

## **Business Technical Advisory Committee on Labour Matters Presentation on the Role of Employers in the Prevention and Elimination of Child Labour**

### **Hemispheric RIAL Workshop against Child Labor: “Moving toward better horizons for children and adolescents of the Americas”**

**San José, Costa Rica**

**February 20 and 21, 2013**

Representatives of the ministries of labour from member states, the Organization of American States, regional and international organizations, COSATE, and special guests, good morning. My name is Shane Todd. I represent the Canadian Employers Council (CEC) and it is my honour to speak to you today on behalf of the Business Technical Advisory Committee on Labour Matters (CEATAL) and to provide the perspective of employers on preventing and eliminating child labour.

The prevalence of child labour is truly daunting. As we heard yesterday, there are an estimated 215 million boys and girls working as child labourers—more than half of those children are engaged in hazardous work.<sup>i</sup> There are many reasons why children work. Children work because their poverty demands it, because adequate, affordable schooling is not readily available, and because social norms permit it.<sup>ii</sup> They work because there is a demand for their labour from their parents’ businesses or farms, or from other businesses.<sup>iii</sup> These are among the key contributing factors in the prevalence of child labour—poverty, lack of education, social norms, demands from family, and demands from business. Each factor must be addressed if we are to prevent and eliminate child labour.

I am here today to discuss the crucial role that employers and employers’ organizations can play in addressing these factors and preventing and eliminating child labour.

One of the most apparent ways that employers can assist in eliminating child labour is by complying with child labour laws, and prohibiting the hiring of children in their own operations and supply chains. Let me give you two examples. The first is Chiquita Brands International, Inc. Chiquita Brands is a leading marketer and distributor of bananas and other food products. To prevent the use of child labour, the company has adopted a minimum age policy that is stricter than national or international standards. The company’s policy is quite simple: “we do not employ individuals who are under 18 years of age”.<sup>iv</sup> Signs with this message are posted on the company's farms.

The second is General Motors. General Motors is one of the world’s largest automobile manufacturers. It sources parts from suppliers around the world. General Motors has enacted a zero tolerance policy against the use of child labour in the supply of goods and services to the company.<sup>v</sup> This prohibition is incorporated into the terms and conditions of the company’s purchase contracts.<sup>vi</sup> Sellers are required, at the company’s request, to provide written

certification that they are complying with applicable employment laws, and that neither they, nor their subcontractors are using child labour.<sup>vii</sup>

Where child labour is currently in use, employers can assist in ending the practice and transitioning children from the workplace. Because many children work to alleviate poverty, dismissing them from employment can cause economic hardship for the child workers and their families. For this reason, employers should strive to transition child labourers from the workplace without causing hardship to children or their families. This can be done by providing support to children and their families during the transition from work to school. If the company has sufficient resources it may choose to do so itself, or it may partner with government or non-governmental projects and programs to provide support. Where underage labour is discovered at an Apple supplier, for example, Apple requires the supplier to transition the child to school and to pay their education fees.<sup>viii</sup> In addition, suppliers must pay the children an income equal to that they received while employed.<sup>ix</sup> If the child has already left the supplier's employment, Apple attempts to locate the child to offer the same benefits.

H&M, a multi-national clothing retailer, has implemented a similar program. When instances of child labour are identified, the company, in cooperation with the supplier, contacts the family to discuss a solution.<sup>x</sup> In most cases, the family agrees that the child should be in school. In those cases, H&M requires the supplier to transition the child to school, and to pay his or her wages until the child reaches the legal working age.<sup>xi</sup> In other cases, another member of the child's family, who is above the legal working age, may be offered employment instead of the child.<sup>xii</sup>

Employers can also eliminate child labour from supply chains by sourcing products from ethically-certified sources. Chocolate maker Lindt & Sprüngli has committed to having its entire cocoa supply chain verified by third party auditors to ensure that is free of trafficking, forced labour, and the worst form of child labour.<sup>xiii</sup> Other chocolate makers have made similar commitments. The Hershey Company and Mars, Incorporated have also committed to having 100 percent of their cocoa supply certified as produced without child labour by 2020.<sup>xiv</sup>

As an alternative to ethically-certified sourcing, employers may choose to address concerns about child labour in supply chains by drafting, implementing, auditing, and enforcing supplier codes of conduct. For example, Apple has developed and requires suppliers to commit to the standards in its Apple Supplier Code of Conduct, which, among other things, prohibits the use of underage labour.<sup>xv</sup> Many other employers have adopted similar supplier codes of conduct. To name a few: General Mills—one of the world's largest food companies; Lord & Taylor—the owner of North America's oldest company, The Hudson Bay Company; and Reitmans (Canada) Limited—one of Canada's largest publicly-owned retail companies.<sup>xvi</sup> All three have implemented codes of conduct that prohibit the use of child labour in their supply chains.

Of course, a supplier code of conduct will only be effective in preventing and eliminating child labour if it is followed. For this reason, it is important for employers to implement systems to educate suppliers about the code and to audit, monitor and enforce compliance. Apple is a good example. In order to enhance compliance with the Apple Supplier Code of Conduct, Apple implemented its Prevention of Underage Labour training program. It provides resources and training to suppliers to prevent and eliminate child labour.<sup>xvii</sup> The program includes information

about child labour standards, and how to implement and manage systems to verify age and how to address instances of child labour that are identified.<sup>xviii</sup> Apple monitors compliance with its Code by conducting regular and surprise audits of suppliers.<sup>xix</sup> This includes a check of worker identity documents to verify age of workers

In addition to eliminating and preventing the use of child labour in their businesses and supply chains, employers and employers' organizations can also address child labour concerns by participating in strategies to address the underlying causes of child labour--poverty, lack of education and social norms. This is most often done in partnership with government and non-governmental organizations. Mars, Incorporated, for example, has partnered with the Rainforest Alliance to help cocoa suppliers earn Rainforest Alliance certifications and to ensure that farm workers and their families have guaranteed access to school, health care, and housing.<sup>xx</sup> Phillip Morris, the largest buyer of tobacco in Colombia, developed *Sembrando Futuro* in cooperation with *Dividendo por Colombia*, a local non-profit organization, to improve the quality and accessibility of education for children in rural tobacco growing areas.<sup>xxi</sup> The project has assisted 1,400 children and 81 teachers in 37 rural schools.<sup>xxii</sup>

We heard a number of other examples yesterday. The delegate from Argentina told us about the business enterprise network and her government's partnership with 100 leading employers to eradicate child labour. The representative from Ecuador also told us about the role of partnerships with business in the fight against child labour.

Employers and employers' organizations can also lobby for the enactment and enforcement of child labour laws, and participate in programs to raise awareness and to provide child labour solutions to employers. The International Organization of Employers, for example, has worked with the International Labour Organization to develop a series of guides to help employers understand, identify, and prevent or remedy the use of child labour in their operations or supply chains.<sup>xxiii</sup>

CONEP—the national council of private employers in Panama—is another excellent example. They have been working with their member-employers in Panama to educate them about the worst forms of child labour, national child labour laws, and corporate social responsibility, among other things. This was done to enhance awareness prior to obtaining voluntary commitments to eliminate the use of child labour.

Employers may also act alone to raise awareness. Apple raises awareness of child labour issues by training its suppliers about child labour standards, the company's prohibition on the use of child labour, and how the use of child labour may be avoided.<sup>xxiv</sup>

These are a few examples of the crucial role that employers and employers' organizations can play in preventing and eliminating child labour. These actions are primarily focused on the demand factors that have contributed to the prevalence of child labour. This is because these factors are traditionally within the scope of employers' influence. In order to be truly effectively the fight against child labour, we must also address the poverty, lack of education, and social norms that have contributed to the prevalence of child labour. To this end, employers also advocate for:

1. The enactment, monitoring, and enforcement of national legislation prohibiting the use of child labour. The first panel yesterday provided an overview of the legal framework regulating child labour in Jamaica, Mexico and several other countries. Where such legal frameworks exist, monitoring and enforcing them is key to preventing and eliminating child labour. Where legal frameworks prohibiting child labour are not yet in place, they should be implemented and enforced.
2. Enhanced access to free, high quality, full-time and compulsory education for children. Quality schooling is essential to the development of children and to creating a workforce that will facilitate sustainable economic growth. It is also key to breaking the poverty cycle that traps successive generations and forces children to work.
3. The adoption of strategies to reduce economic and social barriers to education. If parents cannot afford to send their children to school, or they do not understand the importance of school, their children will not attend school. Such children will likely be required to work either for their family or others.
4. The implementation of programs and policies to assist in the transition of young people of working age from school to decent and productive work. For example, vocational training or supports for entrepreneurs. Creating opportunities for young people of working age is key to breaking the cycle of poverty and ensuring that their children are not forced to work to help their family survive.
5. Increased regulation of the informal economy. Child labour is particularly prevalent in the informal economy. There, child labor is nearly invisible and is often beyond the regulation of the state. It is imperative that we increase the regulation of the informal economy by reforming and modernizing labour and social legislation, eliminating corruption, and promoting the rule of law and objective, and fair adjudication.
6. The adoption of strategies to promote and sustain economic growth. This will create decent and productive employment. Decent and productive work will provide a living wage to families and decrease the likelihood that children will be forced to work.
7. The improvement and extension of basic social protections such as health care, state pension plans, and other social safety programs. There must be a social safety net to alleviate the most desperate forms of poverty. This will reduce the necessity for children to work to support themselves and their families.
8. Increased tripartitism and social dialogue to build partnerships among stakeholders and to better coordinate the response to child labour and address its myriad causes. As we heard yesterday, the most effective responses to child labour involve a coordinated response from the state, employers, families, and civil society.

These measures, together with the assistance of employers, workers and civil society, will help prevent and eliminate child labour.

Thank you.

## Endnotes

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- <sup>i</sup> International Labour Organization, “The End of Child Labour: Within Reach” (2006), online: ILO <<http://www.ilo.org/ipeinfo/product/viewProduct.do?productId=2419>>.
- <sup>ii</sup> International Labour Organization “Eliminating Child Labour” (2007), online: ILO <[http://www.ilo.org/jakarta/whatwedo/publications/WCMS\\_151355/lang--en/index.htm](http://www.ilo.org/jakarta/whatwedo/publications/WCMS_151355/lang--en/index.htm)> at pp. 5 and 15.
- <sup>iii</sup> International Labour Organization “Eliminating Child Labour” (2007), online: ILO <[http://www.ilo.org/jakarta/whatwedo/publications/WCMS\\_151355/lang--en/index.htm](http://www.ilo.org/jakarta/whatwedo/publications/WCMS_151355/lang--en/index.htm)> at pp. 5 and 15.
- <sup>iv</sup> Chiquita Brands International, “Code of Conduct” (2008), online: <<http://www.chiquita.com/Code-of-Conduct-PDF/ChiquitaCode-FINAL-EN.aspx>> at p. 6.
- <sup>v</sup> General Motors, “Sustainability Report” (2011), online: <[http://www.gmsustainability.com/2010/\\_reportBuilderImages/GeneralMotorsSustainabilityReportPDF.pdf](http://www.gmsustainability.com/2010/_reportBuilderImages/GeneralMotorsSustainabilityReportPDF.pdf)> at p. 51.
- <sup>vi</sup> *Ibid.*
- <sup>vii</sup> *Ibid.*
- <sup>viii</sup> Apple, “Supplier Responsibility”, online: <<http://www.apple.com/supplierresponsibility/labor-and-human-rights.html>> at p. 17.
- <sup>ix</sup> *Ibid.*
- <sup>x</sup> H&M, “Clear Stand against Child Labour”, online: <<http://about.hm.com/content/hm/AboutSection/en/About/Sustainability/Commitments/Responsible-Partners/Code-of-Conduct/Stand-Against-Child-Labour.html>>.
- <sup>xi</sup> *Ibid.*
- <sup>xii</sup> *Ibid.*
- <sup>xiii</sup> Lindt & Sprüngli, “Lindts’ Sustainable Cocoa Supply Chain” (2012), online: <<http://www.lindt.com/swf/eng/company/social-responsibility/lindts-sustainable-cocoa-supply-chain/>>.
- <sup>xiv</sup> The Hershey Company, News Release, “Hershey to Source 100% Certified Cocoa by 2020” (3 October 2012), online: <<http://www.thehersheycompany.com/newsroom/news-release.aspx?id=1741328>>; Mars, Incorporated, News Release, “Dove Brand Chocolate is First Mainstream U.S. Chocolate Brand to Bear Rainforest Alliance Certified Seal-Exemplifies Commitment by Mars, Incorporated to use 100% Certified Sustainable Cocoa Worldwide by 2020” (August 2011), online: Mars <<http://www.mars.com/global/press-center/press-list/news-releases.aspx?SiteId=94&Id=3087>>.
- <sup>xv</sup> Apple, “Apple Supplier Code of Conduct” (2012), online: <[http://images.apple.com/ca/supplierresponsibility/pdf/Apple\\_Supplier\\_Code\\_of\\_Conduct.pdf](http://images.apple.com/ca/supplierresponsibility/pdf/Apple_Supplier_Code_of_Conduct.pdf)>.
- <sup>xvi</sup> General Mills, “Supplier Code of Conduct”, online: <[http://content.generalmills.com/~media/Files/Responsibility/intl\\_code\\_conducts/English.ashx](http://content.generalmills.com/~media/Files/Responsibility/intl_code_conducts/English.ashx)> at p. 1; HBC and Lord and Taylor, “Supplier Code of Conduct” (2012), online: <<http://www2.hbc.com/hbc/vendorrelations/vendorsguide/pdfs/2012HBCandLTCCodeofConductEN.pdf>>; Reitmans (Canada) Limited, “Code of Conduct for Suppliers”, online: <[http://content.reitmans.ca/ethical/code\\_of\\_conduct.pdf](http://content.reitmans.ca/ethical/code_of_conduct.pdf)> at p. 1.
- <sup>xvii</sup> Apple, “Supplier Responsibility”, online: <<http://www.apple.com/ca/supplierresponsibility/labor-and-human-rights.html>>.
- <sup>xviii</sup> *Ibid.*
- <sup>xix</sup> Apple, “Supplier Responsibility”, online: <<http://www.apple.com/ca/supplierresponsibility/accountability.html>>.
- <sup>xx</sup> Rainforest Alliance, News Release, “The Rainforest Alliance and Mars Team Up to Make Sustainable Chocolate” (9 April 2009), online: <<http://www.rainforest-alliance.org/newsroom/news/mars-partnership>>. To achieve Rainforest Alliance certification, farms must meet standards set by the Sustainable Agriculture Network (SAN). SAN prescribes standards for, among other things, the fair treatment and working conditions of workers, including a prohibition on the use of child labour, and guaranteed access to quality housing, medical services, and education for children: Sustainable Agriculture Network, “Sustainable Agriculture Standard” (July 2012), online: <<http://sanstandards.org/userfiles/SAN-S-1-1%20SAN%20Sustainable%20Agriculture%20Standard%20July%202010%20v2.pdf>> at pp. 24 – 30.

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<sup>xxi</sup> Phillip Morris International, “Colotabaco”, online:  
<[http://www.pmi.com/marketpages/pages/market\\_en\\_co.aspx](http://www.pmi.com/marketpages/pages/market_en_co.aspx)>.

<sup>xxii</sup> *Ibid.*

<sup>xxiii</sup> International Labour Organization, “Eliminating child labour, guides for employers: the role of employers' organizations in combating child labour” (1 January 2007), online: <  
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