

WORLD EDUCATION

Policy Paper

Municipal Government Management of the Brick Industry
in Nepal to Address Child Labor and Exploitative Labor



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This policy paper explains the context of the brick industry in Nepal; laws and policies related to its management; and how these are changing in the new federal context. A legal analysis of policy gaps and responsibilities designated to the new local governments is meant to be of interest to local leaders as well as policy makers at the provincial, and federal level supporting them. Finally, based on World Education's experience collaborating with nine NGOs and eighteen local governments, this policy paper provides recommendations for emerging issues to attend to and practical recommendations for ways forward to reduce labor exploitation and child labor and ensure effective industry oversight.

BACKGROUND AND CONTEXT

The Brick Industry in Nepal

For centuries Nepalis have handmade bricks and fired these in traditional kilns with the better quality bricks being made in the Kathmandu Valley. Until the 1990s these were small scale cottage industries that were generally family owned and operated. With the opening up of the economy in the 1990s the demand rapidly increased and many new kilns were built and the numbers of workers needed exploded. Families from different parts of the country were trucked to the factories and as the competition for workers increased the payments of advances (*peski*), control by *naikes* (labor contractors), child labor and worker exploitation became features. Within a few short years the brick industries became major employers creating seasonal jobs for tens of thousands of workers from impoverished communities as the construction industry boomed. The 2015 earthquake and reconstruction efforts greatly increased the demand for bricks and desperation of workers. The three main tasks are performed by different categories of laborers in the brick factory: The first is making (laying down) clay bricks which needs certain skill; second carrying the unfired bricks to the kiln most often done by young girls and boys; third firing the bricks which is usually done by older are workers from the Terai region or from India.



Strategies to Reduce Exploitative Labor

As the exploitation in the brick industry, especially of child labor, came to global attention efforts to improve the situation started. Initially the USDOL supported work to remove children by providing nonformal education in the factories and some initial efforts to rehabilitate the younger children in home communities. ICIMOD and other organizations started work to improve kilns and reduce pollution. In 2011 Humanity United decided to supported a more comprehensive effort through their Brick Initiative. This involved the Global Fairness Initiative, Good weave and local NGO partners developing a brick certification system Better Brick-Nepal using a multi-stakeholder and market-based approach, so that kiln workers gain safer, more equitable labor conditions, decent working conditions and kiln owners are empowered to run their enterprises in an ethical and professional way. 40 kilns are now part of Better Brick-Nepal working to improve working conditions and use better production techniques for ethically produced bricks. At the same time World Education's efforts focused on working through NGOs in other factories with 5,709 child laborers removed from child labor through education and other support and put pressure on factory owners to move to becoming certified. This was complemented in source communities working with 5,400 families to reduce vulnerability to exploitative practices, create livelihood alternatives and resilience so work in factories is a choice for interested adults not a necessity for desperate families. As children and families from India have increased in number a Regional Brick Consortium has recently been formed to address the growing cross-border challenge.

Changing Roles and Responsibilities Under Federalism

After 10 years of civil war Nepal entered a prolonged peace process that resulted in restructuring of the state. In the past brick factories were managed as Cottage Industries controlled by the Department of Cottage and Small Industries. With the shift to federalism the brick factories are now under the purview of local governments and federal government with a few overlapping responsibility. Brick factories are to be registered and managed under the Industrial Enterprises Act but at the same time must be compliant with many other Acts. As many of the legal acts are under revision there are overlaps and contradictions that the lawmakers are gradually addressing. To enable the new local Municipal governments – Palikas – to understand and operationalize these new responsibilities World Education and nine local NGO partners worked with 18 Municipal governments that have large numbers of brick factories under their jurisdiction. Over the 2019-2020 brick season these Palikas started to monitor child labor and other labor issues in these factories and to develop local Action Plans to address exploitative labor.

The Legal Framework

The Acts most relevant to the management of labor within brick factories are the Constitution; Child Labor Prohibition and Regulation Act, 2000 and its regulations in 2006; Industrial Enterprise Act 2017; Labor Act 2017; Local Government Operation Act, 2017; Children's Act 2018; and the Compulsory and Free Education Act 2018. The Occupational Safety and Health Directives for Brick Kiln Workers 2074 outline very specific standards for brick kiln operation to protect workers. Under Article 39 of the Constitution that defines the Rights of the Child, Clause 4 specifically addresses child labour "No child shall be employed to work in any factory, mine or engaged in similar other hazardous work." The new Child Act has also changed the age definition to include children up to 18 years of age in line with international commitments. In addition to these legal Acts, there are federal government policies and plans related to funding that require local governments accessing this funding to address child labour and exploitative labour. With the transition to the new structure nearly of all Nepal's laws need to be amended. As a result there is still a lack of coherence between all the laws and these are gradually being amended.

Nepal has signed various international Conventions and regional ones for the prohibition and regulation of child labour including expressing commitments to protect children engaged in work and child labour according to international norms, values and principles. After or before the signing of such international Conventions, the Government of Nepal has also drafted and has received approval of Acts, Regulations, policies and plans for eliminating child labour from Parliament or competent authorities as designated in the procedures.

The following are the Conventions that are ratified by the Government of Nepal to adhere with the commitments made: UN Convention on the Rights of the Child; ILO Convention No. 138 (Minimum Age to Employment); ILO Convention No. 29 (Forced Labor); ILO Convention No. 105 (Abolition of Forced Labor); ILO Convention No. 182 (Worst Forms of Child Labor); The Universal Declaration of Human Rights and Regional Conventions and Declarations.

Legal Gaps

With the new laws that have been passed there are four major issues as they relate to the brick industry.

1. **Hand-made bricks classified as cottage industry:** The bulk of brick production in Nepal is still through the production of handmade bricks. The new Industrial Enterprise Act 2017 has designated these factories as a "Cottage Industry". This creates a big gap in the regulatory framework and protections for workers in the brick industry even as it protects domestic workers. These factories making hand-made bricks are under the "control" of the District Cottage and Small Industry Office – a line agency of the federal Department of Cottage and Small Industries. While all businesses are under the management of local governments this duplication of roles causes confusion. The Local Government Operation Act provides Palikas with the mandate to facilitate industries in terms of labor relations, wages and other grievances of employers and workers. A Government circular 2074 identifies the problems in managing industries at the Palika level and instructs them to act as usual with regard to registration, revenue, taxes and monitoring of labor, wages and other conditions. Therefore, there is an overlap of responsibilities with regard to industries by Palikas and Cottage and Small Industries Offices in districts that needs rationalizing.
2. **Piece-rate payments:** The second big problem is that the brick industry and many other manufacturing industries such as the carpet and *zari* industries use "piece rates" for payments. Best practice in many countries is to set "piece rates" scientifically to ensure that an average worker can earn minimum wage and that excess production for more efficient workers is rewarded with bonuses or higher payments. In contrast, in Nepal the brick industry factory owners have formed local associations that have established the "piece rates" each season for specific tasks. In many cases this has been set so low that an average worker cannot earn minimum wage (Rs.13,800) working a standard 42 hour week. Under the Labor Act local governments can set daily wage rates but these cannot be below the federal minimum wage.
3. **Contract workers and agents:** The third grey area is on contract workers and the responsibilities of labor contractors (*naikes*) who recruit workers, provide cash advances (*peski*) and manage workers. The rights of these workers to protections, social security and fair remuneration remain inadequately addressed in the current legislation.
4. **Fines and Penalties:** The Child Labor Act 2000 has provisions for fines and imprisonment for violations. However these are rarely enforced and are not adequately articulated. In comparison, Andhra Pradesh presents a model for good practice: fines are linked to multiples of the minimum wage for each child laborer for each month of work. These penalties enable the state to recover some of the cost of monitoring, and contribute to the rehabilitation of child laborers and compensation. As this is tied to minimum wage it keeps pace with inflation. The current Nepal penalty up to Rs.10,000 (except where there is coercion) is not tied to the duration a child works and is so low that it does not act as a disincentive for factory owners or labor contractors.

Labor Inspection under Labor Act 2075

Under the Labor Act 2075, the which a notice will be publish in Government of Nepal can establish Gazette. Currently, there are about 20 Labor Offices as per the need in the labor inspectors based in different districts and the jurisdiction of such Labor Offices. There is no regular offices will be as per the decision of inspection and monitoring on wages, the Ministry. In addition, the central occupational safety and health or government can appoint more than exploitative labor situation including one labor inspector in a sector child labor. depending upon the requirement for



National Master Plan for the Elimination of Child Labor

The Government of Nepal recognized eliminate all forms of child labor by the urgency of eliminating the worst 2014. However, the government was forms of child labor as well as child unable to eliminate the worst forms of labor when it ratified the ILO child labor by 2009 and reviewed the Convention No. 182 in 2004. The lack targets and strategies for 2010 to 2018 of a comprehensive, well coordinated in collaboration with ILO. The revised and concerted plan to address the targets and strategies are now set to problem of child labor was seen as one eliminate worst forms of child labor by reason why the issues have remained 2022 and other child labor by 2025. The intractable. To address this a National National Master Plan has prioritized Master Plan was formulated in 2002. different 17 sectors including Brick Kilns The National Master Plan on Child Labor and has adopted five major strategies is conceptualized in two phases. The (see Box). first phase aimed to identify and eliminate the worst forms of child labor by 2009. The second phase aimed to



Summary of Five Major Strategies in Current National Master Plan

1/. Policy and Legal Reform

- Provincial and local government regulations to be prepared
- Guidelines on cross-border rescue and rehabilitation to be prepared
- Set standards on supply chains and certification
- Establish Child Labor Elimination Committees
- Develop mechanisms for rescue and rehabilitation
- At Ministry and Provincial level set up inspection and legal reform processes
- Engage in Alliance 8.7 for networking
- Review child labor data every five years and disseminate
- Establish Management Information System at MOLESS at central level and in Ministries of Social development at Provincial level

2/. Capacity Building

- Prepare resource materials
- Train Police, Labor Inspectors, Judiciary at all 3 levels of government, civil society and media on inspection and research
- Give legal training to local Justice Committees to determine fines
- Train all 3 levels of government and child protection organizations on value chains, standards and certification.
- Arrange exchange visits and have each Province highlight best practices of one Municipality

3/. Rescue, Rehabilitation, Re-integration and Research

- Map children in child labor (Central and provincial governments)
- Regularly rescue and rehabilitate children
- Utilize help lines and hotlines
- Achieve and announce two sectors child labor free each year
- Establish shelters working with NGOs for inter-Province and inter- Palika rescue
- Provide livelihood and income generation trainings for reintegration
- For rescued child laborers and children-at-risk provide social security, vocational education and scholarships
- Encourage regular monitoring and make guidelines for inspection and monitoring for Child Labor Free Municipalities
- Provide free legal help and counselling
- Mobilize child clubs and networks for monitoring

4/. Prevention

Develop awareness raising materials and do activities
Train local government on child labor and child rights
Prepare profiles of child laborers and children-at-risk
Connect child laborers & children-at-risk to social security programs
For unaccompanied minors mobilize Police, CRCs, transport workers and other stakeholders to identify
Hold child labor awareness workshops for children
Mobilize rescued child laborers to raise awareness
Mobilize networks and child clubs against child labor
In schools mobilize teachers to prevent child labor

5/. Alliance 8.7

Mobilize mechanisms of Alliance 8.7
Mobilize Attorney General Office, MOLESS and other stakeholders for advocacy
Federal and Provincial governments meet regularly with civil society and networks
Develop Code of Conduct to protect confidentiality of child laborers
Use social media and other media to disseminate information on child labor
Meet regularly with civil society, employers, trade unions, and development partners at all three levels of government

Major Responsibilities of Local Government

In brick industry management and responsibilities for child labor and exploitative labor are mandated under provisions of the Constitution and under different Acts, Laws and Policies. Some of these need to be within current Municipal services and programs while others can be supported through access to special additional funds from central government.

1. **Worker Data and Records** - Municipalities are required to keep information on children in child labor and records of adult workers for a number of purposes such as taxation, social security and worker protection. A Labor Management Information System is to be set up and maintained. For child laborers this is important for Palikas to use for monitoring workplaces, prosecution of cases of exploitation, and planning for rehabilitation of children and prevention efforts.
2. **Planning Actions** – As part of their long-term and annual planning and budgeting activities Palikas need to review what has been done to remove children from child labor or to prevent children entering child labor and the progress made. If Palikas are eligible they can access federal funds linked to the National Master Plan on Child Labor as well as utilize local resources.
3. **Rescue and Rehabilitate Children in Hazardous Conditions** – Local government's are required to create local Child Rights Committees. These bodies have the mandate to identify, rescue and rehabilitate children in hazardous situations. These protections are enshrined in the Constitution under Article 39 and further articulated in the Children's Act 2018.
4. **Provide services** - The provision of education, health, and livelihood services to children removed from child labor, working children and children at risk are within the responsibilities local government has to all children to provide social protection, education and other support.
5. **Prevention** – The Ward Committees are required under the Local Government Operation Act 2017 are responsible for the elimination of abuses such as child labor, child marriage, child abuse, gender based violence, trafficking, bonded labor and other harmful practices. They can do this through awareness raising, poverty alleviation and other interventions.
6. **Alternative Livelihoods** – Supporting families to diversify livelihoods and increase incomes and to provide vocational training for children of legal working age or their parents can all contribute to development of alternative livelihoods that can reduce child labor and exploitative labor. The fall within the poverty alleviation responsibilities of local government.
7. **Policies and Enforcement**- Local government has the power to make and enforce policies that relate to the management of brick factories. This includes the registration of businesses, taxation, social security, monitoring of workplaces, ensuring occupational safety and health etc. They also have the power to enforce fines and other penalties when laws are broken and regular monitoring. In cases of child labor these fines currently go up to Rs.50,000 and up to one year imprisonment or both.

ENGAGEMENT AND CAPACITY BUILDING OF LOCAL GOVERNMENT

The local NGO partners and the World Education team worked with the Ministry of Labor, Employment and Social Security and the 18 Palikas to develop a training/orientation package relevant to their needs to understand and manage child labor and exploitative labor. Based on this experience there were a number of areas of capacity building that emerged as priorities.

Understanding Child Labor and Child Work - The first challenge new Municipality staff faced was the lack of a common understanding of the difference between child work and child labor and what constitutes hazardous work. Palika staff found examples and case studies and the Child Labor Spectrum most helpful and were able to engage with the differences based on the age of the child, the hours of work and other conditions. While the focus of the current efforts were on the brick industry they were less interested in the spectrum specific to this sector and wanted to be able to understand where children they encounter working across a number of sectors (and especially in domestic work, transport and agriculture) fit within the spectrum. Many want to display this within their offices and found it a useful tool to engage with other stakeholders.

Child Labor Spectrum

Under 14

Child Labor

A.1. Hazardous - Child Needs to Be Withdrawn

- Work hours/task likely to impact child's health or education
- In bonded or slavery like work conditions
- Child is a victim of violence and/or sexual or drug abuse
- Engaged in work that requires use of dangerous equipment, chemicals or other identified occupational hazards
- If the child has psycho social problems

Child Work

A.3. Not Usually Hazardous -Acceptable But Needs Monitoring

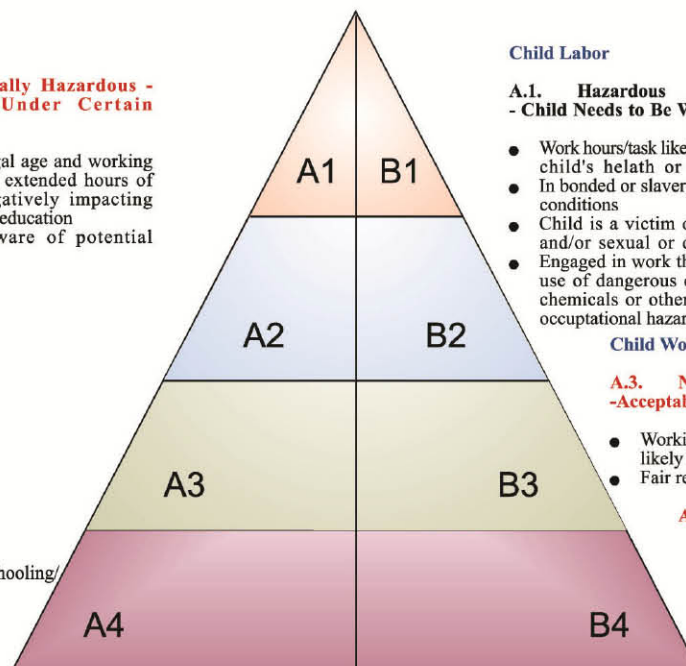
- Part-time hours and work not interfering with schooling/education.
- Seasonal work but where conditions could be potentially hazardous

A.4. Not Hazardous -Completely Acceptable

- Part time hours and work not interfering with schooling/education or affecting health
- Light work
- Adult supervision

A.2. Potentially Hazardous - Tolerated Under Certain Conditions

- Not of legal age and working full-time- extended hours of work negatively impacting schooling/education
- It not aware of potential hazardous



Legal Working age 14-17

Child Labor

A.1. Hazardous - Child Needs to Be Withdrawn

- Work hours/task likely to impact child's health or education
- In bonded or slavery like work conditions
- Child is a victim of violence and/or sexual or drug abuse
- Engaged in work that requires use of dangerous equipment, chemicals or other identified occupational hazards

Child Work

A.3. Not Usually Hazardous -Acceptable But Needs Monitoring

- Working full-time hours or less per day and work not likely to adversely affect health
- Fair remuneration

A.4. Not Hazardous -Completely Acceptable

- Part time hours and work not interfering with schooling/education or affecting health
- Light work
- Adult supervision

Child Protection System – Under the previous government structure there were relatively strong District Child Welfare Boards and community level Child Protection Committees. These were supported by a team of trained staff at the district level in the Women and Children’s Office. Under decentralization there are now Social Development Offices in the Municipalities that are responsible for the child protection, case management for children in crisis, and other social protection functions. The Social Development Office also looks after health, education, and research. The staff have been drawn from a number of different offices and many had very different roles in the past. The Municipalities are building these new staff into a team but they have very different capacities. Some Municipalities have experienced social workers while others have very new staff with little previous exposure or training. Many Palikas do not yet have a trained Child protection Officer.



Planning and Implementation of Child Labor Initiatives – The elected representatives and staff are very interested and concerned about child labor and exploitation in factories and businesses in their area. There was strong interest from even the busiest Mayors and Deputy Mayors who saw this as a social issue they need to address. Despite this the Municipalities shared their challenge that having moved from a sectoral planning approach in districts with well staffed offices to prepare plans they are now faced with far fewer staff. It is difficult for them to have many different plans for each sector, topic or issue. One suggestion is that within other plans for health, education, economic development, social protection etc they have sections that specifically mention what will actions will be prioritized to address child labor with a simple summary of these in a Child Labor Action Plan.

Lack of Data – The Palikas are gradually building up databases and information for their own planning and management purposes. A big gap is that they do not collect data on migrant families that might be living or working in their area sometimes for many years. While the homeowners children are in school and not working in exploitative labor the tenants children might be and this “blind spot” in the data undermines efforts to understand the magnitude of the problem or to respond appropriately.

Localization of Responses – Each local area has its own cultural traditions, local languages, festivals, attitudes to child labor and to specific ethnic or caste groups. Looking to national programs and practices is useful but many local governments have not the experience to localize responses to their specific context.

LESSONS LEARNED AND EMERGING ISSUES

“Not our children” – One of the major challenges to addressing child labor in the brick industry and the exploitation of adult workers is the fact that in most cases these are seasonal migrants from other communities. This creates challenges for repatriation and rehabilitation and the prevention work in source communities works in isolation from the factories and working conditions children endure. This reduces the commitment of host and source local governments to address the problem. Under federalism there inadequate linkages between source and work communities and no mechanisms in place to facilitate case management of children between Municipal governments in source communities and communities in which they work.

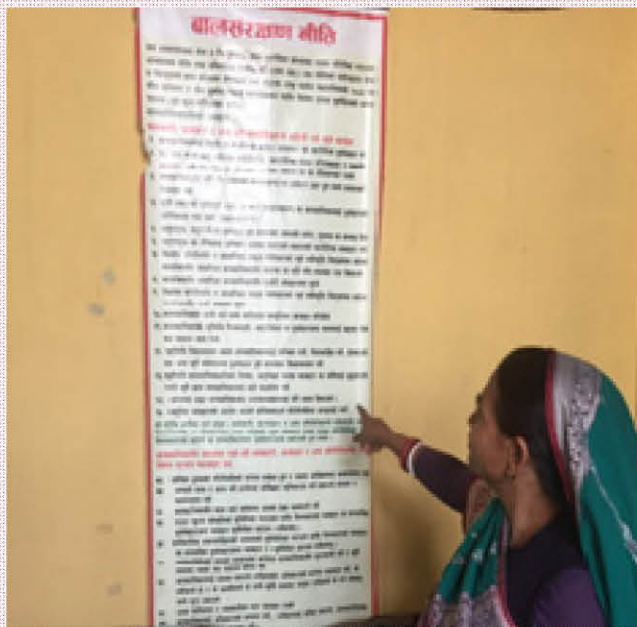
This undermines efforts to prevent child labor and to facilitation reintegration and rehabilitation of working children by child protection workers.

The Deputy Mayor of a large Municipality in the Kathmandu Valley maintains there are no child laborers in the dozens of brick factories within the Municipality. When asked about the hundreds of young working children clearly working she clarifies – “Oh these are not our children – those children come from other districts.”

Municipality Leaders Respond Positively and Take Action to Manage Brick Industry

Municipal governments showed a keen interest in finding ways to better manage the brick industry and reduce child labor and exploitation. Many have developed action plans, started monitoring brick factories and child labor and have allocated funds for awareness activities and other prevention efforts.

Binda Paswan the Deputy Mayor of Surunga Palika in Saptari shared her Palika's experience and how the orientations and training had supported them to achieve this. "We have very few staff in this Municipality in this new structure. As the new staff and elected representatives had little knowledge about child issues we have provided a training on the child protection issues. This included child marriage and child labor. The workshop and interactions gave us new knowledge and skills and we better understand the roles and responsibilities of Palikas. We have formed a Child Labor Monitoring Committee and included staff from different sectors. We also formed Child Clubs in the community and are mobilizing Child Club executive members to monitor the child laborers in brick kilns and in other sectors and to prevent early marriage in community. We allocated a budget for an awareness programs on child labor, early marriage, and trafficking.



Lack of clarity on obligations and how to address child labor

– The new Palika staff are faced with a wide range of responsibilities with little orientation of these issues and how to address them. New staff need induction training and current staff need short trainings and orientations on child labor, the child protection system and case management. With so many responsibilities and understaffing short videos and E-Trainings can be used to help staff develop their capacity.

Tension between kiln owners and local governments

– Local governments feel frustrated with the amount of resources used to address seasonal migrants health and education needs. They are also concerned about the dust and environmental pollution and the damage to infrastructure such as roads. Factory owners feel that local governments are pursuing them for taxes while offering little in return.

Certification of Bricks – In the communities where there are brick factories included in the Better Brick-Nepal certification program the Palikas are aware of these efforts. These factories are rigorously monitored to ensure there are no child laborers and have successfully prevented children working. This is increasing the pressure on Palikas to prevent other factories using child labor. In the absence of government's involvement in endorsement of

certification, some local level officials raise concern on the legal validity of the certification which could potentially undermine employers commitment. A locally driven certification system with the involvement of multiple actors would even make this certification system more accepted and sustainable.

Lack of fiscal resources – Palikas report they lack the fiscal resources to address all the needs they are expected to address. Under the National Child Labor Master Plan Palikas most affected by child labor are in theory able to access additional resources but in reality find these funds difficult to access. Most rely on NGOs to address many of the child labor programming needs while NGOs lack consistent funding to adequately address the challenges.

Dadhing brick factory owner – "The Palika only comes to collect taxes and complain and do nothing for us."

Dadhing Municipality Mayor – "The factories contribute little with most of the workers coming from other places. In three months their workers use up the annual budget for medicines and their children fill our schools."

Migrant families and livelihoods – Many of the families in exploitative labor and with children in child labor are from impoverished rural communities. Many are in debt to naikes and factory owners. Climate change and the reduced size of landholding force these families to migrate seasonally. While adults may still choose to migrate seasonally for work more effort is needed to identify these vulnerable families and develop alternative and diversified livelihood to reduce the pressures to migrate. These include increasing investments in agriculture and agro forestry as many of these families live in remote communities where other alternatives will be limited.

Mechanization of the Brick Industry – Pressure to reform the brick industry has helped spur new investment in technology. Just as in the gravel mining industry this technology will over time replace many poorly paid workers with fewer workers with more skills to manage equipment. There will be enormous seismic shift with huge implications in source communities as this employment of last resort option shrinks.

Impacts of Covid-19 Pandemic – At the start of the spread of Covid-19 in Nepal in March 2020 the workers in brick factories were badly affected. Many chose to quickly abandon the factories often walking for days on end to return home carrying children. Others ended up stranded at factories for months with declining incomes and advances to clear leaving them further in debt. Factory owners tried to keep production going but were unable to secure coal for firing and often Palikas forced them to stop work despite government policies permitting them to continue to operate. The long-term impacts of the pandemic on workers and the brick industry will take time to assess. Many source communities will see the return of many families from the cities and foreign employment increasing the pressure on already stressed environment, employment opportunities and limited food supplies. Increasing debt will force many to return to exploitative work to survive.

Trans-border migration – Nepal has been successful in reducing the number of children in child labor and large numbers of children in the brick industry have been removed. In Terai districts brick factories have replaced these children by increasingly turning to Indian families and their children to fill the demand. This creates new challenges for local governments. Many are unclear as to what their obligations are to provide education and health services to these migrant workers despite obligations under international conventions.

Staff capacity and vacant positions – The Palikas with the largest concentrations of child laborers in the Terai remain understaffed and if child labor is to be addressed more equitable staffing is needed. In addition the staff appointed need to have relevant skills or induction or in-service training to address labor issues, child labor and case management for child laborers.

Action Plans to Address Child Labor – Palikas are struggling with preparing comprehensive plans and multiple plans for different issues. This is challenging in light of their staffing levels and experience. The levels of community engagement and participation recommended for developing these plans are beyond the manpower and resources of most of the Palikas supported.



“Right now we struggle to find enough workers. In a few years time with this equipment we won't need many workers and the workers will be begging for work instead.”

Owner of modernized factory



Mechanization has reduced number of workers needed from 500 to 100.

Way Forward and Policy Recommendations

Many of the actions needed for the brick industry to address child labor and exploitative labor are already covered in government legislation and in the National Master Plan on Child Labor. However it is worth highlighting the priority issues and the gaps that need to be addressed.

1. POLICY AND LEGAL REFORM

Plugging Legal Gap on “Cottage Industries” – Lawmakers need to either amend the Industrial Enterprise Act to properly address the brick industry or prepare additional legislation to address cottage industries. Large factories using contract labor should not be permitted to pose as “Cottage Industries” with fewer than 25 employees.

Coherence in Legal Mandates – There remain many legal provisions in different acts that relate to management of factories, business, labor and for social protection that create overlapping roles and responsibilities or lack clarity in guidance. These need to be systematically identified and resolved through legislation and policy guidance to ensure clear roles and responsibilities for local government and Provincial and Federal government.

Revision of Provisions in Child Labor Act for Penalties – These need to be tied to minimum wage so that they are inflation adjusted and need to be made per child per month. For example in some Indian states the is the minimum wage plus three times that as a penalty per child per month a child has worked. Progressive fines are needed started small but rapidly increasing for repeat offenders to truly act as a disincentive. Clarity is needed for Palikas to understand what level of fines and penalties they can set.

Establishing systems to determine “Piece rates” – in industries where bonuses for performance are in the interests of both workers and employers Provincial or local governments need mechanisms and guidelines.

Cross-border Co-ordination – Addressing child labor across the open Nepal-India border has always been a challenge. When Nepalgunj Metropolitan city removed Nepali domestic workers homeowners replaced them with Indian children. When India cracked down on the *zari* industry employment of children whole businesses relocated to Nepal. Now as NGOs and society place pressure on the brick industry not to employ children they are brought from India instead. This makes management and rehabilitation harder as repatriation mechanisms are informal and were from the District level in the past. New cross-border arrangements to remove and repatriate children need to be institutionalized and available when needed.

Worker Data Management – the Labor Management Information System should be able to capture all adults and youth of legal working age (i.e. above 14) working within a Municipality. If this includes children working part-time or in holiday periods this would not be a problem. Right now it was clear that the majority of Palikas were not familiar with or were not yet using this system. This will be essential if Nepal is to fairly address social security, taxation, ensure fair wages and benefits, address occupational safety and health of workers and eliminate child labor. This system needs to be prioritized and be accessible to all Municipal governments and enable migrating workers to be recognized when shifting work locations.

2. CAPACITY BUILDING

Capacity Building of Palikas – The project set out to determine what is needed to enable Palikas to better manage the brick industry to eliminate child labor and exploitative labor. These Municipal governments have only been functional for two complete years and have many demands on their elected representatives, paid staff, resources and time. Labor management and the management of businesses and enterprises require a great deal of technical knowledge of the legal requirements and issues. The rights and protection of workers and prevention of child labor needs to be integrated into the training provided for local government officials. Child protection covers children in a range of difficult circumstances and for Palikas focusing on one sector and issue like child labor in the brick industry can develop skills they can then use for children in other sectors. The same is true for other training and support for child protection and especially case management, understanding and addressing child labor needs to be integrated into the training of Child Protection Officers and other Social Development Office staff. Capacity building needs will by necessity need to be tailored but can be supplemented by regular Newsletters from the MOWCSW or MOLESS, regular remote conferences or training sessions, and training videos that Palikas can share with staff and civil society partners.

Labour Inspectors – Where are they in the new system and their roles and responsibilities and local relationship with municipalities need to be clearer to all. Complaint mechanisms and grievance systems need to be more accessible for workers who are not paid, abused or are being exposed to unsafe conditions.

Promote Use of Certified Bricks – Ensure all government construction, donor projects and large constructions with bank loans use Better Brick-Nepal certified bricks from child-labor free factories. A collaborative advocacy and communication campaign would help to educate all concerned stakeholders for the promotion of use of certified bricks. In the post COVID19 context, the brick kiln sector will likely seek rescue and government incentives such as facilitating finance access and such support could be linked to progress on certification.

Reduce Proliferation of Committees Wherever Possible – At the Palika level the same government officials and elected representatives are on multiple committees that have overlapping and duplicative roles. More effort is needed to integrate issues such as child labor into the Child Rights Committee's efforts, merge fines and penalties for labor abuses under the Judicial Committee etc rather than create another parallel Child Labor Elimination Committee unless this is in a large urban Municipality with sufficient staff and need to do this.

3. INTERVENTIONS FOR PREVENTION AND RESPONSE

Inter-Municipality Co-ordination - Younger children that migrate for parents and live in the brick factories. As parents work on "piece rates" for contractors children are then mobilized to work to help cover advances and contribute to households incomes. Many teenage internal migrant children arrive unaccompanied at the factories brought by *naikes*. There are no mechanisms in place to ensure rescue and rehabilitation across jurisdictions under the new federal structure and this is an urgent priority.

Prioritization of Vulnerable Families for Livelihood Support - For both prevention and re-integration of child laborers improved family livelihoods are critical. Unfortunately families that migrate seasonally are least likely to be eligible or prioritized for agriculture training or other livelihood development programs. Greater attention needs to be paid to the prioritization of vulnerable families for livelihood support and in some cases special focused efforts will be needed.

Access to Microfinance – Savings and credit groups have played a critical role in reducing indebtedness and reliance on *peski*. Migratory families in the brick industry often find themselves excluded due to their seasonal absences or other factors such as caste discrimination. Palikas supporting financial literacy or microfinance programs need to pay attention to ensure these are inclusive of the most vulnerable families and those already in the brick industry.

Awareness raising – While local governments and civil society need to localize messages and use local media channels all would appreciate continued national campaign messages and materials to support these efforts.

Many thanks to all the elected representatives and staff of the Palikas, MOLESS, and NGOs that contributed to the development of the training package and this Policy Brief. Their invaluable insights and reflections on the current challenges they face addressing the brick industry, child labor and exploitative labor will be helpful in formulating policies and responses and adapting these in the context of the Covid19 Pandemic. The very different problems they face in different contexts remind us of the need for flexibility and localization of responses. Through the development of this orientation package we hope that this will contribute to building the capacity of the Palikas and the local management of the brick industry to reduce exploitative labor and child labor.

Participating Municipalities: Suryabinayak Municipality; Changunarayan Municipality; Godavari Municipality; Lalitpur Metropolitan City; Dhunibeshi Municipality; Thakre Municipality; Agnisair Krishnasabran Municipality; Khadak Municipality; Hariwon Municipality; Haripur Municipality; Yamunamai Rural Municipality; Garuda Municipality; Mahagadhimai Municipality; Pacharauta Municipality; Shivraj Municipality; Maharajgunj Municipality

Participating NGOs: Child Development Society; Urban Environment Management Society; Prayas Nepal; Tapeshwori Social Welfare Organization; Child Protection Organization Sarlahi; Rural Development Centre Nepal; Jana Jagaran Youth Club; Lumbini Rural Development Council Nepal; Dalit Human Right Watch Committee



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