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Policy brief

Investing in social protection to reduce child labour and improve well-being in mica villages in the south of Madagascar

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Key findings

- ➔ More than 11,000 children aged 5 to 17 work in mica mines in Malagasy regions of Anosy, Ihorombe and Androy, under hard and unsafe conditions.
- ➔ More than 190,000 children in 35 municipalities, in which extreme poverty is generalized, are at risk of being exploited in mica mines and hazardous activities.
- ➔ Thirty-three percent of children in mica mining communities finish primary school, compared to 75 per cent nationally. Another 4,219 children under 5 would live or spend the day in mica sites alongside their parents.
- ➔ In total, a population of about 28,500 people live and work in informal mica sites, which account for 90 per cent of the country's production of mica.
- ➔ Despite hard working conditions and the contributions of children, the monthly average income obtained by families from mica collection is estimated at only USD 13.13.
- ➔ Social safety nets in the form of regular cash-based interventions in Madagascar have reduced child labour rates in beneficiary households from 27 per cent to 10 per cent in 15 months.
- ➔ Similarly, they increased net school enrolment rates by more than 10 percentage points.
- ➔ Safety nets in Madagascar have also reduced long-term food insecurity by about 18 days per year, or a 12 per cent decrease overall.
- ➔ USD 2.5 per child and month is the unit cost estimated by UNICEF for a Universal Child Benefit (UCB) programme to boost children's nutrition, education and health in municipalities of the Anosy region.
- ➔ The cost of extending such benefit to the municipalities hampered by the economic exploitation of children in mica mines would be USD 5.72 million per year.
- ➔ The UCB annual cost in mica municipalities would represent only 0.44 per cent of the Official development assistance (ODA) received by Madagascar, and 0.04 per cent of its gross national income (GNI).





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Poverty and child labour in mica mines

Child exploitation in the mica mines

An estimated 11,406 children aged 5 to 17 work alongside their families in the Southern Madagascar regions of Anosy, Androy, and Ihorombe. Another 4,219 children under 5 live in the mica sites and, including adults, the total population living and working in the precarious conditions of the artisanal mica mines of Madagascar amount to around 28,500 people. In total, it is estimated that 35 municipalities in the regions of Anosy, Androy and Ihorombe host mica mines population with 443,000 people living under extreme poverty generalized in the immense majority of households. An estimated 190,509 children under 15 years old form part of those households and suffer multidimensional poverty.

All of them are at high risk of falling in the trap of mica mining and other worst forms of child labour. The work carried out by children varies depending on age, from collecting mica waste, to digging shafts, extracting mica in the interior of the mines, turning pulleys and carrying heavy loads of mica. The harsh and unsafe working conditions includes exposure to toxic dust particles, heat, both in the mine and from the sun, and low oxygen levels. The children lack any protection equipment, or even drinking water and sanitation, while in some cases, mica workers have settled in the proximity of remote mines with a complete absence of proper housing, infrastructure or services, with implications for health and education. Indeed, the living and working conditions negatively affect health in multiple ways, resulting in back problems, muscle pain and frequent coughs and respiratory problems.

The conditions also hinder access to education. An estimated 38 per cent of the children in mica mining communities do not go to school, compared to the national average of 22 per cent, and roughly a third finish primary school, compared to three-quarters nationally. The work of the children contributes to household incomes, and families cannot afford school fees and related expenses.



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The drivers of child labour

The mica sites in which children work are informal, artisanal and often remote, a situation which has been favoured by the interruption in the issuance of exploration and exploitation permits for decades, and the lack of responsible procurement practices by mica exporters, resulting in a share of informality of 90 per cent. This said, the main root cause of this situation is income poverty, as mica miners lack alternative livelihoods due to factors such as a lack of land, the variability of the weather, climate change and drought. Furthermore, the mica miners must accept low pay for their work.

The average monthly income of USD 6.56 per adult, with a household income of USD 13.13 when the contribution of children is taken into account, and the main driver of the children's work at mica sites is the search of a minimum income to meet basic nutritional needs.

The national and regional context

The three regions where mica mines are situated have poverty, health and education indices that are among the poorest in the country. Child labour rates are also above average in all the three mica regions, while a higher-than-average proportion of girls get married early and have children early.

Only around a third of the children in the regions finish primary school (the national average is 76 per cent), and half the children in Androy and Anosy do not even attend primary school.

Health conditions in the three regions are also among the poorest. Only a quarter of the population in the three main mica provinces have access to safe drinking water (the national average is 41 per cent). On average, 9 per cent have access to a basic facility to wash their hands with soap and water in or near the house (versus 23 per cent nationally).

Roughly 2 per cent (three times less than the national level) have access to a toilet not shared with other households.





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Safety nets as a poverty eradication tool : scientific evidence

Regular cash transfer programmes to reduce child labour and increase schooling

In Madagascar, the government, with conditional cash transfer programmes supported by UNICEF and the World Bank, has witnessed how cash positively affects child labour levels. Both the TMDH and FIAVOTA programmes resulted in a significant reduction in child labour between 2016 and 2018.

Evidence collected in Madagascar also shows a positive impact of cash on school enrolment, long-term attendance and drop-out rates, and indicates that the increased enrolment was due to the removal of financial barriers.

Beyond Madagascar, there is evidence of similar effects. In low- and middle-income countries (LMICs), it has been found that social cash transfer programmes are the most effective basis among various programmes aiming to improve access to education, even when the programme is not conditional on school enrolment.

Cash transfers have also been found to be effective in removing financial barriers for families by covering direct schooling costs, and to be the most effective basis among other types of intervention for reducing dropout and improving completion. Finally, cash transfers have been found to improve educational outcomes through the knock-on effects of better health.

The impact of regular cash transfer programmes on health and nutrition

Available evidence on the FIAVOTA and the ATMDH programmes indicates that cash transfers in Madagascar also positively affected health, nutrition, food security and well-being in 2016-2018 period. Outcomes include encouraging the general population to attend health centres; reducing the incidence of disease in the general population, particularly among children; increasing food consumption; and improving food diversity and reducing food insecurity in beneficiary households. Improvements were also found across two separate measures of parent-child interaction, in addition to progress in children's cognitive development, language learning and social skills.

International evidence also indicates that cash-based programmes have positive impacts on nutrition.

In Brazil a positive association between conditional cash transfer programmes and improvements in recipients' diet and nutritional status was found, while in the case of 21 UCT programmes in LMICS, the UCTs improved longer-terms outcomes such as resistance to illness, food security and dietary diversity.

The impact of regular cash transfer programmes on productive activities and self-reliance

Evaluations of cash programmes capture different impacts favouring an enabling environment for socio-economic development, beyond addressing basic needs such as education, health and nutrition. Several studies have proven the impact of cash transfers on livelihoods by encouraging self-employment and entrepreneurship, while cash transfers are more suited to stimulating local markets of goods and services than in-kind assistance.

Cash transfers increase liquidity, producing wide-range of financial benefits with onward flows into a great variety of businesses and services within a community, and may have multiplier effects in accordance with Keynesian economic theory. Moreover, the distribution of cash also fosters access to administrative and financial services and paves the way for economic formalization by fostering civil registration of children and adults.

Cash transfers are also supported by policy guidelines issued by humanitarian actors, which tend to agree that cash-based aid preserves people's dignity, and fosters self-reliance and resilience.

Universal child benefits also represent an investment in human capital, therefore contributing to national economic development efforts. Indeed, investments in children's health, education and nutrition are vital to support economic growth and direct investments in children's health and education have been found to have the highest marginal value of all public investments, with the benefits exceeding by five times the cost to government on average.



Cash transfers do no harm

Major concerns on the unintended negative impacts of cash transfers have been contested by research. Initial critics argued that several unintended effects would make cash transfer programmes counterproductive. It was argued that a sudden influx of cash would raise inflation; its misuse could bring additional social problems, such as alcoholism; and that vulnerable people would become more dependent on aid.

Certain negative spill-overs have been found by some researchers, such as domestic conflicts around the use of cash and resentment from non-beneficiaries, but most empirical literature comes to reject theoretical concerns about cash transfers; studies have rejected concerns about inflationary effects, the creation of dependency, higher spending on alcohol and tobacco, the possibility of cash leading to increased fertility and the idea that they discourage beneficiaries from working. On the contrary positive outcomes have been reported, including that cash transfers tend to foster self-employment and entrepreneurship, and increases expenditure on nutrition, health and education.

In Madagascar's mica communities, when parents were asked about three priorities on which they would spend a cash transfer of USD2.5 per child, their responses were aligned with academic literature and impact evaluations; food was the first priority for all respondents, followed mostly by school fees and materials for their children, and productive investments such as livestock or small shops.

and most of them focus on humanitarian contexts, although the same reasoning could apply to social protection programmes. These studies have found that cash programmes framed under nutrition goals are more cost-effective than food aid and that cash transfers are, at least in the short term, more efficient than other approaches. For these and other reasons, international guidelines on humanitarian assistance recommend the systematic use of cash and most humanitarian donors are increasing their use of cash transfers.liquide.



Lessons learned from the humanitarian experience

Cash transfer programmes have been fostered on the basis of their expected efficiency. Assuming that beneficiaries make use the cash in a way which is closely aligned to the donors' will, cash transfers are found to be a logistically simpler and economically cheaper alternative to the delivery of goods and services. Unfortunately, only a limited number of empirical analyses have tested this hypothesis,



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The potential of an Universal Child Benefit programme for eradicating child labour

Based on its experience as a financial and technical partner of the Madagascar social protection system and co-leader of the Cash-Working Group (CWG), UNICEF has designed a solution to address child labour and protect children’s rights in mica communities.

for around half of the impact of cash transfers on child poverty reduction, and countries with universalistic approaches reach higher poverty reduction rates than those relying on targeting strategies, while universalistic systems that are combined with additional support measures for low-income households appear to have the highest poverty reduction impact.

What are Universal Child Benefits (UCB) ?

UCBs are a type of cash transfer consisting of an amount of cash paid on a regular basis to the family or primary caregiver of children until they reach a certain age, regardless of their socioeconomic constraints or any other factors. While they might be subject to some eligibility criteria in order to enhance positive impacts on children’s wellbeing, UCBs are addressed to all children. UCBs are meant to be integrated in social protection systems, as part of a non-contributive scheme, and with a view to reducing and preventing poverty and vulnerability on a solidarity basis.

Their approach differs from other programmes in their focus as they address children in general on the basis of their fundamental rights, and they aim at breaking the vicious circle of intergenerational poverty by ensuring that all children reach maturity in good health and education, and enabled to make their living and contribute to their communities’ development.

This universal perspective becomes particularly relevant in the mica mining context, where poverty is widespread and all children, regardless of whether they are currently involved in work or not, are at risk of falling off the child labour ramp. In some countries they are responsible

Feasibility and efficiency of an UCB for mica communities

As per previous sections, it is estimated that 35 municipalities in the regions of Anosy, Androy and Ihorombe host mica mines in which children are economically exploited. Implementing child benefits to combat child labour with a universal approach would entail targeting a population of 443,000 people, of which 190,509 are children under 15 years old. A USD 2.5 UCB for such a target population would therefore represent an annual cost of USD 5.72 million.

The efficiency of cash transfers designed to address extreme poverty in developing countries relies on the unit cost; although the number of beneficiaries is enormous, the amount required to make a difference in



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the life of one child is so small that total costs are suitable for national development plans funded with public resources and development assistance. Such an amount would represent 0.44 per cent of the official development assistance (ODA) received by Madagascar every year and 0.4 per cent of its GDP.

Coherence with the National Social Protection Strategy

The solution conceived by the Government of Madagascar with UNICEF support to tackle child labour in mica mines is very well aligned with the vision of the National Social Protection Policy (PNPS). This policy envisages the extension of social protection by 2030 so that half of the vulnerable population has effective social protection coverage by this date, and the share of people living in extreme poverty is reduced to 15 per cent. Universal child benefits are adapted to long-term poverty reduction strategies.

In 2020, only 3.1 per cent of children were covered by social protection programmes, and therefore the award of a UCB to mica communities clearly under extreme poverty and suffer additional vulnerability related to their working and living conditions is a good way to proceed with the implementation of the national strategy.

Coherence with the mica plan

The awareness raised by the 2019 Terre des Hommes and Somo mica report has attracted financial and technical support from national and international development actors, as well as private companies engaged in mica value chains at the national international level. In addition to local NGOs and the Malagasy ministers responsible for mining, social protection and labour, these include international NGOs, such as Pact and TdH, multi-stakeholder platforms, such as the Responsible Mica Initiative (RMI), and bilateral donors, such as the US Department of Labour. It is also well known that local authorities and the local companies involved in the mica value chain are willing to cooperate in the eradication of child labour in mica mines.

The contributions of the various actors are being coordinated under the umbrella of the Mica Plan, which aims to optimize resources allocated to this issue. The idea is to award exploitation licenses to the communities currently involved in artisanal

mining, while providing them support to introduce equipment and safe working standards, and engaging them against the economic exploitation of children. At the same time, while increasing the share of mica coming from regularized sites, exporters would be asked to avoid child labour and the violation of human and labour rights in their procurement chain. At the end of the national value chain, a certificate would be awarded to mica coming from legitimate sources, opening the door of the US and EU markets to Malagasy exporters.

Although this reform is very much needed, it is a long term strategy that might skip a generation of child workers. Moreover, it does not tackle the root causes of child labour in mica mines, or in other mines or sectors. In order to drive resources directly to vulnerable children and to produce immediate results in terms of nutrition, health and education, child benefits, are more adequate tools. UCBs would also enormously accelerate formalization processes as it is expected that such measures would cause entire families to move from mica sites to their communities of origin, creating pressure to obtain mica through workplaces that are compliant with the law and basic ethical principles.



Long-term financial sustainability

The finance needed for the extension of the social protection system to mica municipalities represents an amount that can be accommodated in ODA budgets, as explained above. Such assistance would be consistent with the experience gained by donors in the humanitarian sector, in which cash has become the preferential modality for aid delivery, and it would align to Sustainable Development Goal (SDG) Target 1.3, which frames the global expansion of social protection systems under the “End Poverty” goal, and the Addis Ababa Action Agenda, which advocates international support to the financing of social protection.

However, the UCB programme is a long-term intervention likely to be further expanded to other municipalities and regions. Therefore, its long-term financial sustainability must rely on the government’s capacity to mobilize domestic resources. Indeed, the 2017 Law on Non-Contributory Social Protection foresees the establishment of a common fund for non-contributory social protection to be fed with public and private resources, including royalties for the exploitation of natural resources and private donations. Such a fund could channel taxes obtained from companies making profits from the mica value chain, and donations from other international companies linked to the Malagasy mining sector or the global mining value chains.

Conclusions

Efforts to address child labour in the mica industry are widely supported by Madagascar’s international partners, national and international NGO’s, public authorities and the private sector.

A programme of UCBs, such as that designed by the Government of Madagascar to tackle child labour in Madagascar’s mica communities presents a viable solution for alleviating widespread, extreme poverty, therefore helping to reduce the risk of children becoming involved in mica mining and other forms of economic exploitation.

The approach is supported by both national and international literature on cash transfers and social protection, and is coherent with the national social protection strategy and the planned initiative to overhaul the Madagascar’s mica sector. Furthermore, the provision of a UCB would be economically viable, costing an amount equivalent to 0.44 per cent of the ODA received by Madagascar, or 0.04 per cent of its GNI.

For further information on this subject, see UNICEF’s 2022 advocacy paper “Investing in Social Protection to Reduce Child Labour and Improve Child Well-Being in Mica Villages in the South of Madagascar”, the full report on which this policy brief is based.



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