCLUSIONS

Microfinance institutions can contribute to improved occupational safety and health within microenterprises operating in the informal economy by incorporating the PPIC-Work interventions into the lending process. The types of improvements that can be achieved will benefit occupational safety and health conditions for working children as well as adults. By building on the positive relationship that loan officers are able to establish with business owners and by providing loan officers with training on hazard assessment and mitigation, it is possible for loan officers to work with business owners to identify and prioritize initial occupational safety and health improvements and to establish a process for continuing upgrades over time through subsequent loans.

The development of a code of conduct by an MFI through a participatory consultation with business owners and workers (children or adults) helps ensure that the minimum standards for working conditions are considered to be reasonable and achievable by all parties. Further, the code of conduct can be implemented as part of the lending process. The code of conduct should not be viewed as a final set of acceptable working standards but rather a tool for encouraging a process of on-going improvements in workplaces. Once progress has begun, the code of conduct can be reviewed and updated to encourage further improvements.

While the loan officers can discuss occupational safety and health issues during their routine business visits, they are able to have the greatest influence over business owners at the time that new loans are issued. Some loan officers had been concerned that business owners would withdraw from the lending program at this stage and there would be a resulting loss of clients who had good credit histories. However, the experience gained through PPIC-Work suggests that while delays in issuing new loans may occur (as was the case in the example of the family mechanics business) agreements can generally be reached. Loan officers do, however, need to listen to the concerns of business owners and agree on incremental improvements in occupational safety and health rather than imposing a predetermined set of standards. Further improvements will be possible during subsequent loan cycles.

The ability of MFIs to finance their on-going operational costs allows them to continue to interact with

business owners over the long term, and this in turn allows them to introduce workplace improvements, monitor conditions, and continue to improve occupational safety and health over time.

Challenges and Limitations

There are pragmatic considerations that will influence how occupational safety and health can be promoted by MFIs. Loan officers will be ready to provide loans if they are convinced that the business owner has a viable business and that he or she is ready and able to repay the loan on time. Loan repayment will continue to be the main concern for loan officers and MFIs and it will not be possible to continue to lend to businesses if loans are not repaid on time even if the businesses do make improvements in occupational safety and health.

Business owners will be ready to take on loans that help them improve occupational safety and health, provided they are also convinced that the loan will help them improve the productivity and profitability of their business as well. PPIC-Work has not found demand for loans that only improve occupational safety and health. This is an important distinction.

As the interest in the social impact of microfinance increases there will be a need for MFI rating agencies to develop and apply criteria that link positive social impacts with improvements in occupational safety and health within microenterprises. The social rating criteria should recognize the existence of children's work within microenterprises and encourage MFIs to improve working conditions for working children as well as adults as part of their social development mandate. It will be important for both working children and MFIs that social rating criteria not attempt to ban children from all forms of work within MFIs, as this would not be in children's best interest, would not likely be achievable, and could serve to discourage MFIs from becoming involved with working children.

Sharing Experience

The PPIC-Work approach will be of interest (at least initially) to those MFIs that have a developmental mandate and are interested in improving the social impact of their programs. Further interest will follow once social impact rating criteria that include occupational safety and health as part of desired social impacts become available and more widely practiced. Other agencies are beginning to become involved in this type of programming. The ILO has begun to collaborate with more than twenty MFI's from around the world to look for innovative ways of improving the social impact of their programs including improving occupational safety and health within client businesses.²⁸ It will be important for those agencies interested in promoting occupational safety and health to engage in dialogue

with lead MFIs and MFI rating agencies to determine how this type of programming can best be developed and implemented.

A series of training manuals on children's rights, workplace safety, and hazard identification and mitigation have been developed and are now being made available through the PPIC-Work website (www.ppic-work.org). These can be used to train other MFIs that are interested in improving working conditions within the workplaces and businesses that they serve. With close to one million active clients of microfinance programs in Egypt and over 150 million microfinance clients globally, the potential exists for the PPIC-Work experience to reach large numbers businesses and workplaces, improving the lives of many working children and adult workers.

APPENDIX

PPIC-Work Aswan (EACID) Code of Conduct

1. Girls and boys need to be protected from all forms of hazards in the workplace.
2. Girls and boys must not perform work that requires strenuous physical exertion or requires them to work in uncomfortable or unhealthy positions and environments.
3. Girls and boys who are less than 16 years of age should not work with dangerous production processes that use an open flame such as hot ovens, welding equipment, or other types of hot objects.
4. Children must not operate dangerous machines or equipment (including small machines that can be dangerous).



Loan officer reviewing code of conduct during routine business visit.

5. Girls and boys below 16 years of age should not lift or carry anything that weighs more than 15kg, and girls and boys less than 10 years of age should not lift or carry anything that weighs more than 10kg.
6. Girls and boys should receive training from the business owner/supervisor on how to operate production machinery through an age-appropriate, step-by-step process that ensures the safe operation of the machinery by the child.
7. Girls and boys must not work more than 6 hours/day during the school year, so that they can attend school and study, and 8 hours/day during the summer holidays. Girls and boys should not work at night.
8. Working girls and boys should be provided with a break time, a day off each week, and annual leave.
9. When girls and boys are working, there should be a provision for sick leave and compensation for extra working hours.
10. There should be no physical punishment or humiliation of working children.

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