



RESEARCH AND EVIDENCE PAPER 6

BUSINESS OWNERS' PERSPECTIVES ON RUNNING KHAJA GHARS, SPA AND MASSAGE PARLOURS, DANCE BARS, HOSTESS BARS, AND DOHORIS IN KATHMANDU, NEPAL

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ABOUT THIS RESEARCH AND EVIDENCE PAPER

The Child Labour: Action-Research-Innovation in South and South-Eastern Asia (CLARISSA) programme aims to understand the dynamics that are central to running a business in the informal economy of Nepal's adult entertainment sector, and explore how and why the worst forms of child labour (WFCL) become a feature of business operations. This research paper explores the findings from semi-structured interviews conducted with business owners operating spa and massage parlours, *khaja ghars* (snack shops), cabin/hostess bars, dance bars, and *dohoris* (folk-dance bars) in Kathmandu. It explores business owners' perspectives on the day-to-day running of their businesses; the risks and stressors they face; their aspirations and motivations; and, where possible, their rationale for working with children, and the types of relationships they have with them.

In addition to generating business-level evidence, the research provided evidence on a series of three business owner-led Action Research Groups, which began in February 2022 and continued until September 2023. These groups have generated theories of change, and will test and evaluate solutions to shift the system away from WFCL.

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Child Labour: Action-Research-Innovation in South and South-Eastern Asia (CLARISSA) is a consortium of organisations committed to building a participatory evidence base and generating innovative solutions to the worst forms of child labour in Bangladesh and Nepal.

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ABBREVIATIONS

AES adult entertainment sector

CCTV closed-circuit television

CLARISSA Child Labour: Action-Research-Innovation in South and South-Eastern Asia

NGO non-governmental organisation

Rs rupees

US\$ US dollar

WFCL worst forms of child labour

GLOSSARY OF TERMS

Key venues in the adult entertainment sector

Dance bar Customers are entertained by dancers who perform to music – waiting staff sit with customers to increase the amount of drinks bills. Staff often earn commission from the beverages sold at the tables they are serving. There may be indirect sexual activity (e.g. flirting, touching, and kissing). Customers may arrange to 'go out' (outside the venue) with dance bar employees for more direct sexual activity. Dance bars are generally more expensive than cabin restaurants and attract a more affluent clientele.

Dohori A venue that offers traditional folk music and dancing. Most *dohoris* serve alcohol and food. Staff often earn commission from the beverages sold at the tables they are serving. There is variation between *dohoris* – some offer a family environment, whereas others may have a sexually charged atmosphere. While sexual services are not usually provided on the premises, arrangements may be made with waiting staff to meet for sex after work hours.

Guest houses Guest houses are small hotels. In adult entertainment sector (AES) locations, customers may use them to take clients there for sex.

Hostess/cabin restaurant or bar A small restaurant or bar with partitions that create small private 'cabins' for customers to be entertained in private by waiting staff. Food and drinks are usually sold at inflated prices – waiting staff or hostesses may sit with guests and increase table bills by ordering drinks. Staff often earn commission from the beverages sold at the tables they are serving. There may be indirect sexual activity (e.g. flirting, touching, and kissing) or direct sexual activity.

Khaja ghar The term *khaja ghar* (snack shop) describes a small-scale eatery where food and alcohol are available at affordable prices. *Khaja ghars* are ubiquitous in Kathmandu in AES areas. They may have employees who provide sexual services, or are places where this can be arranged.

Spa and massage parlour In AES locations, spa and massage parlours may have employees who provide sexual services in addition to massage therapy in small private rooms.

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A NOTE ON THE USE OF LANGUAGE IN THIS PAPER

This paper captures the perspectives of business owners working in the adult entertainment sector (AES) in Kathmandu to aid understanding about how we end the worst forms of child labour (WFCL). The words and phrases research participants use have not been changed; this ensures that we accurately reflect the information and insights provided. For example, where business owners use a phrase such as 'engaging in sex work', with reference to children, consortium members might describe this as 'child sexual exploitation', but we have not changed the wording. In our efforts to listen to business owners and capture their observations accurately, CLARISSA consortium partners do not condone WFCL.

In Nepal, the term AES is used to describe a diverse range of businesses that include cabin/hostess restaurants, dance bars, spa and massage parlours, and folk-dance bars (known as *dohoris*). The term has been further expanded to include establishments from the wider hospitality industry (including the food and beverage

sector) such as *khaja ghars*, which are small-scale snack shops. Within some venues associated with the AES, the commercial sale of sex and sexual exploitation of children are known to take place.

However, our research with business owners and child workers has helped us appreciate the varied nature of the work that is undertaken in venues associated with this sector. It is important to note that not all establishments typically associated with the AES are involved in the commercial sale of sex, sexual activity, or the commercial sexual exploitation of children (considered one form of WFCL).

While we understand that AES is not necessarily a term business owners and child workers use to refer to the sector they work in, practitioners and researchers at local level commonly use the term. In practice, when referring to the AES, this paper means business owners operating cabin/hostess restaurants, dance bars, spa and massage parlours, *dohoris*, and *khaja ghars*.

ASSESSING THE QUALITY OF CLARISSA'S EVIDENCE IN THIS REPORT

The Child Labour: Action-Research-Innovation in South and South-Eastern Asia (CLARISSA) programme is committed to producing high-quality research, and to explaining the robustness and credibility of the methods that underpin the production of evidence. CLARISSA has developed criteria to assess the quality of its evidence along four dimensions: representativeness, triangulation, transparency, and new knowledge. A summary of these dimensions is included in Table 1. A separate report

describes the difference in a 1, 2, 3, 4, and 5 assessment for each dimension (CLARISSA 2023).

Seven researchers across two countries and three institutions gathered for one and a half hours to discuss the quality of evidence in this report in relation to the research design, process, insights, and analysis. Table 1 documents their assessments and the reasoning behind each assessment.

Dimension	1	2	3	4	5	Reasoning behind the assessment
<p>Representativeness</p> <p>Representativeness covers the extent to which the experiences of those affected by the issue are central in the evidence that is presented. This includes how critical actors have participated in the different parts of the process that has generated the evidence (design, data gathering, analysis, presenting) and how the nuance of their experiences and perspectives is expressed in the evidence claims.</p>				●		<p>CLARISSA researchers have assessed this report as 4.5 for representativeness. This paper is structured around different parts of the adult entertainment sector (AES) (e.g. massage and spa sector, dance bar sector, etc.) to articulate the different pressures and realities of running a business across the range of sub-sectors. The evidence contains contradictory views that represent the unique viewpoints of the different types of business owners.</p> <p>Three in-depth, two-day validation workshops with business owners from different sub-sectors focused on assessing how well participants' meanings had been captured and interpreted (to check the validity of the data), and allowed business owners to widen and deepen understandings of the main themes from the analysis. Additional insights and reflections from these workshops are included as footnotes in the paper. CLARISSA researchers undertook the research design, data collection, and analysis. To score a 5 on this rubric, business owners would have needed to have a high level of agency in the research process; for example, being involved in the data collection and data analysis stages of the research.</p>

Table 1 Quality of evidence in this paper

Dimension	1 2 3 4 5	Reasoning behind the assessment
<p>Triangulation Triangulation helps ensure a degree of consistency and bias control. Given that all sources of evidence have some degree of bias, it is important researchers have sought multiple perspectives from different stakeholders, corroboration across multiple data sources, and/or triangulation across different studies and tools to check for consistency of findings.</p> <p>'Multiple data sources' refers to the person(s) who provided the evidence.</p> <p>'Multiple lines of evidence' refers to different methods by which data is generated.</p>	<p style="text-align: center;">●</p>	<p>CLARISSA researchers assessed this report as 3 for triangulation. Evidence was provided from multiple data sources (business owners from different AES sub-sectors such as the massage sector, <i>dohori</i> sector, and dance bar sector) within one constituent group (i.e. business owners). This report does not include the perspectives of children or other stakeholders. The focus of this research was on business owners, so it was important that a range of perspectives from the varied sub-sectors was sought (the perspectives of children and other stakeholders are included in other CLARISSA publications).</p> <p>The evidence base was generated from a single line of evidence (semi-structured interviews). The study also invited business owners (almost none of whom were interviewees) to validate the analysis of interviews based on their lived experience of running businesses in the sector. Altogether, more than 50 businesses were involved in the study.</p>
<p>Transparency Transparency entails that we know as much as possible about where the evidence comes from, who collected it, and how it was collected. For this, some details should be provided on what the sources of data are, the methods used, results achieved, and any key limitations in the data or conclusions.</p>	<p style="text-align: center;">●</p>	<p>CLARISSA researchers assessed this report as 5 for transparency. The methodology section provides detailed information on the sources of evidence and data collection method. The choices and adaptations that were made to the research design and data collection are also clearly explained. The 'Scope and limitations' section outlines data limitations (including reasons why it was difficult to reach certain parts of the sample population). The data is recoverable to CLARISSA team members. Direct quotes are used extensively throughout the paper to illustrate the findings; two detailed case studies drawn from different sub-sectors of the AES are included in Annexe 1 and Annexe 2.</p>

Table 1 Quality of evidence in this paper

Dimension	1 2 3 4 5	Reasoning behind the assessment
<p>New knowledge The methods that we use in CLARISSA aim to uncover new insights and underlying patterns in the system. We aim to gather evidence on patterns that we, or other stakeholders, are aware of, but for which there is less evidence or which does not currently exist as 'common' knowledge in 'the field'.</p>	<p>●</p>	<p>CLARISSA researchers assessed this report as 3 for new knowledge. Limited AES literature has focused on business owners' perspectives, particularly in terms of the day-to-day realities of running a business. This research provides in-depth insights into the functioning of the different types of businesses, the work children are doing within them, the pressures business owners face, and the trade-offs they make that can lead to the emergence and perpetuation of the worst forms of child labour (WFCL).</p> <p>The research is grounded in rich contextual information about the businesses and the pressures on them, but findings are also linked to more theoretical/conceptual research that provides insights into necessity-based entrepreneurship and the impact of stigma related to sex work.</p> <p>However, there are fewer insights into the underlying patterns that drive WFCL in the sector, which have not been fully explored in this paper (e.g. how gender shapes the business landscape and children's role within it). Further research would allow these patterns to be understood and analysed more fully.</p>

Source: Authors' own. Created using project data.

Section 1:

INTRODUCTION

1 INTRODUCTION

CLARISSA (Child Labour: Action-Research-Innovation in South and South-Eastern Asia) is a large-scale Participatory Action Research programme that aims to identify, evidence, and promote effective multi-stakeholder action to tackle the drivers of the worst forms of child labour (WFCL) in selected supply chains in Bangladesh and Nepal (Burns, Apgar and Raw 2021).¹ A key part of the CLARISSA programme aims to understand the dynamics that are central to running a business in the informal economy of Nepal's adult entertainment sector (AES), and how these contribute to the emergence and perpetuation of WFCL.

This research paper explores the findings from semi-structured interviews conducted with business owners operating in Kathmandu's AES. In addition to generating business-level evidence, the research provided evidence on a series of three business owner-led Action Research Groups that began in February 2022 and continued until September 2023. The Action Research Groups tested solutions to shift the system away from WFCL.

In Nepal, the umbrella term AES has been used to describe a diverse range of businesses that include cabin/hostess bars, dance bars, spa and massage parlours, and folk-dance bars (known as *dohoris*). The term has been further expanded to include establishments from the wider hospitality industry such as *khaja ghars* (snack shops) and guest houses.²

Conflating the diverse range of venues and treating them as a homogenous whole is inaccurate: not all establishments referred to as being part of the AES are related to the commercial sale of sex or sexual activity, nor with the commercial sexual exploitation of children, considered to be one form of WFCL (Oosterhoff and Hacker 2020).³ However, the AES is perceived as a high-risk environment for children.

A legal framework addresses WFCL in Nepal. Nepal has acceded to International Labour Organization Convention

C138 – Minimum Age Convention 1973 (No. 138), which demands the abolition of child labour and exclusion of children aged under 18 years from employment or work that, by its nature or the circumstances in which it is carried out, is likely to jeopardise their health, safety, or morals. However, a significant number of children remain engaged in child labour, including in the AES. Dank *et al.* (2019) found that of those working in the AES, 17 per cent are minors. Of those surveyed for this research, over 90 per cent were female, reflecting the gendered nature of the sector.

Several studies have examined the causes, frequency, and impact of the commercial sexual exploitation of children in Kathmandu's AES (Frederick, Basnyet and Aguetant 2010). Recent research has drawn attention to changing trends, whereby the sexual exploitation of children is shifting away from Kathmandu's AES venues to less visible, more informal spaces (Hargitt 2017; Risal and Hacker 2018; Dank *et al.* 2019). It has been hypothesised that the increased attention on the AES, with more frequent raids by police and increased outreach work undertaken by civil society organisations, might be a factor in these changing trends. However, researchers have highlighted the need for further research to understand the causes and impact of this shift to more hidden spaces (Dank *et al.* 2019).

CLARISSA developed a high-level theory of change that connected the incidence of WFCL to the more hidden and informal domains of supply and human chains, and undertook a literature review as part of a working paper, *Supply Chains, the Informal Economy, and the Worst Forms of Child Labour* (Aked 2021).⁴ This showed that while WFCL may show up more frequently in the informal spheres of the economy, its presence is neither random, nor occurs in isolation. Instead, it is contingent on the dynamics and strategies actors employ to manage business risk in both formal and informal spheres of the economy.

1 CLARISSA is a civil society consortium led by the Institute of Development Studies with Terre des Hommes, ChildHope UK, and the Consortium for Street Children. In Nepal, ChildHope UK and Voice of Children host CLARISSA Nepal in partnership with Children-Women in Social Service and Human Rights and Terre des Hommes Nepal.

2 See 'Glossary of terms' for full descriptions of AES venues.

3 International Labour Organization Convention C182 – Worst Forms of Child Labour Convention, 1999 (No. 182) details what comprises WFCL.

4 Human chains emphasise the importance of human beings, human connections, and human values, norms, and practices, which often go unrecognised in value chains. See the CLARISSA blog post [Let's Talk About Human Chains, Not Value Chains](#).

The literature review found that there is limited understanding of the way that small and informal businesses experience and negotiate this risk. The CLARISSA programme was therefore interested in looking at the day-to-day running of businesses in the informal economy, and exploring how and why WFCL become a feature of business operations.

CLARISSA conducted semi-structured interviews with business owners connected to a range of businesses commonly associated with the AES: cabin/hostess bars, dance bars, *dohoris*, *khaja ghars*, and spa and massage parlours. This paper reports the findings of the study. It explores business owners' perspectives on the day-to-day running of their businesses; the risks and stressors they face; their aspirations and motivations and, where possible, their rationale for working with children and the types of relationship they have with them.

In addition to engaging with business owners, CLARISSA has conducted extensive research with children working in the AES. This includes collecting 400 life stories from children and young people working in the AES or in neighbourhoods related to the sector, which the children themselves then collectively analysed (Hacker and Sharma 2022). The collective analysis of children's life stories informed a series of seven child-led Action Research Groups based in Kathmandu that began in January 2022 and continued until September 2023.

1.1 THE FOCUS OF THIS STUDY

At the start of the programme, CLARISSA undertook a 'hotspot' mapping exercise, which identified five main clusters of adult entertainment in Kathmandu. The hotspots (described as 'clusters' by the CLARISSA programme) covered a range of geographical locations that represent different types of hub for adult entertainment: transportation hubs, centres for entertainment, newer/emergent centres for adult entertainment, and a key entry/exit point to the Kathmandu Valley.

To capture a range of perspectives from this diverse business landscape, the study included owners who ran venues in a variety of clusters. The inclusion of a diversity of venues in different locations aimed to ensure that the important gender, socioeconomic, and class differences

that shape owners' trajectories and experiences of running an AES venue were captured, and that the unique contexts of different geographical clusters within Kathmandu were reflected.

As mentioned above, within these clusters, how and whether different venues are involved in WFCL varies widely. Some venues may not have any involvement with WFCL (including the commercial sexual exploitation of children) or any involvement with the commercial sale of sex. The study aimed to focus on the experiences of business owners with direct experience of running venues with links to WFCL (including the commercial sexual exploitation of children). However, this paper also highlights a number of methodological challenges the research faced, particularly in terms of gaining access to owners who ran small-scale informal businesses who were able to openly share their experiences related to WFCL. For many business owners, this was extremely difficult given the illegality of WFCL, their experience of intense police scrutiny, and the societal and familial stigma attached to the sector (see section 2).

This study focuses on businesses operating within the informal sphere. The International Labour Organization and researchers frequently use registration status to determine whether a business resides in the formal or informal spheres of the economy; initially, this study classified businesses as 'informal' or 'formal' based on whether a business was registered with the relevant government authority.⁵

However, it became clear that the use of registration status to denote whether a business operates within the formal or the informal sphere of the economy ignores a more complicated reality. For example, some businesses are officially registered but operate according to highly informal practices, some have allowed their registration status to lapse, and others are run by 'owners' whose names have never been included on any official documentation. This research includes businesses that illustrate these different aspects of 'informality' and explores the impacts that the different types of business set-up may have.

Because of the range of types of business owners and challenges of gathering evidence related to a highly sensitive subject, CLARISSA undertook a series of validation workshops following the analysis and reporting

⁵ In Nepal, businesses need to obtain the necessary approval from the relevant ministries/departments (e.g. the Department of Industry) for a permit or licence to conduct business. The business then needs to be registered with the Office of the Company Registrar and a registration number obtained from the Inland Revenue Department if applicable.

stage of this study. Different groups of business owners – *dohori* and dance bar owners, spa and massage parlour owners, and *khaja ghar* owners – attended three in-depth, two-day workshops. Each workshop included owners who had taken part in semi-structured interviews, and owners who were either new to the programme or involved in its Action Research phase.

Around 30 business owners participated in these workshops overall. The workshops focused on assessing how well participants' meanings had been captured and interpreted (to check the validity of the data), as well as widening and deepening understanding of the main themes from the findings. This approach was important in allowing business owners to analyse the evidence themselves. It furthered the participatory nature of the CLARISSA programme, whereby stakeholders use research to understand the dynamics that drive WFCL and generate innovations to help shift these. While this paper focuses on the findings of the semi-structured interviews, insights from the three validation workshops have been included as footnotes where relevant.

The findings reflect perspectives gathered during a particular period of pandemic history following the lifting of restrictions in January 2022, after the Delta wave of the Covid-19 pandemic. The timing of the research is important to note, given that a significant part of the study looked at the impact of shocks and stressors on businesses, and how these affect WFCL.

1.2 OUTLINE OF THE PAPER

Section 2 of this paper describes the study's methodology, its scope and limitations, and key ethical considerations.

Section 3 outlines the findings from the research. Owners were asked about their everyday practices in running their business ventures, before exploring their experiences relating to WFCL specifically. The findings are divided into three sections, which explore a range of perspectives from different types of business owners:

- **The first section focuses on micro-/small-scale enterprises – *khaja ghars* and spa and massage parlours – the majority of which had three or fewer employees. These businesses were all run by women.**
- **The second section looks at dance bar and hostess/cabin restaurant owners. Dance bars employed between ten and 20 people, but the hostess bars were smaller, with between three and five employees.**
- **The third section touches on the views and experiences of *dohori* owners.**

Section 4 discusses the main findings, drawing on key literature to illustrate how the experiences of business owners in Kathmandu's AES relates to broader themes and research related to WFCL, the commercial sexual exploitation of children, and the informal economy.

Throughout the paper the term 'women' has been used to describe females aged 18 years and over, and 'girls' to describe females aged under 18. Business owners often used the term 'girls' as a generic term to refer to females (of any age) who are in some way engaged in the sale of sex. Business owners often used the term 'young girls' to differentiate between females working in the sector generally (referred to as 'girls'), and younger women and children engaged in the sector (most commonly, aged from their mid-teens up to 20). This paper uses the terms 'girls' and 'young girls' when describing specific examples or testimonies from business owners.

Section 2:

METHODOLOGY

2 METHODOLOGY

2.1 OVERVIEW

This research was informed by CLARISSA scoping studies undertaken in Nepal (as well as Bangladesh) and a literature review conducted for the CLARISSA working paper *Supply Chains, the Informal Economy, and the Worst Forms of Child Labour* (Aked 2021; Oosterhoff and Hacker 2020). These preliminary studies highlighted how the use of children in small business contexts is systemic, involving a complex interplay of factors that include profit margins, customer preferences, and poverty (along with many others). To understand how children are involved in and exploited by this system, further research was needed to look at how these businesses work. In particular, how the pressures business owners face, and the strategies and choices they make in response to them, lead to children's involvement in WFCL.

This research is based on the evidence generated from semi-structured, in-depth interviews with business owners. This is one of three research methods that have been used to build an evidence base on the micro-details of running an informal business. The three methods are: (1) semi-structured interviews (fieldwork: September–January 2022); (2) work shadowing (fieldwork: January 2022–February 2023); and (3) business owner-led Action Research Groups (fieldwork: February 2022–September 2023).

The semi-structured interviews aimed to gather a range of perspectives from owners of varied types of small-scale businesses (dance bars, *dohoris*, *khaja ghars*, hostess/cabin restaurants, and spa and massage parlours) currently operating in the AES in Kathmandu. In addition to generating business-level evidence, the research provided evidence on a series of three business owner-led Action Research Groups (which began in February 2022 and continued until September 2023), which tested solutions to shift the system away from WFCL.

2.2 SAMPLE DESIGN

The focus of this study was on business owners operating small business venues associated with the AES, who

were primarily operating in the informal sector and had involvement with WFCL. As noted above (section 1), whether or not a business was registered with the relevant government authority was initially used to classify a business as formal (if registered) or informal (if unregistered). However, the research process revealed complexities that made using registration status as the primary indicator of informality seem insufficient. Therefore, in addition to taking registration status into consideration, the research also focused on smaller-scale businesses (employing fewer than 20 people), because they were more likely to be operating in more informal ways.

Involvement with WFCL relates to both the sector (e.g. adult entertainment), but also includes the involvement of children in work which is hazardous because of the conditions of the work (e.g. long hours, working at night, exposure to abuse), and/or hazardous because of the impact of the work (e.g. working in unhealthy environments).⁶

Prior to this research, CLARISSA undertook a hotspot mapping exercise, which identified five main locations (described by the CLARISSA programme as 'clusters' – collections of hotspots) of adult entertainment in Kathmandu (Table 2). Hotspot analysis is a spatial analysis and mapping technique used to identify the clustering of spatial phenomena. In this instance, a

Table 2 AES clusters in Kathmandu

AES cluster	Cluster
Transportation hub	1
Centre for entertainment and main location for glamorous venues (e.g. dance bars and clubs)	2
Close to airport and other destinations	3
Entry/exit point from the Kathmandu Valley	4
Small-scale AES hub	5

⁶ International Labour Organization Convention 182 details what comprises WFCL.

hotspot refers to an area where activities related to the AES are more concentrated, and there is a higher probability of finding WFCL.

The hotspots were identified using several methods including a literature review and information gathering from key stakeholders. Factors such as the level of movement of people into an area, level of vehicle movements into and out of an area, and the number of venues associated with the AES within an area were taken into account when identifying the main AES hotspots within Kathmandu.

Within these geographical areas, the type of businesses sampled varied. For example, both spa and massage parlours and dance bars are prolific in cluster 2, but spa and massage parlours were the focus in this cluster because they were more likely to be smaller-scale businesses that operate informally. In more established AES clusters, such as cluster 2, dance bars were larger scale, usually employing more than 20 staff. Within locations that had been more recently established – small-scale AES clusters, such as cluster 5 – dance bars tended to be smaller scale and therefore were included in the sample.

Across these groups of owners, the aim was to interview a minimum of ten female owners and ten male owners. To generate the sample, three main methods were used:

- **Gatekeepers – working through organisations and associations that provided connections with owners of venues operating within the AES;**
- **Snowballing – asking individuals who had been interviewed by the study to identify others who they thought would meet the selection criteria; and**
- **Independent interviewer observation – working in situ (in the AES clusters) to identify venues (and their owners) who fit the sample criteria.**

Part-way through fieldwork, the sampling methods were revised for two reasons. First, after reviewing the initial interviews, the researchers felt there was some bias in the respondents recommended by gatekeepers: they tended to be more aware of issues pertaining to WFCL and were either less directly involved with child labour or less willing to discuss their views and experiences openly. Second, independent interviewer observation was, in practice, very difficult to undertake because of ongoing safety concerns related to the Covid-19 pandemic, and the hidden nature of WFCL in small-scale venues such as spa and massage parlours.

In response, CLARISSA adapted the approach and engaged local co-ordinators (employees and members of organisations who are working with owners as fieldworkers) to build rapport and trust with owners before conducting the interviews. This proved effective both in terms of accessing a range of business owners who met the sample criteria, and in giving respondents the confidence to provide fuller accounts of their experiences.

It was particularly difficult to reach *dohori* owners who were involved with WFCL, which is a limitation of this study. This may reflect the general trend of professionalisation and compliance with regulations related to WFCL observed within the *dohori* sector. However, this also reflects the gatekeeper approach initially used to reach *dohori* owners, whereby venues with a history of working with community-based organisations were selected. Future research using work-shadowing and Action Research approaches will provide more insight into the range of experiences of owners in the *dohori* sub-sector.

2.3 ACHIEVED SAMPLE

CLARISSA researchers achieved 25 interviews with business owners. However, two interviews with spa and massage parlour owners could not be used due to an error during the transcription process whereby interview data could not be reliably extracted. Due to time and resource limitations, and because the sample criteria of five interviews with massage and spa owners had been met, additional interviews were not undertaken: 14 interviews were with female business owners and nine with male owners – this reflected the focus on smaller businesses such as *khaja ghars* and spa and massage parlours, which were more likely to be run by women.

Only four of these businesses were not registered with the relevant government authority (Office of the Company Registrar, relevant ministry or government department, and Inland Revenue Department). These were all small-scale *khaja ghars* with fewer than five employees. The remainder were either registered (17 businesses) or had registered but not renewed their registration on an annual basis as required by authorities (three businesses).

The interviews were conducted with owners from AES clusters in Kathmandu including one transport hub, one tourist hotspot, established centres for adult entertainment, and emergent centres for adult

entertainment. Table 3 shows the types of businesses run by the owners included in the study.

Table 3 Types of business owners interviewed

Type of business	Number of owners
<i>Khaja ghar</i>	7
Spa and massage parlour	5
Dance bar, hostess/ cabin bar/restaurant	6
<i>Dohori</i>	5
Total	23

Note: For full description of the types of businesses see 'Glossary of terms'.

2.4 CONDUCT OF FIELDWORK

CLARISSA researchers carried out the fieldwork. They recorded interviews if respondents gave their consent. The researchers used a topic guide (Annexe 3): this acted as an aide-mémoire of what to explore (rather than a specific set of questions) and allowed some flexibility to explore the detail of each specific case, and for the researchers to interact with and respond to participants during the interviews.

2.5 APPROACH TO ANALYSIS

The interviews were recorded and transcribed prior to the analysis stage. A deductive coding frame was initially developed to organise the data into meaningful groups. The deductive codes were based on the CLARISSA working paper *Supply Chains, the Informal Economy, and the Worst Forms of Child Labour* (Aked 2021), and reflected specific knowledge gaps identified around business set-up; hiring processes; business relationships; employer–employee relationships; business finance; business risk; strategies for dealing with risk; the influence of community and social norms; and any linkages and co-dependencies between business practices in formal and informal spheres of the sector.

The code frame was then adapted and expanded in response to the inductive codes generated following the review of five transcripts (covering a range of types of owners). This allowed new themes to be captured that had not been anticipated. The final code frame is included in Annexe 4. The researchers used Dedoose software to code the interviews and analyse the data thematically.

2.6 SCOPE AND LIMITATIONS

Although the majority of the sample population reflected the focus of the research on small-scale businesses,⁷ four business owners were included in the sample whose businesses employed over 20 individuals. It was occasionally difficult to obtain an accurate picture of the size of the business from the owner prior to the interview. Another challenging aspect of the research was being able to ascertain beforehand whether the owner was involved with child labour, and in particular, WFCL. This is a highly sensitive subject and the stigma around the issue of child labour made it (a) challenging to screen potential respondents in advance; and (b) difficult for owners to speak openly during interviews.

The time and resource implications of screening led to an acceptance that the sample population would include owners who may not be directly involved with WFCL, or may not be able to speak openly about their experience of it, even though they were part of the wider AES.

One unintended benefit of including slightly larger businesses and businesses with a more ambiguous relationship with WFCL is that it allowed for the exploration of both those business dynamics linked to WFCL that are more systemic and characteristic of the sector, and those that are specific to running a much smaller business operation. It helped reveal that some of the same drivers of exploitation (e.g. the absence of workplace-based rights) can be precursors to more extreme forms of exploitation and abuse in which children are involved. The paper differentiates between those who are directly involved with WFCL and those who explicitly state that they are not, and tries to signpost this clearly.

However, any comparisons or explanations of differences drawn between these groups need to be made with caution, with an awareness that speaking candidly about child labour is very challenging, particularly given the experience of intense police scrutiny, and societal

⁷ Nineteen of 23 interviews were conducted with small and medium-sized businesses employing 20 or fewer individuals.

and familial stigma some respondents described. The research hopes to highlight the importance and challenges of finding effective approaches that enable the experiences and views of owners who are unable to speak openly to be included in research and interventions related to WFCL.

There is variation in the price level of different venues, with *khaja ghars* offering food and beverages at cheaper rates than *dohoris* and dance bars, for example. Similarly, the clientele is known to vary depending on a venue's location and price level. While business owners' perspectives related to customer make-up have been included where relevant in this paper, it is beyond the scope of the research to provide a comprehensive understanding of how customer profiles vary across different venues. The timing of the interviews (October 2021–January 2022) is also important to note. The interviews took place between two and five months after the lifting of the stay-at-home order related to the Delta variant of the Covid-19 pandemic.

2.7 ETHICS

The study was conducted in compliance with all human rights and ethical standards developed by the CLARISSA programme as per the IDS ethical protocol. Verbal consent was obtained from all participants before the semi-structured interviews and before commencing audio recording. The research objectives and confidentiality issues were discussed with potential respondents during co-ordination meetings and before the interviews. The research team conducted an initial risk assessment with the CLARISSA Nepal safeguarding focal point.

To ensure the privacy of the participants' data, the interviews were conducted in a private place of the

participants' choosing. Any notes taken during fieldwork, audio files, transcripts, and participant contact details are kept confidentially in a dedicated safe place (either in password-protected computer files, or in dedicated and secure cabinets in Voice of Children's office).

The findings were shared with three different groups of business owners (*dohori* and dance bar owners, spa and massage parlour owners, and *khaja ghar* owners) in three separate two-day validation workshops. During these workshops, business owners worked in small groups to review storyboards containing key findings and quotations from the research. They discussed these findings in break-out groups and during plenaries with all participants. Facilitators guided this process by asking questions that encouraged owners to reflect on the data's validity and the completeness of the coverage of the subject, drawing on the business owners' experiences. It also provided an opportunity to discuss sensitivities in the paper with business owners and to gain their perspectives on the implications of sharing findings more widely (particularly within Nepal).

In addition to the validation workshops with business owners, CLARISSA's advocacy expert in Nepal conducted a discussion with them about sensitivities related to sharing the findings with outside stakeholders. This did not lead to any significant changes to this paper, but an additional note on the language used in the paper was included to acknowledge sensitivities related to the term 'adult entertainment sector'. This validation stage of the process allowed business owners to gain more ownership of the findings, which was helpful given that the majority of owners attending the validation workshops continued to work with the CLARISSA programme in three business owner-led Action Research Groups.

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Section 3:

FINDINGS

3 FINDINGS

This section includes findings from three categories of owner: *khaja ghar* and spa and massage parlour owners; dance bar and hostess/cabin restaurant owners; and *dohori* owners. Insights from the three validation workshops conducted with owners have been included in footnotes where relevant.

3.1 KHAJA GHARS AND SPA AND MASSAGE PARLOURS

The owners of the *khaja ghars* and spa and massage parlours (see 'Glossary of terms' for a description of these venues) included in this study ran micro-/small-scale enterprises employing fewer than five people. These businesses were all run by women. Spa and massage parlours were based in an entertainment and tourist hub that is known for offering spa and massage services. *Khaja ghars* are ubiquitous across Kathmandu, but the owners included in this study ran businesses in transport hubs and entertainment and tourist centres where this type of eatery might also facilitate sexual services.

3.1.1 Reasons for becoming a small business owner

The need to earn money to make a living was a driving factor to become a business owner. Not being paid on time or earning a sufficient wage were reasons for needing more money. In some cases, business owners described more extreme circumstances, where they needed to begin their business to survive. Difficult family circumstances, family health crises, or being unable to undertake work they had previously been doing (e.g. due to their age) were causes of their economic hardship:

My husband went abroad and stayed in communication for a month or two. After that, there was no communication with him. I had to struggle even to eat. He never sent me money from abroad. I went into darkness, but I had to show light to my two children. We drank water from the bathroom tap – our condition was this bad. We waited for two months and then we could not stay in my maita [paternal home] either for too

long. My sister provided me with a loan of Rs. 3 lakh [US\$2,260] to help me start the business. (BO24, spa and massage parlour owner)

More specifically, the AES was chosen because of a lack of alternative options. Illiteracy, limited labour market opportunities (due to lack of connections, education, or skills), and the limited salaries available as an employee were identified as reasons for choosing to run a *khaja ghar* or spa and massage parlour. One business owner reflected on the Rs 4,000 or Rs 5,000 (US\$30 or US\$38) salary she would likely earn per month as an employee, because she was illiterate, and asked, 'What to do with this salary?' (BO24, spa and massage parlour owner).

Some owners had previously considered migrating overseas to earn a liveable wage and overcome family economic crises, but as challenges arose, such as sick dependents or relatives' difficult experiences overseas, they reassessed this option. In addition, decision-making could be further restricted by a lack of assets (such as land) or savings that could be used to set up the business:

My father-in-law went abroad. He was arrested by police. He did not have any money after returning to Nepal. I had to sell jewellery that was given to me by my mother. I realised that going abroad is not a solution – that influenced us to work in this sector. Similarly, a neighbour from my village was running a local shop and he also encouraged me to run this business in Kathmandu. We also had the responsibility of looking after our children. We did not have any land, so we decided to start this business. (BO11, *khaja ghar* owner)

A different route to becoming a business owner, described by spa and massage parlour owners in particular, was through having previously worked as an employee in the same sector. Reasons for becoming an employee mirror the responses of those in small businesses who entered directly as owners: economic hardship and a lack of education, which limited their options. Progression from employee to owner could be a fairly informal and relatively straightforward process – for example, making an investment to become a 25 per cent share partner in the business, or paying a small

amount (e.g. Rs 800 (US\$6)) per day to run the business – and would not necessarily require the venue's official registration documents to be amended.⁸

3.1.2 Experience prior to becoming small business owners

Business owners had a range of prior experience that included working as an employee in the business they would go on to run, or a similar business (e.g. washing dishes or cooking food in a *khaja ghar* they did not own). Other types of experience included working as a labourer, working with a community-based organisation, or running a small-scale business (such as a street stall, a different *khaja ghar* or shop) that had not been successful.

Support from friends and family was important either financially (by providing a loan for the initial investment), or by introducing them to the sector and orienting them in how it worked. Direct experience of running a business was often limited: one *khaja ghar* owner described how when she started the business 'it was learning by doing' (BO23, *khaja ghar* owner). The initial financial investment to either set up or buy into the business was relatively small: between Rs 80,000 (US\$600) and Rs 3 lakh (US\$2,260). The set-up costs were usually funded by taking a loan, combining a small amount of savings with a loan, or less commonly, by using savings from previous employment.

For these owners, all of whom were women, running a business involved menial tasks (washing dishes, mopping floors, cutting vegetables) and long hours (usually from 6am to 8pm), seven days a week. In addition, as women, they often undertook running a business alongside caring responsibilities at home:

You need to get up early in the morning to open. Clean everything, wash the dishes. People will come to have tea in the morning. I serve them as well as look after the household chores and get my two daughters to school. Again, then I start preparing things for the snacks to be served to the customers. The whole day I spend here.
(BO13, *khaja ghar* owner)

For very small businesses, the ability to hire staff was limited, which resulted in the owner undertaking most or

all tasks themselves. As one *khaja ghar* owner described: 'I do both the roles. I am both: the owner and the worker' (BO10). Their own undertaking of menial tasks could also be in contrast to their employees, whose primary role was to engage with customers:

Interviewer: *Don't girls help you with mopping floor or cleaning the bed sheets?*

Respondent: *No, us owners only do these [things]. They only do massage and that's it. They don't help with mopping or cleaning bed sheets.*
(BO25, spa and massage parlour owner)

The venues were usually closed by 8pm or 9pm. Government restrictions on opening hours, enforced by the police, were mentioned as a factor in closing by this time.

3.1.3 How *khaja ghars* and spa and massage parlours are run

Sex-related work was not ostensibly the main purpose of these businesses: spa and massage parlours offer massages to a range of clients, and *khaja ghar* owners often described in detail the range of snacks and drinks available (chow mein, roti, beaten rice, noodles, and tea, along with different types of alcohol, such as homemade *tongba*). Sex-related services might be available, but not all guests would visit these venues to procure sexual services:

Some guests come with the intention of having a cup of tea. When the guest is a stranger, they do not open up normally. Some guests come with the intention of having a cup of tea and some for sexual activities.
(BO22, *khaja ghar* owner)

Even though sex work could be central to the financial viability of some of the businesses (see below), the relationship with sex work was usually fairly informal and relatively hidden from view. Customers would call owners to check whether 'girls' offering sexual services were present or available, or visit venues and ask them discreetly, or give them a special sign.⁹ In spa and massage parlours, arrangements for direct sexual services were discussed with owners in advance, or left to staff to negotiate behind closed doors:

8 In the validation workshop with spa and massage parlour owners, participants stated that a key factor in opening their businesses had been because their husbands had left them. An additional factor given by one spa and massage parlour owner was to provide the economic means for her to pursue an education.

9 As noted in section 1, business owners frequently used the generic term 'girls' to refer to females who offer sexual services.

It's their choice. The owner doesn't say anything to the staff. After they take oil and massage, while entering into massage they can do anything they like.
(BO05, spa and massage parlour owner)

They share the money [among] themselves, but we are also given some amount. Normally when girls are drunk, they give me the money.
(BO22, khaja ghar owner)

While those working in spa and massage parlours might provide both massage therapy and sex-related services, in *khaja ghars* owners differentiated between their actual staff and those involved in sexual activity. In one *khaja ghar*, for example, the owner employed a minor (aged 16 or 17) as a staff member to help with dishes and cooking food. But in addition to this salaried employee, she described how there were also 'girls' who would 'talk with guests' (BO23, *khaja ghar* owner). In another *khaja ghar*, the owner distinguished between the hired staff, paid on a monthly basis, and 'friends' who would be involved in sex work (BO22, *khaja ghar* owner).

Written contracts were made neither in *khaja ghars* nor spa and massage parlours with any type of employee, and in *khaja ghars* particularly, the movement of paid staff and other workers was often described as extremely fluid (i.e. less than six months of employment): 'some [stay] for a month, some for a week' (BO21, *khaja ghar* owner).

3.1.4 Benefits to business owners of engaging with sex work

The main benefit to business owners of any involvement in sexual services was the ability to increase the number of customers and the amount of custom:

The only benefit for us is that customers come here because of them and order food. They support in increasing orders and their bills accordingly.
(BO13, *khaja ghar* owner)

There could be other financial benefits: one owner was paid Rs 300 (US\$2) by those meeting clients in her *khaja ghar* to use a space within the venue for sex; a different owner received commission from a local guest house (Rs 250 (less than US\$2) – half the room rate) when she sent guests there with 'friends' they had met on her premises. In instances where a direct commission was received from the sex work itself, this was often arranged informally:

Non-monetary forms of exchange, such as providing a portion of uncooked rice or a cooked meal could be exchanged for increased custom. One owner described a more complex and varied relationship with the girls working in her *khaja ghar* (all of whom, in this instance, she described as being under 18): they increased custom and sometimes gave the money earned from having sex with clients directly to her; in exchange she would cook their meat, look after one of their young children, and allow them to use her personal living quarters for sex (BO22, *khaja ghar* owner).¹⁰

Similarly, in spa and massage parlours, staff engaged in massage were not paid a monthly salary, but instead took a 25–35 per cent commission from guests' payments. Whether a percentage of the money paid for sex work was given to the owner varied. For example, one owner took a 50 per cent share of earnings from direct sex activity, whereas a different owner did not require any share of the tips received for additional services given inside the room.

3.1.5 What makes sex work an important part of some *khaja ghars* and spa and massage parlours?

Facilitating and/or providing space for sex work was not only important for some business owners to boost sales, but was often described as making the difference between a business being viable or not:

We offer massage services and other services too [referring to sex work]. This is how we have been operating, otherwise we cannot even pay rent.
(BO24, spa and massage parlour owner)

The *khaja ghars* and spa and massage parlours faced frequent periods of low footfall, where it could be 'difficult even to sell a cup of tea' (BO21, *khaja ghar* owner), or days when 'business goes to nil' (BO25, spa and massage parlour owner) because no customers would visit. For spa and massage parlour owners, they were

10 In the validation workshop with *khaja ghar* owners, participants also outlined different types of arrangements. While it was usual for owners to receive half of the earnings made from the sale of sex, they also described how 'girls' would visit *khaja ghars* to meet customers and then take the customer to a different *khaja ghar* or to their own room. In these cases, while *khaja ghar* owners may have benefitted from increased sales, there were no specific exchanges related to the sale of sex.

particularly impacted by the seasonal nature of their business, with custom falling during winter months when the colder weather meant there were fewer customers.

Providing a platform for customers to meet and arrange sexual services could significantly boost earnings:

Girls also used to sit together with the customer and order food, and that increased their bills and that was our profit. Girls helped us in increasing the bill. Sometimes Rs 5,000 [US\$38] was earned from a single table, sometimes Rs 2,500 [US\$18]. And that's how we earned.
(BO13, khaja ghar owner)

Owners described a high level of demand for sex or sexual activity. In the context of high levels of competition between venues (discussed further below), providing spaces where sexual services could be arranged provided opportunities to attract clients away from similar venues. One khaja ghar owner who described the importance of cooking delicious food to stand out from competitors, also noted that 'having beautiful girls is an addition' (BO23, khaja ghar owner).

3.1.6 How the running of these businesses creates spaces for child labour

Some owners described a demand for 'young girls' in particular. Owners were often vague about age, using different terms for 'young girls' such as 'bakhar ko keti' (just/almost girl), or 'sani keti' (small girl), reflecting the fact that they may not know their specific ages. Others were more specific, reporting how guests wanted 'fuchi fuchi' (small girls) aged 17 or 18, 'beautiful girls, immature girls around 16 or 17' or searched for 'minor girls' (BO21, khaja ghar owner; BO23, khaja ghar owner; BO22, khaja ghar owner).¹¹ One spa and massage parlour owner described how the youngest girl working there was so much in demand that it caused problems because customers would not want to visit older employees. The same owner felt that:

It is the young girls who determine business growth. If you have young girls, clients are interested and they come.
(BO25, spa and massage parlour owner)

A khaja ghar owner described how 'young girls' could determine the viability of her business:

If you have young girls, you can make business good, else you won't. People come to your khaja ghar due to girls and also eat in there. We also get to build rapport with the new guests.
(BO23, khaja ghar owner)

Combined with this high demand, some business owners reported a steady supply of people wanting to work at their venues. Khaja ghar owners in particular describe how women and girls of varied ages would come to them to seek work.

Despite the potential to increase business by targeting younger girls, and the high levels of competition between venues described above, khaja ghar and spa and massage parlour owners' approach to recruitment did not seem strategic or targeted. Usually, business owners responded to individuals that came to them, rather than actively recruiting certain types of employees who met specific criteria (e.g. related to age, skill, or physical appearance).

Using a broker or intermediary was uncommon, primarily because they were not usually needed, but also because they had previously been ineffective or unreliable. Instead, potential employees usually came via their own social networks, whereby a friend or family member known to the business owner (often because they worked in the same or similar venue) would introduce them. One spa and massage parlour owner described her process of recruitment:

There is no criteria for staff hiring. Employees come by themselves and ask for a job – employees who are working in the same sector and familiar to us come here. Sometimes their

11 In the validation workshop with khaja ghar owners, several participants described how older customers (those who had children themselves) were interested in 'young' and 'pure' girls.

friends bring them here – by 'friends' I mean someone who works in massage. And sometimes they come by themselves here for a job.
(BO06, spa and massage parlour owner)

The supply of labour, which included those under 18 years old in need of work, was a key factor that led business owners to become involved with children at their venues. A recurrent view was that potential recruits came to them because they were compelled to. Owners described a range of difficult circumstances facing those entering the sector, including: the deaths of parents; being abandoned by parents or husbands; a lack of food; no citizenship certificates (which limited employment opportunities); or not being able to feed or look after their children. One owner described her business as if it were a last resort for those in need, in particular for children whose opportunities in other sectors would be limited:

The girls are poor and unemployed. They come to us seeking a job and if they are interested to work, I just say, 'If you are in need, you can work.' There are a mix of girls – some are minors, while some are adult girls. If they are in contact with me, if they are free, they work. Only two of them are minors here, the others are mature. If the young girls do not have work elsewhere, they come and ask for work here.
(BO23, khaja ghar owner)

Business owners recognised the limited employment opportunities available, and the low wages in other sectors (such as retail), which would not provide a sufficient salary to survive in Kathmandu.¹² Self-interest was rarely mentioned as a factor; when it was, it was alongside an understanding that those coming to work in the sector also faced economic hardship and had limited agency. Empathy was often expressed towards those seeking work:

They do it because of their problem[s], for some money, for food. They could not study or eat whenever they want – so, they want to work in this business. They have their own problems to deal with. They don't have a proper education, a proper job. Even if they do work in a fancy store, they get Rs 5,000 [US\$38 per month].

It makes it difficult for them to survive here in Kathmandu, to look after their family and pay rent.
(BO24, spa and massage parlour owner)

Faced with these accounts of hardship, one *khaja ghar* owner felt that any attempt to prevent children from working was futile: 'They tell me they don't have any other options. There is no point stopping them from working in this sector' (BO22, *khaja ghar* owner). Owners expressed disapproval of children being involved in the sector, and had an awareness of the risks associated with it (both for themselves and the child), but were still faced with stark choices:

Some are 14 years old and some are 17 years old. I say to them, 'Why do you take this path?' I tell them that I can't hire them because child rights activists will come and take them away. I get a reply from them: 'I don't have food to eat. Will the child rights activists provide me with food? There is no ration in my kitchen.'
(BO21, khaja ghar owner)

Some aspects of the business set-up allowed business owners to feel a degree of distance between themselves and their involvement with children. Although there were financial benefits for owners (either from taking a commission from sexual activity or, less directly, from increased sales), as discussed above, *khaja ghars* were often used as a platform or portal, that could be beneficial to both the owners and the individuals using the space to meet and make arrangements with guests. This set-up allowed owners to emphasise the distance between themselves and any direct benefit from the sale of sex or sexual activity:

The girls call their friends. I do not have to do any hiring process, I also don't know them. They say we don't have money, if the guests give you money, if the guest feeds you, then you can come and work here.
(BO23, khaja ghar owner)

Although not explicitly stated, the fluidity of labour, where women and girls often changed their workplaces after several months or even weeks, seemed to make

12 For context, the minimum wage (for adults) in Nepal is Rs 15,000 (US\$115) per month (although in the informal sector particularly, this is often unenforced). The *Nepal Child Labour Report 2021* (ILO 2021) found that children working in the sales and service sector earned an average weekly salary of Rs 2,078 (around Rs 9,000 (US\$68) per month). For female children, this was Rs 1,833 per week (around Rs 8,000 (US\$60) per month). In 2019, Dank *et al.* (2019) found that the average monthly income for workers in the AES aged 21 and under was Rs 9,413 (US\$88), including tips. Those working in spa and massage parlours earned on average nearly Rs 10,000 per month (US\$92) (*ibid.*).

the decision to hire children feel less consequential for some owners:

Currently there are no children below 18 years, but we have had previously. In previous times, a few months ago, an employee aged below 18 came by themselves to ask for a job. They worked for a couple of months and then revealed they had a health issue and left our office.

(BO06, spa and massage parlour owner)

In addition, owners constructed their own frameworks of what was or was not acceptable to them that helped justify their involvement with children. For example, consent was important: one spa and massage parlour owner emphasised that what happened inside the massage room was the employees' decision and not hers. She described how she respected the decision of one 'very small girl' to leave the role because she was uncomfortable providing sex-related activities to clients. She contrasted the way she managed this employee with her own extreme experiences in the past as an employee, where she implied that she had had no agency to make decisions (BO25, spa and massage parlour owner). Meanwhile, the owner of a *khaja ghar* who worked with children as young as 14 felt that it was equivalent to murder to actively bring a child into the sector. She described how she berated mothers who brought their daughters to work at her venue, stating that 'Taking a child into this sector is not fair' (BO21, *khaja ghar* owner).

At the same time, while they emphasised the distance between themselves and sex-related activity, the same owners often described a relationship with those they worked with or employed that could be protective. There were examples where they sought to minimise risk; for example, by not sending individuals to guests' homes; using known taxi drivers when those working at their venue went elsewhere with guests; not offering services to unknown guests; and, in the case of spa and massage parlours, not allowing employees to go outside their venue with guests. One owner had threatened a customer who was abusing a girl (of unknown age) in the *khaja ghar* with a *khukuri* (traditional Nepalese) knife. While this particular story was extreme, her description of her ongoing role in managing the risk to those working at her venue is noteworthy:

I used to check on the girls, what they were doing inside. Who knows if the customer is harassing my girls or trying to kill [them]? With that fear I used to keep an eye on them from outside. I used to keep my ears open and listen to the conversations going on.

(BO13, *khaja ghar* owner)

In several instances, owners developed a longer-term, benevolent role in relation to their employees: providing shelter, financial support, and even stepping in to fulfil a maternal role. In these cases, the child was previously known to them, either from their village or kinship group:

One of the girls had to pay back debt and she was in desperate need of work. She owed Rs 10,000 [US\$75] and put up her Tilahari [ornamental jewellery] to get a loan. I knew her, and once she called me and cried. I wanted to help her, so I paid back her debt and since then she is working for me. She could not [get] her citizenship [certificate] as she has no connection with her parents now... She is currently studying in class 12. She plans to [get] a citizenship certificate because without citizenship she cannot enrol at bachelor level and also can't open a bank account. I want to help her get citizenship even if I have to say she is my daughter.

(BO24, spa and massage parlour owner)

The Covid-19 pandemic led to a heightened need for these protective mechanisms, to which owners responded in various ways (explored below).¹³

3.1.7 Relationship with child labour laws, law enforcement agencies, and government authorities

Concerted attempts to comply with child labour laws, such as checking recruits' age accurately, were rare. Despite an awareness of the illegality of hiring children, business owners gave several reasons for not making checks, including because they believed the age the individual told them; their illiteracy made it impossible to check documents; and because the recruit did not have relevant identity documents (e.g. citizenship card). In any case, as the *khaja ghar* owner described above (BO21, *khaja ghar* owner), checking the age of potential recruits could become irrelevant when faced with requests from children in need of work and with limited options.

13 Another factor spa and massage parlour owners highlighted during the validation workshop was their inability to know the age of employees. Around half of potential recruits did not have citizenship certificates or did not want to show official documentation that would reveal their surname, fearing that this would lead to caste-based discrimination.

Owners feared police involvement, but this seemed to be mainly because of their involvement with sex work more generally, rather than their involvement with minors specifically. While this affected the way some businesses were run (e.g. girls needing to go out for sex work rather than it taking place at the venue), there was only one instance where a business owner explicitly stated that fear of the police, and the need to hide employees when they visited, resulted in the owner no longer wanting to involve minors (BO25, spa and massage parlour owner).

Spa and massage parlour owners, in particular, described feeling targeted by police; several owners had been questioned, arrested, or had their premises raided. An owner who had once been kept in custody for four or five days described her experience:

Here, police visit frequently and show their aggressive behaviour. Sometimes they threaten us by saying, 'Is this your office? Where is your dress [uniform]? Wear the dress, change the carpet, the bedsheet!' Sometimes they also come for the free massage.
(BO05, spa and massage parlour owner)

Some *khaja ghar* owners felt that the risk of police intervention was less because they closed early (i.e. by 8pm). This made them less visible during the hours police tended to operate. It was still common to feel scared and stigmatised by police; for example, the owner of a *khaja*

ghar described being called a 'gang leader' and feeling intimidated by police officers. A further area of tension was visits from what *khaja ghar* owners described as 'incognito' police – officers who visited their venues in plain clothes.¹⁴

The role of community-based organisations (which help working children, and provide counselling support and training to them) in relations with police was important to some owners in several ways. For example, they described how the organisations had given them confidence to counter the negative narratives that police used against them; helped change widely held perceptions about them among police (and society); and acted as a monitoring body they could report instances of targeting to.¹⁵

3.1.8 The financial viability of small-scale businesses

Although there was not always clarity around assessments of businesses' viability before and after Covid-19, even prior to the pandemic, these small-scale businesses seemed to have low profit margins. Although they were able to function at a basic level and cover some or all of owners' living costs, there were no examples of thriving businesses that were expanding or making large profits. Some owners, for example, were more likely to take a loan than be able to save:

14 In the validation workshop with spa and massage parlour owners, participants elaborated on their relations with law enforcement agencies and government authorities. They described similar experiences of lower-ranking police officers soliciting massage services without payment and requesting bribes. They also described how some owners bribed police officers to reduce the number of interventions or encourage them to target competitors. Participants felt they were more susceptible to police interventions than dance bars and *dohoris* because they were not part of an association; spa and massage parlour owners did not provide mutual support to each other when they were arrested or targeted.

More generally, spa and massage parlour owners provided examples of their experiences with local authorities, where they felt exposed to direct and indirect forms of discrimination. This included government officials requesting additional payments (bribes) when the owners went to pay their official tax contributions, or being subjected to humiliating language or insinuations that they were sex workers.

A further point of contention related to the Covid-19 lockdown restrictions. Participants felt that high-end spas and spa and massage parlours (e.g. in shopping malls) were permitted to open much sooner than they had been. In addition, there were examples of owners being taken to police stations when they attempted to open their businesses, and being reprimanded for breaching restrictions (even though other businesses in the sector were operating).

In the *khaja ghar* validation workshop, owners described how 'fake' police wearing plain clothes visited their venues and demanded alcohol. It was difficult to refuse these demands because their unregistered status put them in a precarious position with law enforcement agencies.

15 During the validation workshop with spa and massage parlour owners, participants highlighted the weakness of their association, and lack of unity or cooperation between owners. How support from community-based organisations impacts business owners' decision-making in relation to engaging with child labour is an area for further research.

No, I don't have a bank. I am [a] member of [a] finance company (it is the cooperative bank). I don't save money; I usually take a loan from the cooperative bank.
(BO23, khaja ghar owner)

Respondent: We just listen to them because we cannot do anything to them. We have to treat them properly otherwise they will not visit again.
(BO25, spa and massage parlour owner)

Venues' high rental rates were an important factor in explaining these low profit margins, combined with the fluctuating level of custom. One owner's rent for her spa and massage parlour was Rs 35,000 (US\$265) per month, which accounted for 70 per cent of her total income in an average week (BO24). This left Rs 15,000 (US\$113) to cover other running costs such as staff, water, and electricity, making it likely that the owner's profits would be less than the government minimum wage (Rs 15,000 (US\$113)).

Owners mentioned the 'mushrooming' of *khaja ghars* or the fact that 'every house has a spa and massage centre' (BO24) as a factor explaining the low footfall. The fluctuation of trade was particularly difficult – there could be long periods of the day with no customers, or whole weeks with no custom. For *khaja ghars*, a further hindrance to business was customers ordering food and drinks, then failing to pay (either on that day, or having accumulated a significant amount of debt for unpaid items at the venue).¹⁶

Faced with low profit margins, owners described two key strategies: first, the importance of having 'girls' – individuals offering sexual services at the venue (as discussed above); and second (for spa and massage parlours in particular), the need for regular customers. For one business owner, this could be enough to appease customers even in the face of verbal or even physical abuse:

Respondent: Some clients are very decent, they do not abuse or coerce. Some clients are very bad, they speak nonsense and verbal abuse. Sometimes they also scratch or pinch us, or even burn us with a cigarette.
Interviewer: *And how do you react to them?*

3.1.9 Covid-19 and its impacts

Given low profit margins and the subsequent inability to save significant sums, the Covid-19 pandemic had a major impact on people's livelihoods. During lockdown periods, business owners found it difficult to survive: several owners reported struggling to feed themselves sufficiently or nearly dying of hunger. In the short term, donations of food and supplies from community-based organisations provided some relief. One spa and massage parlour owner described how her regular customers supported her.¹⁷

Faced with long periods of lockdown in the sector, owners diversified their businesses, for example, by selling homemade alcohol to take away in bottles, making cushions from recycled plastic, or setting up a meat shop in their *khaja ghar*. There were also instances where owners provided forms of social protection to women and girls working at their venues: procuring food supplies on credit on their behalf from local suppliers that trusted them, or providing shelter by taking them into their own homes. One spa and massage parlour owner had five employees staying with her during the lockdown because their landlord had not allowed them to return to their rented accommodation (BO05, spa and massage parlour owner).

Strategies and longer-term support to cope with the long-term impacts of the pandemic were less common. Businesses faced three significant problems: first, the high rents and subsequently high level of rent arrears from being unable to pay rent during lockdown; high interest rates from loans taken during the pandemic period to cover either rent and/or household expenses; and a continued low level of custom following the lockdown(s).¹⁸

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- 16 During the validation workshop with *khaja ghar* owners, they discussed the high levels of market competition, where there could be eight or nine *khaja ghars* in just one building. Owners expressed surprise at the lack of growth and negligible rates of return from their businesses. One owner said, 'I wanted to reach higher but instead of achieving high, I went low' (GB13F34).
- 17 During the validation workshop with spa and massage parlour owners, participants reported that their regular customers had **not** supported them, financially or otherwise.
- 18 Note the timing of the interviews in September–November 2021: this was around three months after the loosening of restrictions related to the Covid-19 Delta variant.

Business owners described the huge arrears that had accumulated because they could not pay rent for several months, or even a year or more. In response, they took loans (usually between Rs 1 lakh and Rs 3 lakh (US\$750–2,260)), either informally from friends or family, or from cooperatives and finance institutions. They used loans from informal moneylenders to repay loans from financial institutions; several owners described interest rates of over 15 per cent associated with these loans. This resulted in spiralling levels of debt where it had become difficult even to pay the interest on existing loans:

I have to pay a lot. I pay Rs 1,300 [US\$10] per day interest for a Rs 1 lakh [US\$750] loan for the duration of three months. I am experiencing stress about how should I manage to repay the debt... It is per day interest that I have to pay; however, you can see there are no clients.
(BO25, spa and massage parlour owner)

In response to increasing debt, owners described the need to grow their businesses to be able to repay loans and interest on the loans; but, at the same time, they talked of the continued low level of custom that was deeply impacting their businesses. One owner, who seemed to have confronted the realities of her indebtedness, particularly as friends and family would no longer lend her money to pay the interest, lamented that she could not even work as a sex worker because of her age (BO21, *khaja ghar* owner).¹⁹

Another business owner who was in a relatively secure position prior to the pandemic – for example, she had used savings to invest in the business and had previously been able to build up some savings – described how she

had 'nothing left' by the end of lockdown (BO13, *khaja ghar* owner) and was now indebted to a family member.

3.1.10 Owners' plans for the future

The dominant view among these *khaja ghar* and spa and massage parlour owners was that they did not want to continue running their business or a business in the AES. Lack of profitability was a factor for wanting to close, but in addition they often cited stigma and its effects as the main reason for needing to leave the sector. They cited more socially acceptable enterprises such as 'fancy goods' shops (which sell hair accessories, costume jewellery, beauty products, etc.) or tailors as alternatives. Society's negative perceptions of the types of work led to many owners hiding their roles from close family members; this seemed to impact their relationship with their business. One owner, who had not revealed where she worked to her sons, explained:

To be honest, if my son studies well and can earn a bit, I want to leave this sector. If one of the other family members earns, it gives me confidence to leave the business. Even though the sector is not that bad, Nepali's perception towards this business is negative... I hesitate to bring my sons here. They may judge us. They might go to such places, too. I did this business only because I had to.
(BO24, spa and massage parlour owner)

Some owners expressed ideas on how to increase their turnover; for example, by providing different types of alcohol or employing more or better trained staff. However, more generally there was a sense of resignation – that they would either need to continue running their businesses because there were few

19 During the validation workshop with spa and massage parlour owners, participants discussed the issue of rent arrears at length, including lack of flexibility from landlords (who felt the lockdowns were not their responsibility); difficulty paying additional amounts each month to pay rent arrears; and the continued difficulty of paying both arrears (of up to one year) and ongoing rent payments.

Khaja ghar owners also cited rent arrears and the inability to repay loans taken during lockdowns as major factors affecting their businesses. Low levels of custom had continued and customers were spending less than previously. Owners described a range of survival strategies used during lockdown, including selling tea in Kathmandu's transport hubs (from 10pm to 5am) and selling vegetables; two owners left their businesses and became daily wage labourers.

alternative options, or until they could earn enough to repay their debts and get out.²⁰

3.2 DANCE BARS AND HOSTESS/ CABIN RESTAURANTS AND BARS

Dance bar owners included in this study employed between ten and 20 people. In dance bars, customers are entertained by dancers who perform to music, while waiting staff sit with customers to increase the amount of their drinks bills. There may be indirect sexual activity (e.g. flirting, touching, and kissing). Customers may arrange to 'go out' (outside the venue) with dance bar employees for more direct sexual activity. The cabin/hostess bar owners who took part in the study ran smaller venues, with between three and five employees.

Cabin/hostess bars are small restaurants or bars with partitions that create small private 'cabins' for customers to be entertained in private by waiting staff. Waiting staff or hostesses may sit with guests and increase tables' bills by ordering drinks. There may be indirect sexual activity (e.g. flirting, touching, and kissing) or direct sexual activity. The owners were predominantly men, with one female cabin/hostess restaurant owner. The venues were based in a transport hub and newer/emergent centres of entertainment (see 'Glossary of terms' for a description of these venues).

3.2.1 Reasons for becoming an owner

Owners of dance bars and cabin/hostess bars initially invested in their businesses because they saw the sector as a profitable business market. Other options to earn money could be limited by poor financial or education status, or the inability (due to limited funds or family crises) to go overseas to earn more money. For one

owner, the sector was an outlet for investing savings earned from foreign employment. For this owner, like others, his experience of family or friends who earned money from running businesses in the sector, was also an important factor.

The motivation for setting up the business came up after seeing the 'brothers' [relatives or friends] from my home village making a profit in this sector. As I also had some savings from foreign employment in Malaysia and Qatar and saw good profit in this sector, I invested in a dance bar. I also had the experience of working in this business as an employee.
(BO17, dance bar owner)

Prior experience of working as employees in AES venues also shaped decisions – knowledge and experience of the sector helped with acquiring information and practical ideas about how to run a business:

Yes, I worked in a dohori for three years. Now I am also a central member of the Restaurant Owner's Association. While working at a dohori, I got an idea of how much I needed to invest to open one myself. I came to know that investing in a dohori is beyond my capacity as I cannot manage such a huge amount. Dance bars and fast-food restaurants also needed a high budget investment. Then finally I opted for this option [hostess bar] as it needed a low level of investment.
(BO08, hostess bar owner)

For dance bar owners, it was common to become an owner (or partner) by investing in an ongoing concern. This was usually funded by taking a loan from their family. When owners invested in an ongoing concern, their investment could account for a relatively small proportion of the total investment. One owner's investment accounted for one seventh of the total dance

20 In the *khaja ghar* owner validation workshop, participants described the different types of stigma they experienced. They felt that being involved with a *khaja ghar* meant that 'even if we are doing good, society thinks we are doing wrong' – in other words, whether or not they ran their businesses in compliance with government laws and regulations, they would be perceived negatively by society. They felt this was compounded by their status as single women (who are generally perceived negatively in Nepalese society) and that this could expose them to harassment from customers. Some participants felt they faced less stigma compared to owners of spa and massage parlours, because society perceived these owners as being unambiguously connected with the commercial sale of sex.

During the validation workshop with spa and massage parlour owners, participants agreed that the stigma related to working in the sector required them to hide their professions. One owner was evicted from her home when her landlord discovered that she worked in the spa and massage parlour sector. Owners felt that the negative perception of the sector was widespread, exacerbated by the government's classification of spa and massage parlours as AES venues (rather than health- or wellbeing-related businesses). Similar to *khaja ghar* owners, participants highlighted the impact of wider social norms that resulted in society 'despising' women living alone without a husband. This could expose them to sexual harassment within their venues; but owners also highlighted the discrimination, stigma, and harassment they faced more generally as women moving through society (e.g. on public transport or when interacting with medical professionals, etc.).

bar investment, while a different owner described how investors used his 10 per cent investment of Rs 10 lakh (US\$7,500) to settle debts.

This practice had the benefit of allowing individuals to buy in to a potentially profitable business at a relatively low level of investment (between Rs 5 and Rs 10 lakh (US\$3,700 and US\$7,500)). However, the role of these owners could be very limited. For example, the same owners reported that they had no knowledge of business registration processes. For one owner, this was particularly problematic:

A total amount of Rs 5 million [US\$37,000] was invested in the dance bar in which I personally invested Rs 800,000 [US\$6,000]. I took money from my mother – not a loan, she had invested in the business by mortgaging a piece of land – to invest in the dance bar... The other two partners had done a fake registration of the business, so they [later] escaped without giving me my share of profit.

(BO18, dance bar owner)

The tasks they described as key to their role were primarily managerial: collecting daily sales reports, managing staff and guests, and monitoring cash counters. Dance bar and hostess bar owners described long working hours (e.g. between 6pm and at least 12 midnight), with few days' leave:

I have to look after managerial activities at venues. The dance bar opens from 6pm till 11pm and sometimes till 3am the next morning, seven days a week.

(BO18, dance bar owner)

3.2.2 Nature of the business set-up

According to the business owners, the primary purpose of their business was not delivering sexual services. However, the role of the female staff they employed was central, whether through enticing guests to enter their venues, dancing, or providing companionship to guests by sitting with them. As one dance bar owner described: 'Male customers visit the dance bar for females rather than for eating, as they like to spend time with young females' (BO18, dance bar owner). The reliance on female employees was frequently noted:

After the dance bar opens, it is usually the female staff who need to call the guests. Female staff should have the ability [skill] to invite guests. We ask the female staff to call the guests as

there are no sales without guests. We even put some female staff at the entrance of the dance bar and make them call to the guests.

(BO19, dance bar owner)

There was a range of views about whether it was acceptable for employees' encounters with guests to lead to more direct sexual relations between them. One owner took a commission of around 25 per cent of the money earned when staff engaged in 'going out' with customers during their shifts. A different view was that while it was not officially allowed, owners were not responsible for what their employees did after their shift ended. In contrast, the owner of a hostess bar said that he warned staff they would be immediately dismissed if they 'went out' (for sexual relations) with guests. However, while this owner tried to emphasise the role of his bar in providing companionship for lonely individuals, there was also an acceptance that this did not fit with his guests' expectations:

But in Nepal, [people] have negative thoughts towards such business as they haven't understood its concept. Old men come here with a very negative thought and ask if they can get something else as well. They complain, saying they did not enjoy it as much as they thought they would before coming here.

(BO08, hostess bar owner)

The centrality of female staff as a commodity to attract and retain customers was reflected in recruitment processes, whereby physical appearance was of utmost importance compared to specific skills:

We see the dance of the candidates if they have come seeking the job of a dancer. If they can dance well, then they will be hired. If the face of a female candidate is beautiful, then even though they can't dance well, they will still be hired because beauty is what usually attracts the customers at the bar.

(BO19, dance bar owner)

For dance bars, in particular, recruitment methods could be proactive. Although some owners hired staff via more informal routes, such as referrals from existing staff, others involved intermediaries (brokers/agents) in their search, or visited competitors to lure staff away with the promise of better salaries:

New staff are recommended through the current employees themselves and at times the brokers also brought the possible candidates. Brokers are

usually the guides that roam around in the market at specific locations like bus parks as there are many girls available there in the evening time on the street.
(BO17, dance bar owner)

Brokers either visited them to discuss candidates, or they would visit a particular location; for example, a room where girls could be checked and selected. These proactive recruitment strategies reflected the high level of market competition between venues and the importance of 'beautiful' girls as the main commodity with which to compete:

There is a huge competition in this sector, it is like [a] race and one needs beautiful female staff to make a decent income and remain in the competition.
(BO17, dance bar owner)

Owners described how this led to a volatile labour market where retaining employees was challenging in the face of frequent attempts by brokers or competitors to take their staff.²¹

3.2.3 How does the running of these businesses create spaces for child labour?

As shown above, the appearance of female staff was of central importance to attracting customers. Within this, several owners described youth as an important recruitment criterion, because of the demand from customers and the potential of younger recruits to boost sales. One owner described how more profit could be made from 'young girls' in dance bars because the customers paid more (BO18, dance bar owner).²²

Like the owners of *khaja ghars* and spa and massage parlours, the dance bar and hostess/cabin bar owners felt that most employees came to work in the AES because they were compelled to. More specifically, they shared a range of reasons for minors becoming involved in the sector: lack of finances, low level of education, family problems, no documents or citizenship certificates, and being a young single mother.

The view that girls were compelled to work in the sector was accompanied by the opinion that for some, the type of work provided 'easy money': 'Working in

a bar is like an addiction: easy money, free drinks, and enjoyment' (BO17, dance bar owner). One owner saw the combination of customer demand for younger employees and the need for employment among the same demographic as a 'win-win' situation:

Employing young staff benefits both owners and the employees. The employees can work without citizenship certificates. It's very difficult to find work in Kathmandu and if one doesn't have proper education or skills, it's even more difficult. So, it's a win-win for both employer and employee.
(BO19, dance bar owner)

Responses to the supply of children seeking work varied. Several owners mentioned more formal processes of verifying potential employees' ages; for example, requesting copies of citizenship or birth certificates. Maintaining records of staff identity documents provided some security for businesses, in addition to enabling them to verify employees' age. It enabled owners to comply with the government (and possibly their association) documentation requirements, and provided a means of tracing employees (e.g. if they were missing or had committed a crime against the business). In practice, because many individuals in Nepal lack official identity documents, there were loopholes in terms of enforcing these requirements:

Even village girls have citizenship certificates. Even if they don't have documents, the documents of parents and relatives are kept. That way, even if the employee is below 18, we recruit them.
(BO18, dance bar owner)

Other owners explained that their position could shift on a case-by-case basis, depending on a specific child's circumstances or their own requirements. For example, one owner, who also described his involvement with a restaurant association that required records of all staff to be kept, described his experience:

We face challenges rejecting their pleading as they come from very poor backgrounds, and they are really in need of any job. If you listen, you cry. We don't know if they speak the truth or not, but they have awful life stories. Once when we faced this kind of situation, we kept her for two days then tried to

21 In the validation workshop with *dohori* and dance bar owners, participants felt it was more common to use intermediaries to lure customers to venues, rather than for recruitment. Recruitment still relied on referrals from existing staff members, who would recommend their friends or family members.

22 Customers 'paying more' for younger employees likely refers here to customers increasing their table orders if employees were particularly appealing (e.g. because of their young age).

convince her [to leave]. She was not ready to leave, so I called the police and handed her over. I asked them to support her and she was later handed to an organisation, but I do not know what happened after.
(BO08, hostess bar owner)

3.2.4 How do business owners navigate and manage their relations with employees?

In terms of managing staff, owners described a further tension. On the one hand, there were mechanisms to protect workers; for example, employing security staff at the venue, providing a transport service to take employees home, and giving staff a number to call if they were having difficulties with a guest. The hostess bar owner who was actively involved with a restaurant association and had a smaller-scale business (fewer than five employees), was particularly protective of his staff, describing them as being like 'family'. This owner provided training on sexual reproductive health to his staff via an organisation, and encouraged them to save money with a finance company. On the other hand, the very nature of the venue set-up and guests' expectations meant that measures taken to protect employees were futile:

We are there for their security. If there are any issues from customers to[wards] the staff, we look after the matter because all customers may not be decent always. If they come [in] drunk and try creating a scene, we have asked our staff to call us and we will be available right there.
(BO08, hostess bar owner)

One owner appeared to be aware that female employees were put in a precarious position to increase profits:

Female staff complain about the guests who tried to touch them without consent. I think females need to be respected because the dance bar runs and yields profit because of them. In the worst-case scenario, female staff even commit suicide due to their problems (I haven't witnessed this in my business but have faced this when working in other businesses before).
(BO16, dance bar owner)

3.2.5 How do business owners navigate and manage their relations with the police?

The police could play an important role in assisting business owners in dealing with difficult guests. But owners' relations with the police were complex. They provided regular payments or commissions (free drinks and food) to secure benefits such as police protection and extended opening hours. Involvement with an association provided access to platforms where owners could raise and discuss issues with high-level police officers and government officials, which could improve relations with the police. However, some owners described being monitored by plain-clothes officers, and having an unpredictable relationship with the police. In the most extreme cases, this involved verbal and physical abuse.

3.2.6 Financial viability before and after the pandemic

Although accounts of financial viability before the pandemic lacked detail, several business owners described being able to make a living from their businesses. Individual profit shares were reported to be between Rs 25,000 and Rs 60,000 (US\$188 and US\$450) per month. Being able to make a profit depended on a high level of daily sales – a minimum of Rs 20,000–35,000 (US\$150–265) to sustain the business.

The pandemic made it difficult to make businesses viable. Owners reported a range of issues including increased levels of debt and being unable to pay the high costs of rent on their venues or staff salaries:

But now due to Covid-19 we are going through an awful situation... we have house rent to pay. It was shut down for almost a year and there were no staff as soon as it opened. Business was too slow and we could not pay the rent. Now, the house owner is saying either pay as soon as possible or leave the business and move away.
(BO08, hostess bar owner)

The shock of the pandemic also revealed that the multi-partnership model could be fragile: one partner who discovered that his other partners had not officially registered his business lost Rs 2 lakh (US\$1,500) of

his investment after they fled during lockdown (the stress of which caused his mother to commit suicide) (BO18, dance bar owner). A different owner was hiding from his partners to avoid paying any more money into the business (BO17, dance bar owner). Some owners reported attempting to support staff by taking loans or continuing with the business post-lockdown despite continued losses. Others said that employees had supported themselves, either by returning to their villages, by finding new work, or by arranging sexual relations with guests.

Several owners felt that their business had begun to function again, even if the situation was not the same as it had been pre-pandemic:

Currently the business is functioning well. It is not like how it used to be before the pandemic, though. However, still we need to make sales of Rs 35,000–40,000 [US\$265–300] every day to sustain the business.
(BO19, dance bar owner)

Strategies to sustain their businesses included lowering prices, reaching out to concerned organisations and institutions for help, and reducing numbers of staff. The need to hire beautiful staff to boost business, or offer more direct sexual services, were also mentioned.

3.2.7 Business owners' future plans

Some business owners foresaw their future career in the same business venue, taking a 'wait and see' approach as to whether the business could function viably again in the future. There were few details of long-term strategies; several owners described plans to shift to the *dohori* sector (because of its current popularity) once they had settled their debt; one owner had thought about seeking help from successful business owners who might give advice or support.²³ For another owner, who ran the smaller hostess bar with just one other partner, the choices were starker:

Let's wait for some more months and then if nothing happens, we will shut down and look for other

alternatives. Maybe [I] will go back to [my] village and start farming or fly abroad as a migrant worker.
(BO08, hostess bar owner)

3.3 DOHORIS

The *dohori* owners included in this study ran venues with over 15 employees (most with over 20 employees). The owners ran venues in a range of areas including a transport hub, and both newer and established centres of entertainment. *Dohoris* are venues that offer traditional folk music and dance. There is wide variation across *dohoris* – some offer a family environment, whereas others may have a sexually charged atmosphere (see 'Glossary of terms' for a description of these venues).

Discussions with *dohori* owners during the ongoing action research meetings suggest that the nature of the *dohoris* – the range of singers and musicians needed – means that over 20 employees are required to run this type of venue effectively. While there are likely to also be smaller-scale, more informal *dohoris* in Kathmandu, it was challenging to locate these venues (see Methodology section).²⁴

The *dohori* owners described how their part of the sector had become more professionalised and regulated. These businesses were larger in scale and had significantly higher levels of investment from owners – for example, between Rs 50 lakh and Rs 70 lakh (US\$37,000 and US\$53,000) was typically invested to begin a *dohori*, which was usually divided between two and four partners. Owners mentioned being part of an association or federation. These organisations provided frameworks and guidelines for managing businesses professionally, which the owners sought to adhere to. Being seen as part of a respected profession was important here – owners aspired to disassociate themselves from sex work and other types of illegal activity typically associated with the AES, and instead be seen as professional business people working in a professional sector. Several owners also positioned themselves as promoters of traditional culture, or safeguarding Nepali heritage:

23 During the validation workshop with *dohori* and dance bar owners, participants noted a shift in the AES where dance bars were becoming less popular. They felt that dance bar customers were now visiting *dohori* venues because, unlike dance bars, they would not exploit guests and were better run.

24 During the validation workshop with *dohori* and dance bar owners, participants agreed that *dohoris* usually employed a minimum of 20 people.

I planned to run this business well and create a good environment so that even when my family members come here, they feel proud of me. They would feel such places are safe and we are promoting our culture and so on.

(BO15, *dohori* owner)

Regulations introduced to improve management of the sector included installation of closed-circuit television (CCTV); checking of citizenship cards or identity documents during recruitment; digital payment of salaries; and improved worker safety (e.g. sign-out sheets during taxi/vehicle drop-offs). More systematic checks on age were part of association regulations, but they were also being enforced at peer-to-peer level. For example, one *dohori* owner described how, on observing children working in other *dohori* venues, he would tell fellow owners not to hire under-18s: 'If the news of hiring under-18 girls spreads, all *dohoris* might face difficulties' (BO12, *dohori* owner).

Singing or being able to serve well were emphasised as important qualities rather than youth and/or beauty. But, in addition, the majority of guests no longer demanded or requested to sit with girls and accepted that staff would not sit with them. One owner reflected on how changes to the management of the *dohori* led to subsequent changes in guests' behaviour:

At first, there were some minors but we tried to establish this rule from the start. For example, no drugs, 18-plus only, and putting the CCTV camera in the working place was compulsory. This must be done in big companies like ours. It may not be the same still in a similar small-scale business but slowly it may be... Before 14 years ago this sector was so unhealthy. But now, smoothly the perception of this business is developing. It's changing and now customers respect the artists from this sector.

(BO15, *dohori* owner)

For these larger, more visible businesses, it was important to be able to operate in an uninterrupted way, without fear of intervention from police or other monitoring bodies (such as non-governmental organisations, NGOs) operating in the area. Hiring minors also had few benefits: for example, in addition to there being reduced demand from guests for younger employees, there was a view that younger workers did not have the right skills for *dohori* work. Nevertheless, *dohori* owners could still face difficult dilemmas when approached by children. Although an exceptional response, one *dohori* owner showed

that owners' individual decisions could vary, even when sector-wide self-monitoring systems were in place:

Girls who are 16 hide their age and tell us they are 20 years old, and in those cases we ask for the legal documents. Sometimes we don't want to hire them, but due to family and economic problems they come here seeking a job and we recruit them.

(BO02, *dohori* owner)

There was some recognition of continuing connections between the *dohori* sector and aspects of the AES such as sex work and the presence of children. For example, one owner recognised the movement of customers between different types of venue:

*Mostly the customers who are above 40 years old abuse the young girls. They lure the young girls. Mostly this is seen in the dance bar and the cabin restaurant, which eventually affects our business. In dance bars and cabin bars, staff are forced to go and sit with the guests... In *dohoris*, guests usually drink outside and come here just to be entertained.*

(BO14, *dohori* owner)

In addition, the heavy impact of the pandemic resulted in some owners being unable to support their employees. One owner reflected that this would result in staff having to engage in sex work to survive (BO15, *dohori* owner).

At the same time, there was a view that illegal aspects of the sector could be mitigated through good management of venues, and appropriate liaison with the police and other relevant authorities. Using a metaphor around cleanliness, the same owner described the importance of improving the environment within the sector:

*What kind of environment we make, that is dependent on management. If there is cleanliness, we should let them go without shoes; if there is dirt we should put on our shoes. It depends on the management: as to how they create the environment. As I know, now the management of this [*dohori*] sector is good and clean. Because this [AES] is a risky place, 'hygiene' needs to be maintained accordingly and where there is risk, regulatory bodies' eyes are there too. Therefore, we try to manage all those things properly and, thus, guests are also good. They come here and enjoy [themselves], and expect nothing more than that.*

(BO15, *dohori* owner)

The *dohori* owner seemed confident that improving the management of the *dohori* sector – and possibly the wider

AES – would lead to improvements in guests' behaviour and expectations. This raises important questions about whether professionalisation of the sector, or particular parts of the sector, will lead to overall improvements or

instead only will lead to issues (most notably, sexual exploitation of children) being shifted to other, less visible spaces.²⁵

25 During the validation workshop with *dohori* and dance bar owners, participants discussed the change in guests' behaviour in *dohori* venues. It was no longer customary for guests to interact with female employees, and those that requested this type of service were new to this type of venue and unaware that this was no longer the norm.

Owners highlighted the need for businesses with high levels of investment to run without unnecessary interference from law enforcement agencies and authorities: 'We have investment of millions of rupees and because of one employee, we might need to go to jail, so we avoid recruiting minors' (KB18M, *dohori* owner). However, they also outlined reasons for some leniency in recruitment practices, including taking potential recruits' age at face value rather than checking citizenship documents. Similar to spa and massage parlour owners, the high proportion of recruits who lacked citizenship documents or did not want to reveal their surnames because of fear of case-based discrimination was noted. Participants also noted a shift in labour supply trends in recent years: children now approached this type of venue less frequently. As one participant noted: 'Previously, there was a practice of crying and begging for a job, but now, it has changed and even minors know the policies and laws.'

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Section 4:

DISCUSSION

4 DISCUSSION

4.1 POVERTY AND THE AES

In *The Impact of Austerity*, Mitchell *et al.* (2019) say, 'Poverty has always been connected to sex work, or rather sex work has always been connected to poverty'. Previous studies have linked poverty, debt, and family crises to children's trajectories into the AES (Dank *et al.* 2019; Ghimire, Samuels and Bhujel 2020; Hacker and Sharma 2022), as have the gender and power inequalities embedded at societal level (including lack of education and limited access to job opportunities), which impact women's and girls' pathways (Basnyat 2020). Our findings, however, highlight that poverty can also structure individuals' decisions to become business owners in the AES. In particular, the *khaja ghar* and spa and massage parlour owners in this study did not start their businesses to make a tolerable situation better, but to make a very difficult situation survivable.

The study shows that exposure to poverty-related risks can structure an individual's choice to begin a business venture in the AES. But at the same time, these risks can go on to work against business owners, increasing their vulnerability and impacting their ability to run a viable business.

Conceptual work on the liability of poorness and business ownership explains how a number of factors increase the risk exposure of an individual with low income who decides to start a business (Morris *et al.* 2020). For example: low literacy levels work against business owners achieving their goals; a scarcity of time and money orients decision-making to the short term; and intense personal pressures and/or caring responsibilities affect the quality of the business. In addition, limited financial slack (e.g. a lack of access to land or formal credit) leads business ventures to operate at the margins of profitability. As Morris *et al.* (2020: 49) write:

This brings us to what is perhaps the greatest implication of the liability of poorness. It has the potential to become reinforcing and to have a circular effect, where a person struggling for personal survival creates a survival venture, or one that lacks assets, generates enough revenue to pay this week's bills, fails to develop a number

of key business competencies, struggles to build a positive reputation, and remains highly fragile. Their marginal status makes it harder to attract customers, employees, and suppliers. Stated differently, the venture does not provide a pathway out of poverty and may ultimately serve to worsen the individual's financial situation.

In Morris *et al.*'s framework, they predict that one consequence of running a business while experiencing poverty is lack of legitimacy, particularly in relationships with stakeholders. With limited business literacy, high personal pressures, and financial vulnerability, competency and dedication can be questioned, limiting bargaining power in business-to-business exchanges.

The evidence in this paper suggests that running a business in a sector that is stigmatised affects legitimacy in a different way: it can prevent access to business support, which may go on to prevent actors strengthening literacy and strategic thinking to increase their legitimacy. An owner running a business in a stigmatised sector while experiencing poverty faces double the disadvantage that an owner running a business in a non-stigmatised sector while experiencing poverty does. Many *khaja ghar* and spa and massage parlour owners know this, which is why they established *khaja gars* and spa and massage parlours as a last resort and would prefer not to be running them at all.

The contrast between the women running smaller-scale establishments (such as *khaja ghars* and spa and massage parlours) with more established, professionalised venues (such as *dohoris*) is important to note here. *Dohori* owners were able to access support from the associations they belonged to, which led to improvements to the sector and, as a consequence, reduced the stigma they experienced. *Khaja ghar* and spa and massage parlour owners were more isolated, both from forms of professional/collective organisation, and also from their friends and family, from whom they often have to keep their businesses secret. Without access to either formal professional associations or informal forms of support, it is unsurprising that this study found no examples of small-scale businesses thriving, expanding, or making large profits.

4.2 THE COVID-19 PANDEMIC

During the Covid-19 pandemic, business ventures became financial liabilities as owners were burdened with unmanageable levels of debt. It is unsurprising that owners in the sector faced financial difficulties; national analyses of the impacts of the pandemic show the sectors most affected by the pandemic include food and accommodation services, hospitality, and retail (Agrawal 2021). Statistics suggest that the pandemic has adversely affected women's chances of employment in the Nepali labour market (*ibid.*). This has implications for both the supply of women and girls into the AES and likely adds to the sense among *khaja ghar* and spa and massage parlour owners, in particular, that running a business in the sector is the only viable option.

There are examples of business owners adapting in the short term to the business-related stress brought on by recurrent lockdowns, while longer-term prospects seemed bleaker, especially in the context of increasing debt levels. That businesses were better able to adapt in the short term is supported by psychological research that suggests that emergency situations narrow our circle of concern to immediate threats (Steiner, Nussbaumer and Albert 2015; Kowalski-Trakofler, Vaught and Scharf 2003). Focusing on the critical issues right in front of us is useful, but when a stressful situation becomes chronic, it is difficult for people to restore a medium- to longer-term view of risk and uncertainty.

For those businesses with limited savings, the lockdowns during the pandemic quickly resulted in financial difficulty. The sequence of credit and loans that followed financial difficulties supports findings from psychological studies that show people borrow more readily and at higher rates when resources are scarce. In contrast, when resources are abundant, people take a different view of risk.

The future implications of borrowing seem to factor into decision-making more when immediate needs are not so pressing (De Brujin and Antonides 2022). As the usual sources of loans have ceased to be available, and scarcity of financial resources further increases, it is possible that the downward spiral of indebtedness will continue, with significant implications for individual business owners, the AES, and children's role within it.

These findings also shed some light on how major stressors such as pandemics affect different partnership models. The fluidity of the multi-partner business model, for example, seemed both to insulate some partners from shouldering the burden of debt in full, and to

expose others. The power dynamics between different partners, and the implications of this multi-partner model in protecting certain individuals from exposure or accountability are interesting questions that need to be explored further with business owners as part of the business owner-led Action Research Groups.

In addition to their own challenges of running a business during the pandemic, business owners provided insights into how they felt the pandemic had impacted their employees. Coping strategies business owners highlighted included their employees returning home or engaging more directly with customers in the sale of sex in informal spaces (such as on the street).

This study shows that during lockdown periods, some owners offered a safety net to workers, including children. This seemed particularly prevalent among *khaja ghar* and spa and massage parlour owners. How the pandemic affected pathways of children working in the AES is explored further in the CLARISSA study *Life Stories From Kathmandu's Adult Entertainment Sector: Told and Analysed by Children and Young People* (Hacker and Sharma 2022) and in the forthcoming CLARISSA publication *Covid-19 Through the Eyes of Children*. While business owners described the negative impact of the pandemic on their businesses, the impact of these and the broader post-pandemic economic situation on child labour trends is an area for further research.

4.2.1 The nature of the AES and WFCL

Melissa Gira Grant's description of the sex industry as 'varied and porous' feels relevant to this research (Grant 2014: 47). Business owners were often engaged in other forms of work unrelated to the sale of sex. The flexible nature of arrangements related to the provision of sexual services allowed many owners to create a psychological – and to varying degrees, physical – distance between themselves and sex-related activities, particularly when children were involved.

While venues such as dance bars operate at night, and appear to be more overtly connected with the AES, the nature of small-scale establishments such as *khaja ghars* is more ambiguous and variable. For example, operating in day-time hours, *khaja ghars* might offer a range of services – from a cup of tea to a plate of chow mein noodles or the sale of sex. The ambiguity around which services are on offer provides some legitimacy to customers who could genuinely be visiting such a venue for tea and snacks. At the same time, the ubiquity of such

venues in Kathmandu means that the sale of sex, and WFCL in particular, can be hidden in plain sight.

The scattered, fluid, and fluctuating nature of work in the sector makes the prevalence and forms of child labour in different spaces difficult to grasp. It also highlights a need to adapt our conception of the sex industry in Kathmandu: focusing more on how children move between more hidden venues and the unseen spaces in between them, rather than only on the more visible (night) venues and the regular employees within them. As this study, and research by ECPAT International noted in 2017, venues typically associated with the AES may just be minor places for girls involved in sex work – private residences, flats and other highly informal spaces may comprise a more significant part of their work (Hargitt 2017).

This study also shows that it is not just that women and girls working in the sector move fluidly in these spaces, but also that venues themselves are not fixed or static entities – partnerships evolve, businesses change hands and, particularly in the case of *khaja ghars*, their highly informal nature means that they can be set up, shut down, or relocated within relatively short timescales.

This raises questions over the effectiveness of regulation as a strategy for combatting WFCL within the sector. It also highlights the need to look at the sector systemically, and to understand the interlinkages between the different types of businesses and spaces related to the sale of sex.

For example, *dohori* owners suggested that the professionalisation of the *dohori* sector has led to a change in customer behaviour in relation to employees (e.g. guests no longer requested to sit or interact directly with them); during the validation workshop with *dohori* owners, they recommended professionalising the whole sector to eliminate 'bad practices' including WFCL.

At the same time, *khaja ghar* owners described how customers ranging from millionaires to waste collectors would visit their venues in search of sexual services. This research suggests that without reducing the supply of children into the sector, or lessening customer demand for 'young girls', a shift towards professionalising establishments might serve only to change the location of WFCL; for example, to small-scale informal venues.

4.2.2 Business owners and WFCL

Our findings show that opportunities arising from consumer demand and a steady supply of children entering the sector to work could make the difference

between a business being viable or not. Yet business owners' involvement with sex-related work, and WFCL in particular, could be highly informal and kept at arm's length, often with no direct payment between customer and owner, or between owner and employee, in exchange for sexual services.

In addition, business owners' involvement with children was often in flux: rather than a thought-through strategy, owners were making hiring decisions in real time based on the availability of labour, the situation of the girls themselves, high levels of market competition, and the need to run their businesses, cover ongoing business costs, and make a living.

There was some variation in how proactively owners sought out specific types of employees: some dance bar owners used intermediaries (brokers) to find potential recruits, whereas the owners of *khaja ghars* and spa and massage parlours were more reactive, making decisions based on who approached them and the circumstances of those people. The role of intermediaries from the perspective of children working in the AES is further explored in the CLARISSA paper *Life Stories From Kathmandu's Adult Entertainment Sector: Told and Analysed by Children and Young People* (Hacker and Sharma 2022). However, both Hacker and Sharma (2022) and the present study highlight the need for further research to interrogate the different types of intermediaries involved in recruitment, and how these affect the prevalence of WFCL and the types of roles children are engaged in.

The collective analysis of life stories by children and young people also highlighted how children without official identity documents, such as citizenship certificates, are excluded from more formal employment sectors (*ibid.*). Our research with business owners shows that requests for official documents to check recruits' ages were rare in small-scale venues such as *khaja ghars* and spa and massage parlours.

In medium-scale businesses such as *dohoris* and dance bars, there was evidence among some owners of a more intentional approach to maintaining employee records and checking ages more systematically. Maintaining records of staff identity documents has benefits for these businesses; it provides a means of tracing employees – should they act in a way that undermines their business, for instance – and can promote employee retention.

Some business owners aspired to comply with and be part of broader moves across the night entertainment

sector to professionalise and implement regulations related to employee documentation. However, in practice, business owners' intentions could still be undermined by the realities they faced: recruits who lacked official documentation, and minors in need of work, with no alternative options for either the owners or their (prospective) employees.

In Prof. Nick Mai's work examining the wellbeing of sex workers, he found that the decision to trade sex affords socioeconomic and psychological autonomy even when this is accompanied by increased risk and vulnerability (Mai 2011: 1249–51). Within Kathmandu's AES, owners are confronted by the conflicted reality of children involved in the sector engaging in high-risk behaviours (including those which constitute child sexual exploitation) as a means of survival or as a way of resisting their circumstances. As adults, the business owners realised they had limited power to fix the systemic issues that led to the child experiencing poverty, but they were in a position of influence to help the child eat that week.

Especially in smaller-scale venues such as *khaja ghars* and spa and massage parlours, business owners navigated this difficult terrain by constructing frameworks for making decisions about when to allow child labour, and tactics for making work safer. They invoked the distance between themselves and the sale of sex itself to lessen any perceived involvement in it. Medium-scale business owners (such as dance bar owners) invoked the earning potential their venues afforded, which contributed to a sense that engaging younger employees could be mutually beneficial.

4.2.3 Stigma and criminalisation

The stigma surrounding the AES in Nepal is well documented (Oosterhoff and Hacker 2020; Basnyat 2020). This stigma also constrains the agency of business owners, resulting in some owners having to lead double lives, and being left feeling trapped in their businesses. High levels of police scrutiny and profiling can further feed into narratives of simple good/bad, victim/perpetrator dichotomies which research has shown can in fact be overlapping (Oosterhoff and Hacker 2020).

Businesses with a more secure bargaining position can be more effective in moulding a more supportive relationship with police and authorities. But for businesses such as spa and massage parlours, our analysis is that the profiling and policing of businesses whose operations are considered suspect is a mirror reflection of how police

assume 'sex workers are believed to always be working, or, in the cop's view, always committing a crime' (Grant 2014: 159). Owners felt stigmatised whether or not they were involved with sex work, and WFCL, specifically. Feeling targeted and stigmatised just for operating a business within the AES raises questions about how business owners can be incentivised to eliminate WFCL from their businesses.

Criminalisation is not just a law, but, as Grant writes, 'a state of being and moving in the world, of forming relationships – of having them predetermined for you' (*ibid.*: 185–86). Owners formed relationships with the police – some gave them bribes or paid them money regularly – primarily because they had a weak bargaining position. And this weak bargaining position is also linked to asymmetric power relationships between suppliers and customers, which other researchers have documented (Johnsen, Lacoste and Meehan 2020).

Within the AES, these power asymmetries can be as extreme as a business owner refraining from reacting to a customer putting a cigarette out on their arm, except with platitudes. Of course, in terms of the relationship between children and customers, the power asymmetries and the vulnerabilities resulting from them are further amplified.

4.2.4 Conclusion

This research is based on interviews with 23 male and female owners of small and medium-sized venues that are commonly associated with Kathmandu's AES: dance bars, *dohoris*, spa and massage parlours, and *khaja ghars*. Following the analysis and reporting stage of the study, a series of validation workshops with more than 30 business owners from these sectors assessed how well participants' meanings had been captured and interpreted, and provided additional insights into the key findings.

As we listened to the voices and perspectives of business owners in Kathmandu, it was impossible to keep our analysis of the current landscape disconnected from global socioeconomic dynamics. Whether it is a steady supply of young girls because they experience chronic poverty and little labour market opportunity, or the use of sex work to make businesses financially viable, the findings of this study have as much to say about the choices we make as a society as they do about the choices of individuals working and running businesses within it.

The paper illustrates how the sale of sex is operating as an economic safety net in a society that is failing to support those experiencing poverty (including children). In such a context, it can be a way of resisting economic circumstances, and a strategy for survival in situations where, structurally, options are very limited. The paper's findings necessitate that future research and future interventions work with the realities of people's lived experiences of running a business in the AES, alongside the deep structures in our societies that create the conditions for the sector to exist, with children playing major roles within it.

This research provided evidence into three business owner-led Action Research Groups, which began in February 2022 and continued until September 2023. The Action Research Groups worked with these critical

actors, consisting of members from the same sector within a particular location: the *khaja ghar* sector, the spa/massage sector, and the dance bar and *dohori* sector. The groups generated theories of change, testing and evaluating solutions to shift the system away from WFCL; for example, by strengthening sector-based associations, professionalising the sector by improving the implementation and monitoring of employee documentation, and formally registering businesses to encourage ethical business practices. At the same time, eight child-led Action Research Groups ran in parallel to the business owner-led groups. Forthcoming CLARISSA publications will outline and evaluate how these multiple and parallel groups aimed to form a sophisticated architecture to shift the system dynamics and reduce WFCL across the sector.

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Annexe 1:

**CASE STUDY:
EXPERIENCE
OF A KHAJA
GHAR OWNER IN
KATHMANDU**

ANNEXE 1

CASE STUDY: EXPERIENCE OF A *KHAJA GHAR* OWNER IN KATHMANDU

Maya (name changed) runs a small tea shop, known as a *khaja ghar*, close to one of the main transport hubs of Kathmandu. She is aged in her 60s. She does not remember exactly when she started the business but knows that it has been a long time. The *khaja ghar* sells chow mein and *momos*, popular local snacks in Nepal, as well as *tongba* (a local type of alcohol), and beer.

She describes herself as running the *khaja ghar* to survive and earn money for food. She feels her options are limited: she is not strong enough to be a porter, and does not 'have a hope' of getting a government (i.e. salaried) job. Previously, she worked for various community-based organisations, but now that she is older, she is unable to do this kind of work. Working with the organisations enabled her to save a small amount of money to start her business. At first, she was inexperienced, and describes how it was 'learning by doing' in the early days.

Maya works from 6am until 8pm. Running the *khaja ghar* involves cooking, washing dishes, and fetching groceries, all of which she does herself. She buys groceries at 4am at the vegetable market. The small scale of the *khaja ghar* means that she cannot arrange for goods to be delivered as they are only delivered in bulk.

The *khaja ghar* is not registered with the relevant government body – Maya says that she's unsure whether or not the business needs to be registered. Yet she also describes how the police come to ask about the *khaja ghar's* registration status, and she is always able to convince them that she will be registering it soon.

The flow of business can fluctuate and be unpredictable: 'Sometimes there are a lot of customers, but sometimes it is difficult to even sell a cup of tea. That's the case.' Usually, she runs the business alone, but if she has a worker – someone who helps with washing dishes and cooking food – she will pay them a monthly salary of around Rs 10,000 (US\$76).

In addition to providing food and alcoholic drinks, the *khaja ghar* is a place where sex work is both arranged

and carried out. Maya describes the women and girls involved in sex work at her *khaja ghar* as 'friends' rather than workers. She explains that these 'friends' are the ones who go out and have sex with guests: 'They search for guests. They eat food in my *khaja ghar*. They do [sex work] and then they go.'

The arrangement with these 'friends' is informal – she does not negotiate a salary with them or ask for commission from them for the sex work they do. The terms of exchange vary depending on their circumstances: when they bring guests, they are given rice to take home with them to cook, or given a meal they do not have to pay for at the *khaja ghar* if they need it. Sometimes, in a more direct transaction, they will pay her Rs 300 (US\$2.30) to use a space in the *khaja ghar* for sex (although often they will take guests to their own known and trusted places).

Maya describes the exchange as being their decision: 'I don't ask for money, whatever they give is OK for me'. She doesn't take any share of the money paid by the guest for direct sex work ('going out'): 'I tell them, you guys do it out of compulsion, so I don't need commission... I don't care about how much the workers charge guests. I don't ask them for money.'

Although she doesn't give them any money directly, their involvement is crucial to the running of the business. The increased custom the girls bring by drawing guests into the *khaja ghar* makes the difference between it being viable or not: 'When there are girls as workers it runs well, otherwise not. You can't run a *khaja ghar* by only providing food.'

The guests, three or four a day, usually come in the afternoons. They sit and eat and drink with the girls before engaging in sexual activity. Some girls stay for a week, some for a month. Sometimes the owners of other restaurants and bars visit the *khaja ghar*, give the girls their phone number, and later ask them to come to work at their venue.

Women and girls of different ages come to the *khaja ghar* to engage in sex work. Some are as young as 14 years old, but 'all ages are involved in this profession'. Maya explains that they come by themselves, because they have to, not because they are interested in the work. She describes a range of reasons that bring people to her door: no food to eat; no food for their children; no citizenship papers; their husband has left them for someone else.

When she questions why the young girls are taking this path, and explains that she cannot hire them because child rights activists will intervene, she hears the response: 'I don't have food to eat. Will the child rights activists provide me with food? There is no ration in my kitchen.' She says that girls aged 14 or 17 'cry in front of me. They ask for food (even for tea and *sel roti*)'.

Maya strongly opposes children being brought into the profession by adults. She explains that sometimes mothers bring their daughters (usually girls aged under 18) to her *khaja ghar*, and she questions them and berates them: 'Please don't ruin your child's life!' She thinks it is wrong to actively send guests to minors, equating this to a criminal act such as murder.

Most guests prefer innocent girls and search for minors. Her guests are older, mostly between 50 and 60 years old. The majority of guests are known to her, but some can be difficult. Sometimes guests trick the girls and steal from them, or do not pay Maya for their food and drinks, and can be verbally abusive.

During the Covid-19 lockdowns, Maya had to take a loan from 'brothers' from her village to cover the cost of

her food, cooking gas, and rent. She tried to negotiate with the landlord, but did not receive a discount on the rent. The half a sack of rice provided as relief from organisations was not enough for her or others; at times, the girls did not have enough to eat during lockdown and Maya thinks that many people must have died of hunger during the Covid-19 period. She now has to pay Rs 16,000 (US\$160) per month for the loan of Rs 100,000 (US\$1,000) but has 'no clue' how she will be able to repay this. Maya also has four or five months of rent arrears to pay to her landlord.

She explains that there is no business from the *khaja ghar* since the pandemic and that she sometimes feels like selling the business.

Maya describes how she used to be targeted by the police and accused of being a gang leader. Being part of a local organisation has given her more confidence to raise her voice. Police still visit often, in plain clothes, to check on girls working there. Maya explains how she is able to deflect attention by making jokes, something she does throughout the interview.

When asked what her plans are for the coming years, she says:

If I am not able to pay off the debt, it is going to be difficult for me. Interest will increase tremendously. No one will trust me for such a big amount of money. Nobody helps poor and needy people like us.

Maya explains that her husband is too old to help out and that her children – who do not know what happens in the *khaja ghar* – are labourers and are in a 'pathetic condition and struggling' to take care of their own families.

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Annexe 2:

**CASE STUDY:
EXPERIENCE OF A
DANCE BAR OWNER
IN KATHMANDU**

ANNEXE 2

CASE STUDY: EXPERIENCE OF A DANCE BAR OWNER IN KATHMANDU

Bhuwan (name changed), now 27, has been working in the AES as a waiter and bartender for four years. Through a relative (a 'brother') from his mother's side, he came to know about the opportunity of investing in a dance bar that two other partners had already set up. The dance bar entertained guests by serving alcohol and snacks, and providing dance performances. It was situated in one of the transport hubs of Kathmandu. Due to the large flow of people leaving and entering Kathmandu, there was a high chance of the business making a profit.

Bhuwan had worked in the sector for four years, which encouraged him to invest as he was familiar with the opportunities of earning more money. At the age of 24, he became the owner of the dance bar with an investment of Rs 800,000 (US\$8,000). His mother supported him financially by mortgaging a piece of their land for the investment.

Despite being one of the owners of the dance bar, Bhuwan used to work as a manager, too. His responsibilities included taking care of the guests, keeping a record of sales, and managing employees, whereas the other partners would collect the money based on the sales record each day. They calculated the monthly profit and divided the profit share among the partners. His work day was from around 6pm till midnight, seven days a week.

The business had to deal with many stakeholders: customers, staff, local gangsters, landlords, suppliers, and police. Bhuwan said that agreements with these stakeholders were verbal only. Agents/brokers and sometimes existing staff brought people they knew to look for work.

For Bhuwan, two of the main requirements for hiring staff were their looks and that they met the age requirements stipulated by authorities:

We ensure that the person – mainly girls – has good looks. At the same time, we are particular in the case of age, too, because we do not want any legal actions for hiring minors at work.

Bhuwan further adds that they checked the documents of prospective staff before they hired them to ensure their age – they requested a copy of the citizenship certificate to verify their age and maintain a record of the identity document. However, he further reflects: 'We used to take the documents of parents or relatives if the person didn't have his/her own documents. So, in that case, even if the staff is below 18, we recruited them'.

Regarding the hiring of beautiful girls, 'They are hired as per the "customer demand"'. He had to 'bring other beautiful girls who can dance well and entertain the customers'. In terms of salary, it was mainly based on the staff's capacity for bringing clients to the dance bar and dealing with them. Their salary and commission (tips) were based on that capacity as they benefitted first if the business made a profit. In addition, female staff paid commission to the owners from their income if they were allowed to go out with male customers.

Customers of dance bars are rich people and people returning from foreign employment. Bhuwan adds that 'Mainly Indians also visit the dance bar for young Nepali females'. Customers came through contacts with their friends. Dance bars provide discounts on food and beverages to retain their customers. 'Customers also demand and approach owners asking for females for sex.' However, they did not usually send their staff but instead gave customers brokers' numbers. Despite his preference to use girls not directly connected to the venue for 'going out', he noted that 'Girls working in our venue do go out with customers, dealing [with them] on their own.'

Fighting and misbehaviour are common within dance bars but, according to Bhuwan, there were no safety issues at his bar. Some customers fight and argue about the amounts of bills, and also misbehave with staff members, but bouncers are hired to deal with such trouble. Sometimes, even the staff get drunk, argue, and fight. But some staff go further and complain to the police about these workplace issues. In such circumstances, owners have to face the consequences by giving clarifications and paying bribes.

The police were one of the most important stakeholders for ensuring the smooth running of the dance bar. Police raids happened occasionally, so they kept in close contact with the police to avoid any problems. Bhuwan says, 'To maintain the relationship with police, we gift them a bottle of whisky occasionally'. Business owners at dance bars also need to deal with local gangsters because there is a risk of them becoming police informants. Relationships are maintained by giving them free food and money. Bhuwan mentions, 'We fear that they might reveal our business practice such as recruitment of minors'.

Bhuwan notes that 'There is a huge competition in this sector and agents/brokers come to our dance bar as customers and take away beautiful females, luring them with more salary to other similar business establishments.' Minimum sales of Rs 20,000 (US\$200) per day were required to sustain the business. During festival seasons, such as Dashain and Holi, profits increase, but on a regular business day, owners use different strategies, for example:

We have to lower the food prices so that guests come for lower rates. In order to reduce our rates, we need to know the food rates in other similar establishments. So, we send some of our staff as customers to other business houses. We reduce our prices based on the rates brought by our staff from other venues.

Bhuwan notes that 'Business owners make more profit out of young females in the dance bar, as the customers pay more when they are with young females.' Bhuwan said they did not allocate jobs based on age in dance bars, but generally they hired young girls as dancers, per customer demand. He said, 'Customers ask [us] to bring young girls, who can entertain them.' He further added, 'Male customers visit the dance bar for females rather than to eat as they like to spend time with young females.'

Police sometimes raided their dance bar and asked for the details of the staff. At that time, 'We lie to them saying that the minor staff are above 18.' Bhuwan thinks young

females under 18 came to the AES due to economic problems. People seeking jobs in the AES usually had some sort of financial problem. According to Bhuwan, more females than males came looking for work.

During the 2015 earthquake, the business was not affected much – rather, they did more business at that time. However, most of the staff went back home to their families, and a few senior staff stayed to run the business. More customers used to come to their dance bar during the time of the earthquake to have fun. Bhuwan says, 'Customers used to say we should enjoy as much as possible because you never know if you will be alive afterwards or die during this earthquake.'

However, during the Covid-19 lockdowns, Bhuwan had to close his business. Even after the lockdowns were lifted, his dance bar remained closed. During that time, his partners also betrayed him and ran away with all his money from the business. He could not fully recover his investment in the dance bar after the Covid-19 situation. Bhuwan recalls, 'Because of [the] same reasons, my mother got depressed. Later she committed suicide. I am under a lot of stress these days.'

Bhuwan remembers that while running the dance bar, he was slapped by police during the raid. He says, 'Other staff would run away from the workplace during a police raid, but the accountant cannot.' When he asked the police to settle the case, he was asked to call his other partners as the police only wanted to settle with them.

Talking about his partners, Bhuwan says his two other partners had faked the registration of the business. The documents they showed him while investing looked real and Bhuwan believed them. But when the partners ran away, only then did he come to know about the forged documents.

Bhuwan says, 'After the betrayal from my partners, I have no intention to return to AES business. I have opened a small metal workshop and wish to continue with it in future.'

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Annexe 3:

**TOPIC GUIDE:
SEMI-STRUCTURED
INTERVIEW WITH
BUSINESS OWNERS**

ANNEXE 3

TOPIC GUIDE: SEMI-STRUCTURED INTERVIEW WITH BUSINESS OWNERS

INTRODUCTION AND KEY DETAILS OF BUSINESS

- Introduction to researcher(s).
- Explain study topic.
- Explain confidentiality and anonymity – include: *The information given during the interview will not be used with your name or anything that will identify you. If there are any questions that are not clear please let me know and if there are any questions that you do not wish to answer that is also fine – just let me know. You can ask to stop the interview at any point. I will ask you to complete a form at the end of the interview.*
- Explain consent form.
- Explain interview length (around 1.5 hours).
- Ask if it is OK to record the interview and explain that this is only in order to get an accurate account of what they say. It will be used only by the research team.
- *We are interested in learning from you, so please feel free to be as open as you want to be. There are no right or wrong answers.*
- *Do you have any questions before we start? Are you happy to continue?*
- Interviewer: ask or confirm key details of the owner's business.
 1. Type of business/venue
 2. Main activities of the business/venue
 3. Registration status of the business
 4. Year when the business was established
 5. Number of owners of the business
 6. Number of employees
 7. Age and gender of employees:
 - Number and age of girls
 - Number and age of boys

A. Nature of the business and how it started

1. *How is an informal small business unit constructed and how does it function? How does the nature of business-to-business norms and relationships change at different transaction points in supply chains and human chains (including quality of work relationships when engaging children)?*

Interview questions

1. Describe how your business was initially set up/established.

Prompt as needed:

- Reasons/motivation/confidence for setting up their business
- How they came to know about this business sector
- Any prior experience of this type of business establishment (as owner, manager, or other positions)

If yes, go on to explore:

- Details of owner's pathway into owning the business (previous roles, locations, experience)
- Factors influencing how it was set up (e.g. any thing or person)
 - Which institution was the business registered with?
- Initial financial investment to set up the business
 - Amount
 - Who made the investment
- Registration status of the business

If business has been registered:

- Whether registration has been renewed as needed (e.g. yearly)

If no, probe for reasons why business is/has been unregistered.

- How long have they been working as an owner of this business?

[We want to establish if they began working in a different capacity when the business was established.]

2. Describe the current functioning of the business.

Prompt as needed:

- Day-to-day activities of the business
- Owners' role in the functioning of the business (which activities they participate in)
- Where they carry out their role (e.g. home, at venue, office)
- Timing (times of day, days of the week)
- Frequency and time spent doing activities
- Who else is involved in running the business?

If the business is a partnership (multiple owners):

- Number of partners
- Role(s) of different partners

3. Details of employees within their business.

- Process of hiring staff (especially under-18s)
 - Challenges in the different processes of hiring e.g.:
 - village to Kathmandu
 - within Kathmandu
 - how the different channels compare
 - whether differences for male/female staff
 - role of agents/brokers/relatives/friends
- Factors influencing who is employed

Prompt as needed:

- Demands/preference of guests
- Specific skills of employees
- Relationship to owner (eg kinship/family relationship)
- Whether male/female
- How rate of salary/wages are settled
 - Whether staff bargain for raising or lowering the wages

- Differences between male/female wages and reasons why
- Differences in wages depending on age and reasons why

- Type of contract/agreement with employees
 - Verbal agreement
 - Written contract

Probe if possible:

- Why do they think children come/want to work in this sector (this type of venue)?

B. Business-to-business interaction

- ### 2
- Who are the stakeholders at different transaction points in supply chains and human chains and what are their roles?*

Refer to mapping note.

Interview questions

- #### 1.
- Who are the key people/organisations you work with to run your business? (i.e. who do they work with outside of their own business?).

Prompt as needed for **each** stakeholder:

- Role of person/organisation
- Reasons for engaging with that particular person/organisation
- Frequency of engaging
- Nature of the relationship with stakeholder
 - Whether family/kinship/other type of pre-existing relationship
 - Flows of power/influence in their relationship
 - How the relationship with that partner is maintained
 - Whether there is a written contract or verbal agreement
 - Terms of business with partners
 - Factors that influence the relationship
 - How the relationship affects them

Keep below in mind and prompt as needed – people or organisations may include (but are not limited to):

- Banks, financial institutions, money lenders
- Gangsters (e.g. someone giving them protection)
- Police, local ward officers or other government officers or agencies (e.g. for approval)

- Political support (e.g. from any groups or individuals with political/administrative/local influence)
- Links with local shops nearby the venues (e.g. grocery shops, cosmetics, beauty parlours, Ayurveda shop for spa and massage parlour)
- Links with taxi drivers/rickshaw drivers/security guards (e.g. of hotels, guest houses) to drop the employees off with guests and also to arrange clients for AES business owners
- Support from the local community/landlord where the business is located
- Customers (e.g. how do they invite/attract/retain customers?)
- NGOs (e.g. AES organisation(s))

3 *How does the quality of relationships between employer and child contribute to WFCL?*

Interview questions

1. Do people of different ages do different kinds of work in your business?

If possible, probe:

- Describe roles and responsibilities of different aged employees
- Reasons for recruiting under-18s in these roles
- Challenges/benefits of hiring young people
 - Any additional concerns/time/costs/safety issues
 - Any measures to ensure work safety
 - Whether it is easier to manage boys or girls (i.e. trying to find out differences and reasons for hiring girls/boys)
 - Who benefits most from the child's work (child/parent/their business/customers)
 - How they would describe their relationship with under-18 employees
 - How the relationship differs from over-18 employees

4 *Can we understand and classify all the features and dynamics of business-to-business norms and relationships (e.g. market competition, debt level, money-lending flows, terms of business, rates of adaptation, etc.) that relate to WFCL?*

Refer to mapping note.

Interview questions

1. What are the factors influencing how the business operates? How do you address/manage this?

Prompt:

- Market competition
- Terms of business/contracts
- Money-lending flows
- Seasonal effects of running the business

2. Did you have to borrow money to start/operate your business?

Probe, if yes:

- Who lent the money
- What is the process for repaying them?

3. What level of debt do you operate at?

Probe, if there is debt:

- Whether this level of debt is manageable
- What level of debt is manageable

4. How is your business functioning currently (i.e. financial viability)?

- Levels of debt (banks/financial institutions/cooperatives/family/friends – profit- and debt-level measurement/terms of borrowing/level of interest)

C. Risk, adaptation, and resilience

5 *How do businesses in the informal economy experience and respond to business risk transmitted through the supply chain system?*

Interview questions

1. What are the main challenges/risks of operating this business?

Prompt as needed:

- Threats from gangsters (especially while operating the business)
- Risks from the police (e.g. threats, raids, bribes required)
- Risks from other government agencies (e.g. threats, bribes)
- Risks from landlord/house owners/local community/local community groups (e.g. AES-based organisations)

- Challenges faced from staff
 - Whether workers ever come to them with complaints
 - Actions taken when workers complain
 - Challenges faced from customers
2. What are the main factors that make your business resilient?
 3. Do you have a business plan?
 - What is your 1-year, 2-year, 5-year plan for the business?
 - How will you get there?

D. Stressors/emergencies – Covid-19 and norms

- 6 *What are the effects of emergencies/shocks (e.g. Covid-19) on small businesses in the informal economy?*
- 7 *How are business norms affected?*
- 8 *How has the structure of the wider economy changed in response to Covid-19 (e.g. IT, mobile phone AES, delivery services, internet lines) and what have the implications of these changes been for WFCL?*

Interview questions

1. What shocks/stressors have impacted their business?

Prompt as needed:

- Covid-19, earthquake, new competitors, changes to technology, long-term chronic health/personal/family issues.

For **each** shock/stressor, probe for impact of shock/stressor on:

- Running of the business
- Employees
- The sector/economy more generally
- Role and treatment of children
- Impact of shock/stressor:
 - at time
 - subsequent months/year(s)

For **each** shock/stressor, probe for impact of shock/stressor on:

- How they have managed the stress/disturbance
 - Whether money borrowed to sustain business
 - Any other funds accessed to sustain business

2. Is there a difference between single events and gradual or cumulative pressures – both on the business and on their response?

E. Relationships between informal and formal

- 9 *What interactions within and between the informal and formal economies influence WFCL?*

Interview questions

1. What are their interactions (communications/relationships) with other informal/informal venue/businesses (similar/different)?

For **each** interaction, probe for:

- Impact on the involvement/role of children within the business
- Impact on the involvement/role of children within the sector (i.e. whether the interaction promotes or reduces WFCL)

Include interactions that take place within their own venues, and interactions with other businesses or partners.

Keep below in mind and prompt as needed: interactions with other venues/businesses may include (but are not limited to):

- Interaction between AES workers and recruitment organisations to send workers overseas (e.g. whether recruiters come from recruitment organisations to lure the girls away)
- Interaction between AES workers and casinos/clubs
- Interaction between spa/massage workers and therapist(s) (e.g. renowned training institutions provide training to the girls on massage and then they send the trainers to the spa/massage; spa/massage owners may have contact with this type of training centre/beauty parlour; not only uneducated/illiterate girls work in this sector)

- Linkage of AES business with music video makers to make short videos/music videos

F Wrap-up

10 *Aim: reiterate re: confidentiality.*

- Any other points they would like to raise
- Thank the participant for their time – explain that the interview will remain confidential; they are welcome to contact members of the study team/relevant organisation if they have any questions at a later date if they wish.

END RECORDING

Annexe 4:

CODE FRAME

ANNEXE 4

CODE FRAME

1. ANALYTICAL CATEGORIES

Major theme (parent category) Parent	Related theme (child category) Child	Description
Great quotes		
Unanswered questions		
Business set-up	Motivation	Reasons for setting up their business
	Prior experience	How they came to know/who influenced them
	Financial investment	Who invested and how much
	Registration	Who it's registered with and if it has been renewed (also include if unregistered and reasons why)
	Time period	Info on how long they've run the business (Name changed to avoid confusion with 'Prior experience above')
Business activities	Day to day	Info on running the business/business activities
	Benefits	Any benefits received by the employees
	Owner's role	Which activities they participate in
	Time of day	Time of day activities happen
	Services offered	What is on offer at the business
	Work environment	Any descriptions/info of work environment
	Staff roles	What staff do, how work is divided

Major theme (parent category) Parent	Related theme (child category) Child	Description
Hiring	Process of hiring staff	
	Children	Any info about hiring children – benefits/ challenges/concerns
	Hiring help	Role of agents/brokers/friends/relatives
	Hiring decisions	What influences decisions about who to hire
	Skill sets	
	Gender	% male/female and associated roles/activities/ reasons for hiring/different processes for hiring
	Employee contract	
	Supply	What is supply of workers like, reasons for supply/lack of supply
	Retention	How easy/difficult to retain staff
Business relationships	Key stakeholders	Couldn't run business without them – also include internal stakeholders here (e.g. partners/ investors)
	Central stakeholders	Help keep the business going
	Peripheral stakeholders	Useful to the business
	Influential stakeholders	Those stakeholders who influence their business decisions most
	Peer relationships	
	Buyer/guest behaviour	Include how they invite/attract/retain guests or buyers, how their preferences influence their decisions
	Business-to-business contracts	Nature of the contracts
	Maintaining business relationships	How new business contacts are made and relationships maintained
Partner relationships	Added this code to capture relationships between the different partners/investors within the business This has come up several times, particularly where there may be investors and then a more 'visible' owner/manager	

Major theme (parent category) Parent	Related theme (child category) Child	Description
Community and social norms	Community norms	Any mention about how what's expected in the community influences what's expected of them as business owners Who does it employ/what services does it provide to the community/are there environmental consequences of business proceedings that affect the community?
	Gender	
	Justifications for children's work	
Employer–employee relationships	Age	Any info on people of different ages doing different work; ages of staff
	Work safety	Any measures to ensure work safety
	Management	Info on how easy it is to manage boys/girls; other issues re: managing staff
	Over 18s	Any info on how they describe relationship with over-18 employees
	Under-18s	Any info on how they describe relationship with under-18 employees
	Worker complaints	Info on whether workers come to them with complaints and any action taken
	Child labour	Any info on who benefits most from the child's work
	Salary/wages	Any details on wages, salary, commission

Major theme (parent category) Parent	Related theme (child category) Child	Description
Business finance	Money flows	Any info on money in (investment) and money out (repayment of loans) of business
	Expenses incurred	This may also include: bribes to police/gangsters/ government agencies, etc., discounts, rent, lockdown expenses, van hire for staff transport (some examples from Nepal)
	Viability	Financial viability of business currently
	Debt levels	Info on level of debt they operate at
	Debt thresholds	Info on whether debt is manageable/when it will stop feeling manageable
	Terms of debt	Any information on borrowing and repayment agreements
	Debt defaults	Any info on what happens when a business defaults on a debt
	Stress debt	Info on whether any shocks and stressors led to more debt
	Seasonal effects	Any info on seasonal effects
Partner relationships	Any info on their relationship with their partners/ stakeholders within their own business	

Major theme (parent category) Parent	Related theme (child category) Child	Description
Risk	Market competition	Any info on how other businesses in the marketplace influence business decisions/price points, etc.
		Recruitment: any info on how the business is impacted by staff, etc. being recruited to other businesses/overseas
	Police	Any info on threats, raids, bribes
	Government enforcement	Any risks from government agencies/government enforcement
	Buyer compliance	Any pressures from buyers In Nepal, this may include fighting, abuse, requests for children/young girls, non-payment
	Seller compliance	Any pressures from sellers
	Landlord	Any risks from landlord, house owners
	Community	Any risks from community groups
	Gangsters/local leaders	Any risks from local leaders or gangsters (gangsters/criminals)
Staff/partners	Any risks from those inside the business (e.g. staff, investor, partner)	
Resilience/strategies for dealing with risk and pressure	Adaptability	Info on how the business adapts to stay resilient
	Business plan	Info on 1-year, 2-year, 5-year plan and how they will get there
	Shocks and stressors	Identify different shocks and stressors and the way the business has responded – is there a difference between single events and gradual/cumulative pressures?
	Covid-19	–
	Stress debt	Info on whether any shocks and stressors led to more debt

Major theme (parent category) Parent	Related theme (child category) Child	Description
Formal and informal	Formal	Any info on linkages into formal businesses, whether a formal employee contract, whether VAT registered
	Informal	Any info on linkages into informal businesses In Nepal, this may include arrangements where staff 'go out' for sexual activities with customers, links with intermediaries/middle men
	Proximity	Info on whether formal–informal interactions influence the role of children within the business and sector
	Access to different forms of finance	e.g. if you are a formal business with a licence, you probably have access to better forms of financing
Interviewer field notes/ observations		Any observations from the interviewer/ documenter

2. DESCRIPTOR CATEGORIES

Descriptor	Field	Description	Answer type and field options
Business type		Type of business/venue/ production unit	Option
Registration status			Option
Respondent demographics	How many businesses do they own?		Option (1, 2–5, 5+)
	How many owners?		Option (1, 2–5, 5+)
	Gender		Option (male, female)
	Age		
	Previous child labourer	When the owner started work (i.e. were they a child labourer?)	
	Own/manage multiple AES venues	Do they own/manage more than one business?	
Location		Where is the business located?	
Debt		Whether business is operating with debt or not	
NGO loan		Whether business began with a start-up loan from NGO	
No. of employees		How many employees are currently working at the venue/business	
Current child labour		Whether there is child labour currently happening at the venue	Self-reported (i.e. by respondent) Observed only (i.e. by interviewer) Unknown
Membership of an association		Whether the owner reported membership of an association such as a <i>dohori</i> /restaurant association	



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CLARISSA works by co-developing with stakeholders practical options for children to avoid engagement in the worst forms of child labour in Bangladesh and Nepal.

The participatory processes which underpin the programme are designed to generate innovation from the ground which can sustainably improve the lives of children and their families.

The programme's outputs are similarly co-designed and collaboratively produced to enhance local ownership of the knowledge, and to ensure that our research uptake and engagement strategy is rooted in the direct experience of the people most affected on the ground.