END DISCRIMINATION
END CHILD LABOUR

REPORT FOR THE 2021 UN YEAR ON THE ELIMINATION OF CHILD LABOUR
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ABOUT THE 100 MILLION CAMPAIGN

The 100 Million campaign is a youth-led call to action for a world where all young people are free, safe and educated. We support young people to mobilise to end violence against children, eradicate child labour, and ensure education, breaking the cycles of illiteracy, poverty and violence for good.

The Board of Trustees of 100 Million has a supermajority of members under 30 and who between them represent over 50 million young people worldwide.

100 Million has established itself in 35 countries on five continents by bringing together youth activists with NGOs and teacher unions and supporting their mobilisation and advocacy activities with campaigning materials, policy briefings and face-to-face meetings.
INTRODUCTION

Child labour is a persistent injustice of which the world should be ashamed. When there remain millions of families who are so poor they are forced to send their children to work, despite global wealth doubling in the last 20 years, it is plain to see that there is wholesale, systemic discrimination enabled by governments against the most vulnerable people.

Concerted efforts can reduce the number of child labourers: in the first 12 years of this century, almost 80 million children were taken out of child labour. However, progress has not only slowed, it is predicted to go into reverse: by 2022, the ILO is predicting there will be almost 170 million children in child labour – more than in 2012. Six years after committing to the SDGs, world leaders are allowing millions more children to be forced into child labour and left behind.

The latest ILO data shows that 8 million more children were forced into child labour between 2016 and 2020. In the last eight years, child labour has fallen in South-East Asia and Latin America, but sub-Saharan Africa has seen an increase: of the 160 million child labourers worldwide, 92 million of them now live in sub-Saharan Africa – more than in the rest of the world combined. Worse still is that it is amongst the youngest children that progress has already reversed: even before the pandemic there were 16.8 million more 5-11 year-olds in child labour than in 2016, the first year of the SDGs. While tiny hands were growing our food and making our clothes, the wealth of the world increased by 15% and the wealth of the world's billionaires increased by 23%. How rich does the world need to be before governments end the scandal of child labour?

In 2020 the world was warned about the devastating impact COVID-19 would have on the rate of progress across all areas of children’s rights including child labour, particularly for the world’s poorest children. These predictions are proving to be true: children have dropped out of school and to enter paid work, just to keep food on the table. Early reports from youth activists at 100 Million Peru in 2020 noted a correlation between the number of children dropping out of school and those entering child labour in some of the country’s mining districts. In 2021, Human Rights Watch and its national partners conducted interviews with 81 children in Ghana, Nepal, and Uganda and found many of the children had entered child labour as their family incomes and access to food had become severely constrained or completely wiped out. Even when schools reopened, the report also found that most of the children who managed to go back to school continued in work around school hours. The ILO is now predicting that an additional 8.9 million children could enter child labour by the end of 2022, which would mean child labour could increase at more than double the rate of the 2016-2020 period, unless serious interventions are made urgently. The world’s richest countries have spent US$8 trillion on COVID relief, yet they have entirely failed to protect those most in need: just 0.13% of this amount went to multilateral appeals for low-income countries. At the same time, almost 500 new billionaires were created during the pandemic – one every 17 hours. The ‘new normal’ is not social distancing, mask-wearing, or lockdown. It is living with the consequences of an unjust, discriminatory response by wealthy countries to a global crisis, which has caused a reversal in twenty years of progress on children’s right to freedom.

2021 is the designated UN International Year for the Elimination of Child Labour and never has such a call been more timely. We as youth leaders and activists demand an end to the historic discrimination which has perpetuated child exploitation and call for a more inclusive and sustainable world after the devastation wreaked by COVID-19 on the most marginalised children and young people. The world has an opportunity to reinvigorate the fight against all forms of child labour and push for the breakthrough that is needed to achieve the 2025 SDG 8.7 deadline to end child labour. Efforts to achieve SDG 8.7 are directly connected to 113 of the 179 SDG targets, or 63% of all SDG targets. The discrimination which causes child labour must be eliminated to make achieving the rest of the SDGs possible, for the world’s most marginalised children and young people to finally be free, safe, and educated.
“Right now, schools are closed due to coronavirus. There is no food and no money to buy clothes. It forces you to work in the farms... I have to work to survive.”

Wilfred Munene is 16 years old and comes from Meru County, Kenya. Wilfred started working in khat farming when he was 10 years old. He wakes up at 5am to get paid work, because the income from his family farm is no longer enough to keep food on the table. The bundle of khat he is carrying is worth $2.
CHILDLABOUR IN CONTEXT

Child labour is an overarching descriptor for a variety of forms of exploitation of children, all of which are mentally, physically, socially, or morally dangerous and harmful to children, and interfere with their schooling. This includes trafficking (including online) for purposes of exploitation, and slavery.

Forms and nature of child labour differ across regions, and specific contexts. For example, Africa has at least double the percentage of child labourers in hazardous work than any other region. Children who have been forced to flee their homes due to climate disaster or conflict are more likely than their counterparts to be in child labour, even if they are living in the same country. Children living in the most challenging contexts, including refugee children, children in the world’s poorest countries, and children living in areas impacted by climate disasters are also likely to face multiple injustices, including being out of school or being forced into child marriage.

While much of the data on child labour is derived from national household surveys, there are specific forms of child labour where, because of their nature, it is extremely difficult to estimate numbers. This includes online commercial sexual exploitation, children born into slavery, and children trafficked for exploitation across international borders.

Not every child labourer is out of school. The 2012-2016 ILO data demonstrates that many child labourers aged 5-14 are enrolled in school – although in reality the pressure of needing to support their families means that they often have to make the choice between going to school and going hungry. The detrimental impact of being in child labour and in school is clear in terms of poor performance and lack of grade progression and completion. However, the 2016-2020 ILO data shows that more than a quarter of children aged 5-11 and over a third of children aged 12-14 who are in child labour are out of school.

Child labour occurs in almost every country in the world. Over 26% of children living in the poorest countries are forced into work, while millions are still trapped in child labour in many lower-middle income countries due to huge in-country inequality.

1. LONG-RUNNING INJUSTICE PERPETUATES CHILD LABOUR

The vast impact of COVID-19 cannot be ignored, but the unequal response of wealthy governments to the pandemic should not be used to mask their long history of failure when it comes to supporting the world’s poorest citizens.

Despite the decades-long target to spend 0.7% of GNI on international aid, initial reports from the OECD show that just 0.3% of donor countries’ GNI was spent on aid in 2019. Worse still is that more aid is given to middle-income countries than to low-income countries every year. This is in the face of widening income inequality between the world’s richest and poorest citizens. Global wealth has more than doubled in the last 20 years yet the gains have benefited the world’s richest far more than the world’s poorest citizens. The proportion of global gains received by the richest 1% is one hundred times the proportion received by the poorest. In 2012, a World Bank policy review demonstrated that the poorest 5% of the world’s population received no benefit from increased global wealth between 1998-2008 – yet the richest 1% received a 60% increase in real income.

Global wealth has increased by over $40 trillion in the last 20 years and the world has never been richer; the problem is that this has never been distributed fairly. Billionaires have more wealth than 60% of the planet’s population – or 4.6 billion people. The richest 1% of the world’s population now has twice as much money as 6.9 billion people put together. Although the global picture demonstrates an overall increase in wealth, in countries which cover 71% of the world’s population income inequality has in fact increased.

This discriminatory imbalance, created by wealthy countries and ultra-rich individuals, has had a disastrous impact on children from the poorest families, because regardless of how poverty is estimated, children always bear the brunt of this injustice. The World Bank’s 2020 Poverty and Shared Prosperity Report, using the latest figures (2018), demonstrated that half of the world’s global poor are younger than 15 years old. The 2020 Multidimensional Poverty Index demonstrates that half of those living with multiple deprivations, including lack of access to essential public services, are aged below 18 years.

Given that the World Bank has estimated that the number of people living in extreme poverty could increase by 150 million in 2021, with well over 700 million people living on $1.90 a day or less, the picture looks bleak for children. This increase in families living in extreme poverty will have a direct impact on the number of child labourers. UNICEF and the ILO have estimated that for every 1% increase in poverty, there could be a 0.7% increase in child labour. The latest ILO data and projections demonstrate that almost 8.9 million more children could be in child labour by 2022 as a result of the pandemic. Although child labour is by no means confined to low-income countries, they are the countries in which it is most prevalent, with over 1 in 5 children in child labour compared to the global rate of 1 in 10. The rise in extreme poverty could easily see this ratio increase even further in LICs than it already has in the 2016-2020 period.
2. CHILD LABOUR: AN UNFAIR RESULT OF DISCRIMINATION

Discrimination is being committed by wealthy states against poorer states in their failure to support the interventions needed to tackle child labour’s root causes - which is explored in more depth later. But discrimination within countries also plays a huge role in enabling child labour.

A variety of reports over the last decade have demonstrated that in many countries, members of ethnic- and religious-minority groups are much more likely to be in extreme poverty than those from majority groups, with wide variations depending on country. Extreme poverty and child labour are significantly more prevalent in rural communities than in urban communities. Children on the move are disproportionately at risk of entering child labour and trafficking due to their vulnerable status and the precarious situations in which they live. Low- and lower-middle-income countries have a higher prevalence of children with disabilities, and 55% of children with disabilities are out of school at secondary level.

These wide imbalances do not happen by accident. Life chances remain determined by share of income and wealth, and those who have a limited share not only suffer from the direct consequences of this, they also suffer from a lack of political power and influence to change the status quo. Inequality preserves political power for those who are already wealthier, and this rarely serves to benefit the poorest section of their societies, let alone the poorest children.

Discrimination in budgets

Despite international and – usually – national commitments in law and policy to end discrimination, these can only have an impact when government budgets adhere to the same principles. When they do not, marginalised populations will continue to suffer from discrimination.

Discrimination in national budgets is most common on the grounds of gender, ethnicity, and socioeconomic status, and children within these groups have the fewest opportunities to demand and effect change. These discriminations are historic and pervasive and have as much impact on budgeting as they do on policy-making; this makes it difficult to identify and dismantle discrimination. Even when governments specify how their budget will support marginalised groups, few publicly report the impact their budgets have had, leaving citizens with little evidence to challenge discrimination and hold their governments to account. In Mexico, for example, the national budget is broken down to demonstrate how the government is targeting specific groups, including women, children, and youth, but at present there is no analysis of the impact of this.

Education budgets provide stark evidence of how discriminatory budgeting is failing marginalised children. Universal quality education is widely acknowledged as vital not only in the fight to end child labour, but also to end poverty and inequality. Apart from a few exceptions, low- and lower-middle-income countries generally spend a higher share of government income on education than wealthier countries – due in part to their younger populations and the need to scale up infrastructure. However, within countries, there are massive disparities in the impact of that spending, with the poorest children rarely benefitting at the same level as their wealthier counterparts.

A UNICEF analysis of education spending in 2015 found that, on average, 46% of resources were spent on the top 10% of students with the highest levels of education in low-income countries. In lower-middle-income countries, the disparity remained high, at 26% of resources being spent on the top 10%. The same analysis found, for the low-income countries included, just 10% of education funding goes to the poorest children, while 38% goes to the richest. Unsurprisingly, as many as 34% of boys and 44% of girls from the poorest quintile never attend or complete primary school. The Oxfam Commitment to Reducing Inequality (CRI) Index 2020 found some astonishing disparities in the impact of inequitable funding distribution at the national level. In Nigeria – which currently has 10.1 million out-of-school children – 90% of the richest children complete secondary school, compared with only 15% from the poorest households. When education financing discriminates against the children with the lowest levels of education and the poorest families, a critical route out of poverty and away from child labour is barricaded.

There are examples of countries which have, however, transformed education for marginalised communities, and this has been done through targeted budget allocations. Unfortunately, they are in the minority, and far more governments must seek to redress discrimination through national budgeting. Huge groups of marginalised children continue to face discrimination due to failures to reflect laws and policies in budget allocations. Despite every child having the right to education no matter their living context, only 50% of refugee children have access to primary education, and just 2% of humanitarian funding is allocated to education – and refugee children are extremely vulnerable to trafficking and child labour. Children with disabilities are less likely to be enrolled in education, and even when they are, they are less likely to complete their schooling. International multilateral funds, such as Education Cannot Wait and the Global Partnership for Education, are working to redress these imbalances, but national budgets contribute the far bigger amount, and marginalised children remain at the mercy of national budgeting. These budgets must be developed with human rights and ending discrimination as a priority.
CASE STUDY: BRAZIL’S TARGETED FINANCING PROGRAMMES FOR MARGINALISED COMMUNITIES

Brazil has a long history of providing targeted financing through conditional cash transfer programmes, which seek to redress historical discrimination and enable poorer families to survive and thrive. The most well-known of these programmes is the Bolsa Família, which provides cash transfers to poorer Brazilian families. If the families receiving the benefit have children, families must ensure that the children attend school and are vaccinated; if they exceed the total of permitted school absences, they are dropped from the programme and their funds are suspended. In 2018, approximately 13.7 million Brazilian families were receiving financial assistance from Bolsa Familia. One study found that it increases school attendance and advancement, and has improved child weight, vaccination rates, and use of pre-natal care.

For education in particular, since 2007, the Fund for Maintenance and Development of Basic Education and Valuing Education Professionals (FUNDEB) has enabled marginalised schools to receive additional funding for their specific needs – for example, to ensure children from indigenous populations receive their right to quality education. The fund was due to expire at the end of 2020, but Congress voted to make FUNDEB permanent. At present, 40% of the government’s education budget is allocated to FUNDEB.

Although these programmes have faced considerable challenges from recent administrations, they continue to provide a safety net for families most in need.

Gender discrimination and child labour

Cutting across the multiple layers of discrimination is gender. This is borne out by a critical omission in how we count child labourers. In all the figures to date, children trapped in full-time domestic labour in their own home have never been counted as child labourers – even those who work over 43 hours per week. This is because household chores constitute a ‘non-economic’ form of production and are excluded from consideration in the UN System of National Accounts (UNSNA), the internationally agreed set of guidelines for measuring economic activity. In the 2016 and 2020 Global Estimates of Child Labour reports, however, the ILO included information on children undertaking household chores, despite this group remaining excluded from the official numbers of child labourers. While child labour data usually demonstrates that boys are more likely to be engaged in child labour, both reports found the burden of household chores usually falls to girls; in the 2020 data the inclusion of children undertaking 21 hours or more of household chores closed the gender gap by prevalence by almost half.

Evidently, many millions of girls are excluded from official child labour data. Failing to recognise the exploitation of children and particularly girls in domestic child labour at home allows this exploitation to continue unchallenged, and the specific needs of this marginalised group will remain unconsidered in government policy or budgetary responses. In 2021, the UN year for the elimination of child labour, this discriminatory omission must be acknowledged.

Much more broadly, girls are less likely to enter and complete school, and women are more likely to be underpaid or unpaid for their work, regardless of their ethnicity or where they live. Women and girls from marginalised populations are the group most discriminated against. This is a result of both discriminatory policy and budgeting, and long-held social discrimination against women and girls. When families do not have access to free, quality public services, financial constraints force them to make choices; for example, boys are sent to school over girls, or receive medical treatment instead of girls. A woeful lack of funding and political priority for women’s and girls’ sexual and reproductive health and rights (SRHR) leaves school-aged girls susceptible to being forced into early marriage or pregnancy; when they are, this can prevent them from continuing in education, either by explicit policies which exclude them from schools or by a lack of targeted support to enable them to continue their learning. This perpetuates the cycle of discrimination and marginalisation, as girls are then forced to undertake low-paid or unpaid work. Gender-sensitive policies and budgeting which takes into account the need to address existing and long-held discriminations is critical to realising education and freedom for every girl.
Where you live matters: geographical discrimination

The majority of people living in extreme poverty have historically lived in rural settings, it is no coincidence that the majority of the world’s child labourers are from the same communities. Of the world’s 160 million child labourers, 122 million live in rural areas. Already with less political power than the urban rich, they are discriminated against due to the lack of cost effectiveness and the administrative or logistical burden of establishing and maintaining schools, hospitals, sanitation, and energy infrastructure in rural settings.

There is also little incentive for decision-makers to create new policy and budgets to cater for the rural poor: establishing infrastructure in these communities can take longer than a term of office, especially when budgets are meagre. This puts the rural poor at the mercy of the election cycle, instead of being prioritised for having the greatest need.

This discriminatory lack of investment and political will for rural communities has a major role in perpetuating child labour because the majority of child labour is rural. Fundamentally, until there is equitable provision for rural communities of the public services which tackle the root causes of child labour, it will continue unabated. But much more directly, weak investment in the inspection services which are supposed to implement child labour laws allows child labour to thrive. When there are too few inspectors to cover an entire country, it is child labour in urban settings that becomes an ‘easy win’, leaving agricultural child labourers with little or no access to justice.

Turning again to education, it is clear that geographical discrimination has a disastrous impact on children’s lives. UNESCO’s World Inequalities Database on Education (WIDE) demonstrates that primary-school-aged children are more than twice as likely to be out of school in rural areas than urban in low-income countries, with the 2020 Global Education Monitoring Report demonstrating the impact of this: only 23 rural residents for every 100 urban residents completed secondary school in LICs. The same report found that in at least 20 countries with data, mostly in sub-Saharan Africa, fewer than 1% of poor, rural young woman completed upper-secondary school. When the vast majority of child labourers – over 70% – work in agriculture, it is clear that child labour will never end unless targeted policies to deliver public services including education exist for rural communities.

However, it is not only the rural poor who suffer discrimination. More than one billion people live in informal ‘slum’ settlements within cities, which are rarely catered for in the same way as formal urban communities.

Indeed, some governments refuse to acknowledge the presence of informal settlements, leaving their citizens completely excluded from access to the public services which can end child labour, including schools and healthcare. It is also important to note that the World Bank is predicting that the number of urban poor is likely to increase in the wake of COVID-19.

Tens of millions of refugees and internally displaced persons, who live in informal settings or camps, endure multiple discriminations and are usually last in line for any kind of public service, because their status can make them ineligible for registration to use existing services or for budget allocations for new services. There is clear evidence of how this impacts upon refugee and displaced children: not only are they more at risk of entering child labour or being trafficked due to their ‘invisibility’, there is hard proof that they are among the most excluded from education. Only 50% of refugee children have access to primary education, compared to the global level of over 90%, and by being excluded from the basic level of protection provided by being enrolled in education, they are put at even greater risk of entering child labour.

CASE STUDY: KENYAN NATIONAL POLICIES MUST BE LOCALISED TO END CHILD LABOUR FOR EVERY CHILD

National governments must create targeted policies which increase educational infrastructure to underserved communities to truly provide a fair share of quality education for every child. Kenya provides an excellent example.

According to the National Bureau of Statistics, Kenya’s child labour rate reduced from 34.49% in 2009 to 8.5% in 2019. This is attributed predominantly to its improved education policies, including 12 years of compulsory education for every child, and shows how much impact concerted national efforts and policies can make. But in practice there are huge disparities between counties within Kenya.

The child labour rate in arid and semi-arid counties remained extremely high, with six counties still having rates of over 30%, and Samburu county with a rate of 38.4% - more than Kenya’s 2009 national average. This demonstrates that blanket national policies do not work for every child and there must be targeted policy interventions for those vulnerable to child labour and exploitation.
Children face multiple discriminations

Children in marginalised groups, like child labourers, have usually endured multiple discriminations from birth. For example, poor children in rural settings may not have been registered, making them ‘invisible’ and ineligible for early childhood care and education – or even citizenship. This also means that they are less likely to have access – or be given access if it exists – to vital vaccinations and healthcare. Importantly, it is well documented that children are less likely to receive social protections and benefits than adults; pre-COVID, 45% of the world’s population had at least one social protection, but only 34.9% of children were in the same position. This is because when governments implement such policies, the starting point is often older persons and pensions. While these protections are of course important, the lack of financing available often means children lag years behind in receiving equitable levels of protection.

Importantly, the CRC provides for the right of children to express themselves freely on matters which relate to the child. While there are a handful of examples of States enabling this right, such as Norway and Australia, the vast majority of children do not have the opportunity to influence decisions which impact their lives. For children facing multiple discriminations, this right is critical because they face multiple discriminations – they are the children most failed by decision-makers, generation after generation. There is a moral obligation for marginalised children including child labourers to be heard – for the world to hear their testimonies – and to have a say in policy and budgeting decisions which affect them.

Discriminated against for being a child

With a handful of notable exceptions, children cannot vote and they are rarely consulted, so decisions about the services and support they should receive are not made by children themselves, nor do they have the input of children. Yet every country in the world – with the shameful exception of the United States – has ratified the UN Convention on the Rights of the Child. This Convention provides rights which aim to protect children and take into account the specific needs of childhood, as well as doubles down on the rights which belong to every citizen, including children, in other international treaties.
REALISING THE RIGHT TO BE HEARD:
CHILD AND YOUTH PARTICIPATION IN DECISION-MAKING

The most fundamental way in which citizens can exercise their right to be heard is in national and local elections. The voting age in most countries is 18, but in the last two decades a handful of countries have lowered this to 16 or 17 – including Austria, Brazil, Malta, and Argentina. In several other states there are active parliamentary debates on lowering the voting age. This is a step in the right direction, but one which still excludes the vast majority of children.

Some countries have active legislation which enables the right of children to express themselves freely on matters which relate to the child. However, implementation is varied, and tends to be better-delivered when it comes to individual decisions – such as children’s right to be heard in family courts, or to make health care decisions.

Australia has a Children and Family Act which explicitly states that children have the right to participate in decisions which affect them, and while several Australian states have Commissioners for Children, these are not selected by children and young people. Norway has enshrined its commitment to the CRC by including the right of children to be heard in its constitution; however, the UN Committee for the Rights of the Child has made repeated recommendations to Norway about strengthening participation of children and young people in formal decision-making – particularly for marginalised children.

Kazakhstan has taken a proactive approach in its commitment to the CRC. The Children’s Act states that children have the right to active participation in public affairs, and the state supports a programme of Child Friendly Cities, in which children and young people participate in decision-making and accountability, including budget scrutiny and planning.

With the inception of the SDGs and the accompanying Voluntary National Reviews (VNRs), several countries have established formal ways for children and young people to participate in this accountability process. Permanent structures for child and youth participation have been implemented in Gambia, Finland, Slovenia, and the Solomon Islands, with the latter two countries working with pre-existing national youth councils. Several other countries also used surveys of children and young people to inform their VNRs.

At the international level, disappointingly few bodies have constituted routes for genuine, formal youth participation. Several multilateral organisations have various ‘Youth Envoy’ or ‘Youth Ambassador’ posts, but the serving individuals are usually recruited using opaque selection processes instead of transparent, democratic processes. Such selection processes tend to exclude young people who have not completed tertiary education, let alone offer any opportunity for children with limited primary or secondary education.

One progressive example of formal and democratic youth participation comes from Education Cannot Wait (ECW), the global multilateral fund for education in emergencies. In 2020, ECW formally recognised students and young people as part of their civil society constituency and invited 100 Million, a youth-led campaign, to support the establishment and democratic processes for a new Student- and Youth-led Subgroup. In January 2021, the subgroup elected its first representative organisation to sit on ECW’s High-Level Steering Group and Executive Committee; with over 70 member organisations, it is by far the biggest subgroup – and the only one to have substantial representation from displaced persons and refugees themselves.
“The economic status of my family was pretty bad... we did not have enough to eat so we used to work in a mica mine - my mother, father, and brother.”

Champa Kumari was 12 years old when she was rescued from child labour in Jharkand, India, by Bachpan Bachao Andolan. After starting school, she understood that she had been a victim of child labour, and soon began to take action to prevent other forms of exploitation happening to children, particularly child marriage.

She joined meetings of her local Bal Mitra Gram (Child Friendly Village), led campaigns and rallies, and helped stop two child marriages. In 2017, she was elected the Vice President of the National Level Bal Panchayat (Children’s Parliament), and in April 2019, she was awarded the prestigious Diana Award for being a crusader against violence and exploitation of children.
Despite the recent dissipation of internationalism and multilateralism, the simple fact remains that the world has created, and maintains, a global economy, and it is an economy in which the lives of wealthier citizens anywhere are reliant on the labour of poorer citizens everywhere. When the poorest of these citizens are children, and they are being exploited to fulfil the needs and wants of the wealthy, States are failing in their moral and legal obligations.

High-income countries have long played a critical role in determining resources for lower-income countries – not only inherently in the legacy of colonialism. As bilateral donors, as influential members of multilateral institutions, and as members of international institutions which exclude poorer countries, high-income countries (HICs) continue to have an unfair say in how resources are distributed and spent. Critically, this is not limited to how HICs spend their own resources – they also dictate how poorer countries manage their own income through taxation and borrowing.

**Bilateral aid discrimination by rich countries against the poorest countries**

Regardless of international guidelines and multilateral agreements, HICs still determine how much aid to allocate and where to spend their aid budgets. Historically, the majority of aid has gone to middle-income countries, not the low-income countries which are home to growing numbers of child labourers.

In the face of the global pandemic, initial indicators for 2020 show a 26% decrease in overall bilateral aid\[46\] worse still, the same HICs managed to find over $8 trillion for their domestic responses to COVID-19, contributing just 0.13% of this to multilateral efforts against the pandemic in lower-income countries. To really put this in context, overall ODA in 2019 was $154.5 billion\[42\] – or just under 2% of $8 trillion. Most recently and perhaps most notably, in 2020 the UK government reduced its overall aid commitment from the international standard of 0.7% to 0.5% of GDP – or $6.3 billion – with agencies like UNICEF reporting a 60% cut in UK contribution. The $6.3 billion stands in stark contrast to the UK government’s $400 billion spend on its own domestic COVID-19 response.\[47\]

To accompany this massive cut in aid, the UK government also closed its respected Department for International Development (DFID) in the middle of the pandemic and merged some of its functions into the Foreign, Commonwealth, and Development Office (FCDO). This is part of an awful trend set by several other HICs over the last decade, which have dissolved ministries which were dedicated to international cooperation and development and merged whichever functions they chose to retain into ministries for foreign trade and affairs instead. Governments make this move to align aid policy with foreign interests, with the UK Prime Minister Boris Johnson making this explicit when announcing the closure of DFID: ‘distinctions between diplomacy and overseas development are artificial and outdated’, whilst vowing to rebalance aid away from poorer countries to prioritise spending to ‘safeguard British interests and values overseas’.\[48\] It is unclear what ‘safeguarding British values overseas’ means in practice, but it is interesting to note that Johnson illustrated his point by naming several European, predominantly white, upper-middle-income countries as examples of places which should receive more UK money, and two African countries – one lower-middle-income and one low-income – which should receive less, despite the UK’s history of colonial exploitation of both countries.

The UK is not alone in this shift in priorities; Canada, New Zealand, and Australia have all conducted similar mergers between ministries, often accompanied by an overall decrease in budget and with little or no evidence that foreign policy has become more coherent or streamlined. For example, after the closure of its international development department, the Canadian government stated with great fanfare its intention to refocus its $4.3 billion aid budget as ‘feminist’ in 2017. However, there was no accompanying budget increase to recognise the greater needs of women and girls left after decades of discrimination – despite the government increasing its military spending by over $10 billion in the same year. The policy has since been criticised for including no definition of feminism,\[49\] and there is little evidence of coherence between the feminist aid policy and the stated priorities for Canada’s broader foreign policy.\[50\] Worse still, the current Canadian administration has continued its predecessor’s policy of increased public-private partnerships to leverage international aid, with private investment in beneficiary countries failing to result in direct benefits for the citizens in most need.\[51\]

When HICs shift their resources away from the countries in most need and towards those which are perceived to be more beneficial to the donor country, or place certain conditions on the assistance they are prepared to give, it inherently discriminates against low-income countries and tightens the grip of poverty, especially for the poorest citizens. Without income from ODA the ability of LICs to improve their public services and economies is reduced, putting them at further risk of exploitation and child labour. Where public-private partnerships come as a condition of assistance, the biggest winners are almost always the businesses themselves, with more attention paid to profitability than supporting the poorest communities in terms of sustainable jobs and public service infrastructure. This is particularly galling, as many of those investments are made to exploit natural resources such as fossil fuels or minerals found in or near rural communities. Poverty is not only perpetuated but increased by regressive and discriminatory aid policies; with more and more wealthy countries taking this stance, it is unsurprising to see increases in child labour.
**Imbalance of power in international financial institutions**

High-income countries dominate the two major international financial institutions (IFIs) the International Monetary Fund (IMF) and the World Bank. Created in 1944, at the tail end of the colonial era, the purpose of the IMF is to ensure stability of the world’s monetary system by monitoring economic policies and developments, providing assistance through different forms of borrowing where needed; and the aim of the World Bank is to support lower-income countries develop their economies to end poverty, using low- or no-interest loans and grants which are classified as official development assistance (ODA or aid). Despite the evolution of their roles, to this day, both institutions maintain the outdated and fundamentally discriminatory ‘gentleman’s agreement’ which ensures that the head of the IMF is always European, and the head of the World Bank is always from the United States. In addition, while the memberships of both institutions now include almost every country in the world, their structures heavily favour wealthy members, because voting rights and other benefits are broadly based on a country’s economic power.

When a country makes use of its borrowing rights from the IMF to stabilise its economy, the IMF determines the conditions of those loans, including specific economic policy changes. The IMF also has a long history of forcing countries to take national ‘austerity’ measures – such as decreasing public spending, reducing the real-time value of public sector salaries, and limiting or reducing social protection programmes. This obviously has a negative impact on countries which are already failing to provide basic access to quality public services like education, health care, and water and sanitation. Even though the IMF’s own reviews of conditionality demonstrate that it worsens poverty and inequality, they continue to impose these harmful conditions.

The World Bank aims to fight poverty and does so through its provision of low- or no-cost loans as well as grants and funded projects exclusively to low- and middle-income countries. However, support from the World Bank comes with similar ‘austerity’ conditions, as well as policy stipulations such as increased private sector involvement in public service provision – which ultimately means public interest comes second to the interest of shareholders.

In 2020, as a result of the pandemic, the IFIs made an incredible 189% increase in ODA last year compared to 2019, predominantly in concessional loans. However, even with the emergency loans provided to lower-income countries for their responses to the pandemic, conditionality was attached – including an expectation of austerity measures to be put in place as soon as 2022. It should also be noted that the share of ODA from the IFIs for low-income countries almost halved in 2020, compared to 2019 with middle-income countries being by far the biggest recipients.

As the balance of power in IMF and World Bank decision-making is held by wealthy countries, it is extremely difficult for low- and middle-income-countries to put up any real challenge. At a more basic level, conditions imposed by the IMF and World Bank are discriminatory because they have been developed through the lens of wealthy countries. Austerity measures and privatised services have proven to be harmful to the poorest citizens regardless of the wealth of a country, but the poorest citizens in lower-income countries have far fewer safety nets to protect them from the worst impacts. Policies which might be ‘problematic’ in Europe can prove fatal in Africa.

This is not to say that IFIs don’t have a role in a world which must ‘build back better’ – by their own admission, despite their failure so far to put their money where their mouth is. Rather, it is critical that the structural discrimination in the policies and decision-making of these bodies should be eliminated, and both institutions must evolve to reflect the needs of their memberships if they are to play a critical role in ending poverty by 2030.

For example, the G7 Finance Ministers have already welcomed the IMF announcement of a new allocation of Special Drawing Rights (SDRs), which countries can use to bolster their economic standing or to purchase currency to pay for public investment, is extremely welcome in principle. SDRs are likely to be used to inject cash into the economies decimated by the impact of COVID-19 and bolster national responses. However, these SDRs are allocated to all members of the IMF, in proportion to the value of their membership or ‘quota’, so high-income countries will receive the lion’s share. The European Network on Debt and Development (Eurodad) has estimated that of the proposed $650 billion in new SDRs, just $7 billion – or just over 1% - will go to low-income countries, compared with $438 billion for high-income countries. This makes $650 billion wildly insufficient: Eurodad also estimated that sub-Saharan Africa would receive a $22 billion allocation, which is barely two thirds of the region’s total debt bill of $37 billion. High-income countries can ‘donate’ some of their share of SDRs to lower-income countries, but serious consideration needs to be given to a process which enable this to be done fairly. This clearly demonstrates the urgent need to restructure the IFIs because even an apparent positive intervention is fundamentally discriminatory.

**Multilateral grant-making funds and the role of high-income countries**

Multilateral funds like the Global Fund and the Global Partnership for Education have good representation on their high-level boards from beneficiary countries as well as donors, with more balanced voting powers than the IFIs. This means lower-income countries have a stronger say in how the funds set priorities and can base them on the beneficiaries’ needs rather than the donors’ interests. They can also set their own parameters for who can receive funds – for example, GPE provides education funding only for low-income countries. However, in practice, donors to multilateral funds can still demand conditionality as part of their contribution, and it can be difficult for a board to overrule this without a negative impact on the fund’s overall income. At the same time, some donor countries have a history of publicly announcing increased contributions to multilateral funds to demonstrate their commitment to a particular effort, like girls’ education, but do so in the same breath as announcing far greater reductions in overall aid budgets, leaving the poorest countries with a net loss and struggling to pay for already weak public services.
Taxation: discriminatory rules take money from the poorest and give to the richest

HICs also have an unfair say in how much money is taken away from low-income countries. Tax is the most reliable source of income for almost any country and enables them to pay for public services like education, water and sanitation, and healthcare. For HICs, the vast majority of citizens pay income tax on their salaries, as well as taxes for goods and services, and this provides the bulk of income for public services. But in lower-income countries, the majority of citizens are employed in the informal economy, and usually on the kind of poverty wages which force families to turn to child labour. This makes the taxes which should be generated from natural and low-cost human resources exploited by multinational companies vital.

However, in 2020, the Tax Justice Network’s ‘The State of Tax’ report found that multinational corporations short-change countries out of $245 billion in tax every year, with a further $182 billion lost to wealthy individuals hiding their wealth from the law. The biggest impact of this felt by low- and lower-middle income countries, which lose $45 billion each year; this is the equivalent to half of their national health care budgets, and 40% of the aid received by the same countries in 2019. The same report attributed responsibility for 98% of tax losses to HICs. Domestic budgets in lower-income countries will only ever be sustainable when they have sufficient tax revenue; allowing multinational businesses to take resources from poorer countries without paying a fair share of tax and enabling them to hide the money in tax havens is immoral.

In 2021, the G7 Finance Ministers Meeting agreed an ‘historic’ tax deal whereby multinational corporations short-change countries out of $245 billion in tax every year, with a further $182 billion lost to wealthy individuals hiding their wealth from the law. The G7 communiqué states that this would only apply to “profit exceeding a 10% margin for the largest and most profitable multinational enterprises”. This would exclude companies operating at a lower profit margin, even if they are generating hundreds of billions in revenue like the international online retailer Amazon. A further issue of concern is how the tax will be implemented to ensure it does not have a negative impact on lower-income countries.

This deal is intended to be part of wider global tax reform scheme to which 135 countries are signed up. Even though the parties to the scheme include lower-income countries, the balance of power is retained by wealthier countries: the G7 deal is to be ratified by the G20, and the OECD is coordinating the broader tax reform scheme. Both the G20 and OECD are dominated by high-income countries with a handful of upper-middle-income countries. It is also worth noting that the original corporation tax proposal by US President Joe Biden was for a 21% global rate, but this was reduced to 15% to make it more ‘palatable’ to a wider group of countries.

Despite this apparent progress, decisions on global tax rules remain fundamentally discriminatory: wealthy countries are maintaining unfair tax rules and practices to the detriment of the citizens for whom tax revenues are the difference between life and death.

Child labour laws must cross borders

Although child labour persists for some older children in high-income countries, alongside it sits a moral and, importantly, legal acknowledgement that this is wrong. This legal acknowledgement is evident in the public systems which exist to protect and deliver the rights of children in these countries: birth registration; early childhood care; universal and compulsory education; social protection inclusive of child benefits; access to healthcare; and laws with harsh penalties to prevent the perpetuation of child labour within their territories. Every single one of those mechanisms exists because those countries recognised that their own progress would be impeded if they did not end child labour and enable the progress of their own citizens.

Why is it that these same countries are failing to recognise that the same principle applies in every country? Few countries have laws which force companies to ensure there is no child labour in any part of their supply chain, but when commercial supply chains are global, this lack of legislation leaves a massive gap through which children are falling. For example, if a German company uses German child labour in its supply chain, it would be a breach of Germany’s laws and result in prosecution. But if that same German company uses child labour in Ghana, it is not breaking German law. This is fundamental discrimination against the world’s poorest children, which wealthier countries could easily end.
INEQUALITY & INJUSTICE INCREASE IN A TIME OF CRISIS

EVERY WEEK BETWEEN 2016-2020, OUR WORLD CREATED...

ONE BILLIONAIRE

&

35,000 CHILD LABOURERS

EVERY WEEK DURING THE CRISIS OF A GLOBAL PANDEMIC OUR WORLD IS PREDICTED TO HAVE CREATED...

TEN BILLIONAIRES

&

86,000 CHILD LABOURERS
Child labour and the extreme poverty faced by 10% of the world’s children must stop being seen through a colour-blind lens. Generations of the same communities have been excluded from any share of the world’s wealth, forcing each generation’s children into labour from as early as five years old. This terrible legacy of colonialism, slavery, and discrimination will only end when every child in every community is learning in school, not working to survive. Acknowledging that discrimination is at the heart of this ongoing injustice is essential to change it.

The kind of development that citizens demand, and that world leaders profess to want, does not require any reinvention of the wheel and can eradicate child labour for good. There is a tried and tested process of providing well-resourced, quality public services, including protection for those most in need – and the world has enough wealth to do it. This model, utilised by the world’s wealthiest countries for decades, is prevented from working in poorer countries by multiple layers of discrimination – both between and within countries. At the same time, no government can succeed in the fight against child labour without sufficient income to provide those public services and protections, or without prioritising the children and families most in need of support.

If we want to end the crippling discrimination, poverty, and exclusion that allows injustices like child labour not only to persist but to thrive, then the decades-long discriminations against the world’s poorest countries and poorest citizens have to end. Every government has pledged to do this, but it is clear that pressure – from every section of society – must be exerted for governments to take action.

In 2021 – the UN Year to Eliminate Child Labour – we must end the damning reversal of progress for hundreds of millions of children. The fight for every child and every family to live in dignity and enjoy the fulfilment of their rights must and will be at the fore.

4. CONCLUSION: A WORLD WITH NO CHILD LABOUR IS POSSIBLE – IF WE END DISCRIMINATION.

RECOMMENDATIONS TO ALL GOVERNMENTS

1: National action plans to end child labour

Create national action plans to end child labour by 2025 which recognise and directly target historic and ongoing discriminations against low-income countries, ethnic and religious minorities, rural communities, and communities in urban informal settlements including refugee and IDP camps.

This includes:

- Urgently implementing social protection floors to support the most marginalised. This should take an holistic approach; prioritising one group over another will result in children always coming last. This means, as a minimum, creating well-resourced social protection schemes for families which are available, accessible, and adequate to the needs of those meeting a realistic eligibility threshold; and ideally creating a universal child income which is accessible to all families with children.
- Public policy and services which put marginalised communities first, including the establishment of new infrastructure, with staff trained to deliver the rights of children – from trained teachers and clinicians to child protection and police officers. Incentivisation should be included to ensure equitable staffing between rural and urban settings.
- Strengthening new laws and implementing existing laws against child labour, including laws which reach beyond national borders and ban child labour in global supply chains, and well-funded enforcement agencies with sufficient capacity to monitor rural settings.
- Recognition of children undertaking household chores of 21 hours or more per week as child labourers in national data and advocating for inclusion in international data.
- For refugee communities in particular, allowing adults to earn, and sufficiently funding education in emergency contexts through national and multilateral financing to prevent child trafficking and exploitation.
2: Inclusive task forces to deliver national action plans

Deliver national action plans to end child labour through inclusive, multi-stakeholder task forces at national and local level which ensure that marginalised communities are represented and include meaningful participation of children.

This includes:
• Transparency and accessibility with targeted outreach and communication to enable marginalised communities to participate in decision-making and accountability, including mechanisms to track progress and identify barriers to implementation nationally and locally.
• Improved and disaggregated data to end discrimination and ensure children are not falling through the gaps.

3: Transparent, anti-discriminatory national budgets

Deliver transparent, anti-discriminatory national budgets, developed using human rights and children’s rights lenses.

This includes:
• Budgeting to ensure equitable provision of public services which even up quality and access for those who are most marginalised and excluded, taking into specific account the impact on children.
• Meeting international and regional obligations and standards to fund public services, including 1% of GDP to child-focused social protection, 20% of the domestic budget to education, and 15% of domestic budget to health in developing countries; and for all countries fully funding the gap to achieve universal primary healthcare and basic WASH.
• Participation and accountability in budget processes to include marginalised communities and children.

RECOMMENDATIONS TO DONOR COUNTRIES AND MULTILATERAL INSTITUTIONS

4: Anti-discriminatory global taxation rules and ingovernmental cooperation to eliminate illicit financial flows

Enable new ways of working for all countries to have a fair say in global taxation laws to ensure that lower-income countries benefit as well as wealthier countries and increase intergovernmental cooperation and support to eliminate harmful illicit financial flows.

This includes:
• Preventing the avoidance of global corporation tax with a dual approach combining profit thresholds and levels of revenue.
• Eliminating tax havens and increasing intergovernmental monitoring on corruption and money-laundering.

5: International cooperation which acknowledges and fights against discrimination

Official development assistance in the form of bilateral and multilateral grants should be increased to sufficiently support governments to end child labour through tackling its root causes, including debt cancellation and the establishment of a $100 billion global social protection fund targeted towards lower-income countries.

This includes:
• Increasing bilateral grants and targeting them towards low-income countries, and in particular where high proportions of citizens live in poverty, instead of repurposing aid to meet foreign policy objectives in middle-income countries.
• Fully financing multilateral funds and appeals which specifically target low-income countries and marginalised populations, including the Global Partnership for Education, Education Cannot Wait, and humanitarian response appeals led by the United Nations.
• Improving representation and power for lower-income countries by making structural changes to high-level decision-making bodies and quotas to enable stronger capacity to implement poverty reduction measures.
• Additional increased financial support as acknowledgement of historical and structural discrimination by relevant donor countries.
“The dollar I make, I give half to the household, and I save the other half... It is not safe here. Once in a while I get wounds.”

David is 9 years old. He is the youngest of four children and comes from Kenya. During the pandemic his mother’s work dried up, so he started working at the local dump site to make extra money for food. His mother, Maureen, still works when she can, but as a casual labourer she has no reliable income and receives no job protection.
1. The number of children in child labour dropped from 246 million in 2010 to 168 million in 2012 (data based on ILO figures).
7. Ibid.
8. ILO 2021 op.cit.
9. Laureates and Leaders, op. cit.
11. https://wdr.worldbank.org/en/about/publications/wdr-2019/full-report-english.pdf The poorest 50% of the world’s population have received a 12% share of the global gains between them over the last four decades (an average of 0.25% share per percent), while the richest 1% percent received 27% of the global gains.
20. ILO 2017 op.cit.
23. Ibid.
istry%20of%20Education%20%20received%2027%20of%20the%20global%20gains.
33. https://www.fnde.gov.br/financiamento/fundeb (Portuguese)
34. Laureates and Leaders, op. cit.
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36. Ibid.
42. Ibid.
44. https://www.hansard.parliament.uk/commons/2020-06-16/debates/20061637000001/GlobalBritain
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47. Ibid.
51. Ibid.
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54. Ibid.
56. https://www.eurodad.org/imf_s_new_sdrs_allocation
57. https://www.taxjustice.net/reports/the-state-of-tax-justice-2020/
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