Reducing child labor in mining through community empowerment: A technical brief

The Democratic Republic of the Congo (DRC) has the largest mineral deposits in the world and child labor is reported at 1 in 4 artisanal and small-scale mining (ASM) sites. Child labor in mining is a grave human rights abuse and form of modern slavery defined by the International Labor Organization (ILO) as a worst form of child labor (WFCL), as it exposes children to dangerous conditions, physical injury, mental stress, disease and disenfranchisement. It is associated with worse health, educational, and livelihoods attainments, with children working up to seven hours a day, seven days a week, picking, collecting, washing, crushing and transporting minerals, such as tin, tungsten, tantalum, (known as the 3T minerals) and cobalt. Cobalt is a particularly sought-after metal powering the world’s “green energy revolution.”

Estimates of the number of children engaged in mining and processing in the DRC vary considerably, due to the lack of formalization in the ASM sector, and the illegality of child labor in mining which disincentivizes mine operators from collecting and sharing data. The circumstances to engage in child labor are context specific, but several root causes are similar across most of DRC’s ASM communities: financial insecurity, high dependence on mining activity for income, lack of knowledge regarding children’s rights leading to detrimental effects of mining on children’s health, lack of access to quality education, and insufficient law enforcement regarding mining and child protection regulation.

As part of Pact’s approach to child labor, Pact works with communities, governments, miners, mining communities and private sector actors, to address root causes of child labor in mining including but not limited to education and alternative livelihoods. This technical brief highlights the integration of holistic livelihoods interventions into an overall approach aiming to reduce the number of children working in the mines while empowering households and making them more economically resilient. Pact showcases some key successes of a community-banking platform in two projects implemented in Kolwezi, Lualaba Province, in the heart of DRC’s copper-cobalt belt, where an estimated 255,000 artisanal miners, including children, extract cobalt.

ADDRESSING CHILD LABOR IN MINING

3 Formalization is defined as: “A long-term process of progressively building the capacity of government and ASM actors (understood as miners, traders, and all other participants along the mineral supply chain) to enable the latter to comply with applicable regulations, and ultimately access and equitably benefit from participation in formal local and global commodity markets”, (ref: De Haan J, Dales K, McQuilken J. Mapping Artisanal and small-scale mining to the Sustainable Development Goals: a policy assessment on ASM’s contributions to the SDGs. 2020. https://www.pactworld.org/library/mapping-artisanal-and-small-scale-mining-sustainable-development-goals
Pact’s *Children Out of Mining (COM) program* works in five areas; Colombia (1), the DRC (2), Madagascar (1), and Zambia (1). COM’s unique rights-based, child-centered approach focuses on three key dimensions: first, socio economic interventions for mining communities; second, systems strengthening interventions to develop local capacity among public institutions and civil society to sustainably address child labor and its causes; and third, the engagement of supply chain actors (e.g. mining companies and cooperatives) to ensure more responsible markets, where suppliers are increasingly aware of their obligations to reduce child labor in their supply chains, ensure that production and trade are conducted responsibly, and invest in the financial health of their workforce and their community. COM’s approach has reduced child labor and increased household economic security by co-creating solutions with local communities and promoting coordination and accountability among local and provincial stakeholders. These stakeholders include community, government, private sector, and civil society partners who work together to ensure sustainability.

**Adapting the WORTH model for mining communities**

The WORTH curriculum has been adapted for different populations across country contexts. For example, mining households are reached with relevant information and messaging on topics such as the importance of savings for individual and household wellbeing; improved mining practices in ASM; training on mining management and exploitation; the value of micro credit and micro enterprise; economic alternatives to mining activities; and building solidarity among WORTH group members.

Two of the five projects in the Children Out of Mining program were designed and implemented to address child labor in ASM cobalt in the DRC, namely *Children’s Future (2018–2021)* and *Addressing Child Labor in Cobalt Artisanal and Small-Scale Mining (2016–2022)*. Both projects provided livelihood services for mining dependent households through Pact’s community banking platform WORTH. Pact’s WORTH model, which we have used for 20 years to improve the livelihoods of over 1.1 million people, primarily women, brings groups of 20–25 members together to establish small community banks, known as WORTH groups, for regular savings and lending. By joining these groups, members accumulate assets, diversify their income sources, and access much-needed finance. In the longer term, WORTH alleviates poverty and enhances resilience for group members, their households, and communities (see WORTH framework below).

![WORTH framework](image)

**Long term outcome:** Enhanced resilience and improved access to formal financial services

**Intermediate outcome:** Improved use of loans and increased business creation/management/expansion over time

**Output:** Increased literacy and business development skills

WORTH has become a cornerstone of the COM approach in the DRC to address the root causes of child labor in mining, which are linked with inability to meet household needs and lack of alternative livelihoods. By participating in WORTH, community members who might send their children to work in the mines instead access strategies and savings to build resilient and diversified livelihoods, such as by creating income generating activities to support their families and meet children’s basic needs. Building on the positive results for DRC’s mining communities,
WORTH has been integrated into Pact projects in Madagascar and Zambia to empower mining-dependent households to remove their children from the mines.

**SUCCESSES OF WORTH IN MINING COMMUNITIES**

Across the two DRC COM projects, Pact worked with mining communities to establish 26 WORTH groups with 799 members, including 638 (80%) women (see figure below). These groups, comprised of only adult members (>18 years), resulted in a total of $159,542 in savings and over $135,000 in loans.

As shown in the graphic, the average group member savings among the two projects was $200. This is higher than the Minimum Expenditure Basket (MEB), a common measure used to determine the minimum monthly expenses required by a household to meet basic needs. In the DRC, the MEB was calculated to be $178. Thus, Pact’s WORTH group member savings were higher than the MEB for the DRC indicating that WORTH families would have sufficient savings to meet household needs, including food, health and education over a one-month period.

Successes of integrating WORTH groups within mining communities are summarized below across four key areas: (1) increased number of community members motivated to join WORTH groups, (2) improved financial literacy and business development skills among WORTH group members, (3) enhanced household livelihoods to better meet household needs and (4) reduced number of children in mines due to improved livelihoods statuses. All data presented in this case study were collected through the projects’ external endline evaluations.

**Increased number of community members motivated to join WORTH groups**

WORTH members noted that the primary motivation to participate in WORTH was the ability to generate savings and access low interest loans to respond to their basic needs in a sustainable manner (e.g., health, education, food, clothing). Prior to WORTH, the communities did not have access to banking systems. Instead, highly informal groups were created by community members to perform basic banking transactions (e.g., taking loans from a “pot of money” to which all community members had contributed). However, with the availability of WORTH groups, community members were given an opportunity to access financing in a more organized and transparent manner, that also built on existing practice.

**Improved financial literacy and business development skills among WORTH group members**

All WORTH group members indicated that they took out at least one loan from their group. Each of the group members were trained on entrepreneurship, business startup procedures, financial management, and market analysis of business options that would benefit their communities.

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6 For more details on the evaluation methodologies, please contact the individuals noted at the end of this brief.
Data was similar across the two projects, where in one project, 51% (87) of participants indicated that they took loans from their WORTH group to develop new businesses. The remaining 49% (84) invested their loans into existing businesses in diverse sectors, including agriculture, brickmaking, tailoring activities, etc. In the other project 78% (135) of participants indicated that they used their loan to develop small businesses, including some who develop activities to participate in the effort to fight against child labor in mining. The remaining 33% (65) used the loans to pay for their children’s schooling.

Reduced number of children in mines due to improved livelihoods statuses

In one project, 60% of participants noted that WORTH assisted them in removing their children from the mines, whereas in the other project 92% noted that they had removed at least 1-child from the mines due to WORTH. Community leaders highlighted the positive impact of WORTH. In the Children’s Future project, 13 of the 15 (87%) community leaders mentioned that the WORTH component assisted in removing children from the mines. This was also highlighted by all 12 community leaders in the Addressing Child Labor in Cobalt ASM project. Community leaders noted that WORTH was among the best and most impactful activities conducted by the project.

Enhanced household livelihoods to better meet household needs

Between 84%-100% of WORTH group members indicated they used money available through WORTH when they needed a safe and timely response to household needs or wanted to finance important (or unforeseen) purchases. One project conducted a pre and post-test where it reported a 23.5 percentage point increase in the number of members reporting that they were able to meet all their children’s schooling, health, and food costs after joining WORTH.

LOOKING TO THE FUTURE

Introducing WORTH as a core component to the Children out of Mining program has contributed to a number of lessons learned which can be applied to future programs led by Pact that aim to reduce child labor in mining and ensure just transition that delivers on its sustainable development credential.

WORTH is a powerful tool to reduce child labor in mining in the DRC. A majority of WORTH group members on both projects reported that they were able to remove at least one of their children from the mines and send them to school. WORTH enables group members to generate collective savings, which they then access as loans to invest in new or existing small businesses or to cover household needs, including school fees. The increased and diversified income sources gained through WORTH also helped family members cover unexpected expenses. This in turn reduces the likelihood that these households will have to send their children back to the mines in the face of shocks that reduce household income.

I am a welder, and my wife has a small business. In 2019, we joined WORTH. The savings and credit we received helped us improve and reinforce our main revenue streams. We started with purchasing a battery charger for my welding station and bought a second for my stock. To help the community, I have taken in four welding apprentices to transfer all the knowledge I have learned to them and to help build up their skills”. Male, 60 (Children’s Future)
**Education and awareness-raising are essential to ensure sustainability.** While economic empowerment through WORTH is essential to reducing child labor, the DRC programs highlight that education and awareness-raising activities help to ensure children stay out of the mines in the long term. WORTH groups can serve as a platform for sharing information and important messages to group members and across contexts participation has been shown to enhance trust and cohesion between group members. This increased social capital brings benefits for the broader community as group members report feeling more empowered to contribute to important community issues, such as the need to remove children from the mines. WORTH group members also discuss health, environmental, or other issues facing their communities. In the beginning, it is important for programs to demonstrate the benefits of joining a WORTH group, but also recognize that this process can take time. Often, as initial WORTH groups prove to be successful, they tend to self-replicate, as existing group members help to start new groups. Once these benefits are realized, WORTH becomes a sustainable model for collective investment and community development.

**WORTH opens new doors for group members and their families.** Participating in a WORTH group is not an end in and of itself, but rather a means for members to start or expand their businesses, increase household income, send their children to school, and engage on difficult issues with other community members. One of WORTH’s greatest impacts is the inter-generational reduction of poverty: members develop their own knowledge and skillsets in literacy, numeracy, and business development for trades most relevant to their communities. In turn, they become more socially and economically empowered thus enabling their children to go to school rather than working in mines. This opens up new pathways for these children to learn, stay healthy, and realize greater long-term potential, which ultimately brings benefits for their families and communities. Further, as 80% of WORTH group members are women, WORTH also contributes to economic strengthening and empowerment of women individually and within the community.

To encourage cross-program learning and evidence-based implementation, Pact aims to continue to build on its successes in integrating WORTH in child labor programming through other programs in Madagascar, Zambia and Colombia.

**FOR MORE INFORMATION**

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Pact is an international nonprofit that works in nearly 40 countries building solutions for human development that are evidence-based, data-driven and owned by the communities we serve. Founded in 1971, Pact works with partners to build resilience, improve accountability, and strengthen knowledge and skills for sustainable social impact.