Child Labor in Ethiopia

An estimated 18 million Ethiopian children aged 5-17 engage in work – almost a fourth of the population. More than half of children in the rural areas work above 35 hours per week. Although the country’s policies and legislation protect children from exploitative labor and support their education, the incidences of child labor still remain very high in the informal sectors. Child labor in these sectors makes it difficult to enforce safe and reasonable labor practices.

- United States Department of Labor, *2005 Findings on the Worst Forms of Child Labor - Ethiopia*
Background

The Village Savings Association for Youth is a community-based saving group composed of 10 to 20 working youth between the ages of 14-17. Group members agree to save small amounts of their earnings at weekly meetings and use colored plates and ledgers to keep track of the amounts.

Members help their balance grow by making small weekly contributions and through interest added to their account as a result of being linked to formal financial institutions. The group sets by-laws that outline member roles and important rules such as weekly contribution amounts, penalty charges for missing group meetings and other regulations.

Participation in savings groups empowers youth with a level of financial security that would otherwise be absent in their regular lives.

Outcome

The VSAY provides youth, no matter how remote or poor, with a means to:

- Develop saving habits from an early age;
- Access financial services relevant to their situation;
- Build capital through their weekly contributions;
- Prepare for future plans, be it entrepreneurial or educational.

Accomplishments

E-FACE has made great progress in the promotion and implementation of financial services for youth saving groups. To date:

- 1,729 youth have been formed into 133 VSAY groups (1480 in Addis Ababa and 249 in the South)
- Girls represent 40% of all membership
- 406 youth have been linked to financial institutions and are opening saving accounts and depositing on a weekly basis
- The groups have saved a combined amount of USD 8,973.00 and social funds of USD 334.30

This intervention also goes beyond saving and provides working youth with their own solidarity groups where they find consolation, their own voice, and social security. This also exposes the youth to other financial service concepts, such as lending, borrowing, banking and income generating activities; taught through orientations and workshops.

Promoting these concepts at this stage in youth’s development ensures future participation in activities that will change their lives for the better.